

# CONTENTS

<b>Preamble</b>	<b>4</b>
<b>General Definitions</b>	<b>5</b>
<b>Insuring Clause 1 – Public/ Products Liability</b>	<b>8</b>
Limit and Excess	8
Addenda applicable to Insuring Clause 1	8
Definitions applicable to Insuring Clause 1	9
Exclusions applicable to Insuring Clause 1	10
<b>Insuring Clause 2 – Professional Liability and Products Liability (Financial Loss)</b>	<b>13</b>
Limit and Excess	13
Addenda applicable to Insuring Clause 2	13
Definitions applicable to Insuring Clause 2	13
Exclusions applicable to Insuring Clause 2	14
<b>Insuring Clause 3 – Employers Liability</b>	<b>17</b>
Limit	17
Addenda applicable to Insuring Clause 3	17
Definitions applicable to Insuring Clause 3	17
Exclusions applicable to Insuring Clause 3	18
Conditions applicable to Insuring Clause 3	18
<b>Insuring Clause 4– Directors and Officers</b>	<b>19</b>
Limit and Excess	19
Addenda applicable to Insuring Clause 4	19
Definitions applicable to Insuring Clause 4	20
Exclusions applicable to Insuring Clause 4	21
Conditions applicable to Insuring Clause 4	23
<b>Insuring Clause 5 – Property Damage</b>	<b>24</b>
Limit and Excess	24
Addenda applicable to Insuring Clause 5	24
Definitions applicable to Insuring Clause 5	29
Exclusions applicable to Insuring Clause 5	30
Conditions applicable to Insuring Clause 5	33
<b>Insuring Clause 6 – Business Interruption</b>	<b>35</b>
Limit	35
Addenda applicable to Insuring Clause 6	36
Definitions applicable to Insuring Clause 6	36
Exclusions applicable to Insuring Clause 6	37
Conditions applicable to Insuring Clause 6	38
<b>Insuring Clause 7 – Cyber Risks</b>	<b>39</b>
Limit and Excess	39
Definitions applicable to Insuring Clause 7	39

Exclusions applicable to Insuring Clause 7	41
<b>General Exclusions</b>	<b>43</b>
<b>Claims Conditions</b>	<b>45</b>
<b>General Conditions</b>	<b>47</b>
<b>Notice</b>	<b>50</b>

Specimen

## **PREAMBLE**

In consideration of the Premium having been paid to Underwriters, We agree to pay or indemnify to the extent and in the manner herein provided subject to the terms, limitations, exclusions and conditions of this Certificate.

An Insuring Clause is only operative if stated as such in the Schedule.

The headings of each Insuring Clause, Addendum, Exclusion or Condition are for ease of identification only.

The General Definitions, General Exclusions, Claims Conditions and General Conditions of the Certificate apply to all Insuring Clauses in addition to the Definitions, Exclusions and Conditions applicable under each individual Insuring Clause, unless endorsed hereon to the contrary.

Specimen

# GENERAL DEFINITIONS applicable to the Certificate as a whole (see also the definitions applicable to each Insuring Clause)

'Assured/You/Your/Yours' shall (for the purpose of the General Exclusions, Claims Conditions, General Conditions and all other General Definitions) have the same meaning as that given in the applicable Insuring Clause under which payment or indemnity is being sought.

'Business' shall mean the activities, profession or occupation declared to and accepted by Us.

'Claim' shall mean

- (a) any claim form, writ or summons or other application of any description whatsoever or counter claim issued against or served upon You, or
- (b) any communication or allegation communicated to You

which might result in a Loss.

'Clinical Trials' shall mean the testing of a Life Science Product on a Research Subject to determine the safety or effectiveness of such Life Science Product or to provide clinical data.

Provided always that authority to perform such trial has been granted by the relevant regulatory body.

'Computer Virus' shall mean a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programatic or otherwise, that propagates themselves through a computer system or network of whatsoever nature including (but not limited to) 'Trojan Horses', 'worms' and 'time or logic bombs'.

'Costs and Expenses' shall mean all legal costs and expenses reasonably incurred by Us or by You with Our written consent (such consent not to be unreasonably withheld) other than

- (a) damages and costs awarded against You
- (b) remuneration of whatsoever nature due to You.

'Electronic Data' shall mean facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programs, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

'Healthcare Service' shall mean

- (a) diagnosis
- (b) preventative, curative or rehabilitation treatment or advice or instruction relating thereto
- (c) counselling
- (d) testing for, detoxifying, mitigating, monitoring, neutralising, responding to or assessment of a disease, illness or condition upon, to or for a patient, other than cardiopulmonary resuscitation or other first aid.

'Injury' shall mean, other than in respect of Addendum 18 (Personal Assault) of Insuring Clause 5 (Property Damage), bodily injury, mental injury, emotional distress, shock, sickness, disease or death.

'Jurisdiction' shall mean

- (a)
  - (i) in respect of any Claim under Insuring Clause 2 (Professional Liability and Products Liability (Financial Loss)) for unintentional breach of copyright, trademark or registered design, the United Kingdom
  - (ii) in respect of all other Claims under Insuring Clause 2 (Professional Liability and Products Liability (Financial Loss)), those territories stated in the Schedule in respect of the Insuring Clause
- (b) in respect of Insuring Clause 7 (Cyber Risks), the United Kingdom
- (b) in respect of all other Insuring Clauses, those territories stated in the Schedule in respect of the Insuring Clause (other than Insuring Clause 3 (Employers Liability) under which payment or indemnity is being sought).

'Life Science Product' shall mean

- (a) any substance or combination of substances
  - (i) presented as having properties for treating or preventing disease in human beings or animals, or
  - (ii) which may be used in or administered to human beings or animals either with a view to restoring, correcting or modifying physiological functions by exerting a pharmacological, immunological or metabolic action, or to making a medical diagnosis, or
- (b) food which is formulated to be consumed or administered entirely under the supervision of a medical doctor or veterinarian and which is intended for the specific dietary management of a disease or condition for which distinctive nutritional requirements, based on recognised scientific principles, are established by medical evaluation, or
- (c) any instrument, apparatus, appliance, material or other article, whether used alone or in combination (including the software necessary for its proper application) intended by the manufacturer to be used for human beings or animals for the purpose of
  - (i) diagnosis, prevention, monitoring, treatment or alleviation of disease
  - (ii) diagnosis, monitoring, treatment, alleviation of or compensation for an injury or handicap
  - (iii) investigation, replacement or modification of the anatomy or of a physiological process, or
- (d) analytical or scientific equipment and instruments intended by the manufacturer for use in a laboratory to perform biomedical research, experiments or measurements
- (e) a preparation intended to supplement the diet and provide nutrients that may be missing or may not be consumed in sufficient

quantities in the diet of humans or animals.

**'Loss'** shall mean, other than in respect of Insuring Clause 4 (Directors and Officers Liability),

- (a) Your legal liability for damages and costs awarded against You
- (b) Costs and Expenses
- (c) costs of legal representation at
  - (i) any coroner's inquest or fatal injury inquiry
  - (ii) proceedings in any court of summary jurisdiction arising out of any alleged breach of statutory duty reasonably incurred with Our written consent in connection with any matter which may be the subject of indemnity under this Insuring Clause

resulting from or attributable to the same originating cause.

**'Mould'** shall mean any permanent or transient fungus (not being 'dry rot'), mould, mildew or mycotoxin, or any of the spores, scents or by-products resulting therefrom that exist, emanate from or move anywhere indoors or outdoors, regardless of whether they are proved to cause disease, injury or damage.

**'Mould Event'** shall mean any actual, alleged or threat of contact with, exposure to, or inhalation, ingestion, absorption, discharge, dispersal, seepage, migration, release, escape, presence, growth or reproduction of Mould.

**'Our / Us / We'** shall mean the Underwriters.

**'Policyholder'** shall mean the person named in the Schedule.

**'Pollution'** shall mean the discharge, dispersal, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant including (but not limited to) smoke, vapours, soot, fumes, acids, alkalis, chemicals and waste (including, but not limited to, material to be recycled, reconditioned or reclaimed).

**'Premium'** shall mean the amount stated in the Schedule.

**'Product'** shall mean any goods, products or Prototypes (including Life Science Products), their containers, labelling and instructions provided in connection therewith, sold, supplied, processed, installed, serviced, repaired, altered, treated or renovated by You or any person, firm, limited liability partnership or company acting on Your behalf.

**'Proposal'** shall mean all information supplied to Us (whether by written, electronic or any other means) for the purpose of effecting this contract of insurance.

**'Prototype'** shall mean the first or original type or model from which anything is copied.

**'Research Subject'** shall mean

- (a) any person, or
- (b) unborn child *in-utero* of a mother who is participating in a Clinical Trial or the pre-trial assessment, their estate or heirs.

**'Service'** shall mean those services performed by You or on Your behalf in connection with Your Business and which have been declared to and accepted by Underwriters.

**'Specified Disease'** shall mean

- (a) Human Immunodeficiency Virus (HIV)
- (b) Acquired Immunodeficiency Syndrome (AIDS)
- (c) Transmissible Spongiform Encephalopathies (TSEs)
- (d) Viral Hepatitis.

**'Specified Product'** shall mean alosetron, amenorone forte, aprotinin, botulinum toxin, bupropion, cisapride, clopidogrel, cox-2-inhibitor products, dabigatran, dextropropoxyphene and/or propoxyphene, Di-(2-ethylhexyl)phtalate (DEHP), diethylstilbestrol (DES) or stilbestrol, 1,3-dimethylamylamine (DMAA), ephedra or ephedrine or ephedrine derivatives, fenfluramine or dexfenfluramine, finasteride, flupirtine, gadolinium-containing contrast agents, germander, germanium, glyburide, hydroquinone, hydroxyethyl starch (HES) solutions for infusion, Infusion systems and pumps, latex gloves, isotretinoin, kava-kava, L-tryptophan (only when used for or as part of a physically ingestible product), meprobamate, mercury, metoclopramide, metal-on-metal implants, mibefradil, methylphenidate, olmesartan, orlistat, phentermine, phenylpropanolamine, primodos, silicone (only when used as part of an implantable medical device), tetrazepam, thalidomide, thiazolidindiones, thimerosal, trovafloxacin, valproic acid or sodium valproate, varenicline.

**'Specified Product Category'** shall mean anticonvulsants, antiepileptics, antidepressants, Attention Deficit Hyperactivity Disorder (ADHD) drugs (including but not limited to methylphenidate, amphetamine), atypical antipsychotics (including but not limited to clozapine, olanzapine, risperidone, quetiapine), birth control or fertility products, bisphosphonates (including but not limited to alendronate, risedronate), bodybuilding supplements, blood products, controlled drugs (as defined by the UK Misuse of Drugs Act 1971 or any amendment or re-enactment thereof), diazepines, oxazepines or thiazepines, dopamine agonists (including but not limited to apomorphine, pramipexole, ropinirole, rotigotine, pergolide), fibrate products, gliptins (including but not limited to sitagliptin, vildagliptin, alogliptin), HIV/AIDS, TSE or Viral Hepatitis, HMG CoA reductase inhibitor products, hormone replacement therapy products (HRT), hydroxyquinoline derivative products, hormone replacement products, hydroxyquinoline derivative products, impotence products (including but not limited to sildenafil, vardenafil), incretin mimetics (including but not limited to exenatide, liraglutide), 'lifestyle' drugs (i.e. non life threatening/non painful conditions including but not limited to baldness, wrinkles, sexual performance), nanotechnology, non therapeutic cosmetics, products derived from human blood, products specifically designed for pregnant women, products used for weight management (including but not limited to orlistat, sibutramine, rimonabant), prohibited or restricted herbal ingredient (as defined by MHRA or local equivalent) retinoids including but not limited to isotretinoin, tretinoin), selective serotonin reuptake inhibitor (SSRI), serotonin and norepinephrine reuptake inhibitor (SNRI) products, sports supplements (performance enhancement), stem cells (Embryonic), surgical mesh used in urogynecology, unapproved goods or products, vaccines.

**'Sponsor/Sponsored'** shall, for the purpose of this Certificate, have the same meaning as provided by the Medicines for Human Use (Clinical Trials) Regulations 2004.

**'Terrorism'** shall mean any act of terrorism, including but not limited to the use or threat of force or violence, of any person or group of persons whether acting alone or on behalf of or in connection with any organisation or government committed for political, religious, ideological or similar purposes including the intention to influence or overthrow any government de jure or de facto and/or put the public or any section of the public in fear.

**'United Kingdom'** shall mean England, Scotland, Wales, Northern Ireland, the Isle of Man and the Channel Islands.

**'Unlawful Association'** shall mean any organisation which is engaged in Terrorism and includes any organisation which at any relevant time is a proscribed organisation within the meaning of The Terrorism Act 2000 or any amendment or re-enactment thereof.

**'Unoccupied'** shall mean untenanted, empty or not in use.

**'War'** shall mean war, invasion, act of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, mutiny or usurped power.

Specimen

# INSURING CLAUSE 1 – PUBLIC / PRODUCTS LIABILITY

*N.B. Insuring Clause 1(b) (Products Liability) is on a 'claims made' basis which provides cover for claims which are **made and notified to Us during the Period of Insurance.***

## (a) PUBLIC LIABILITY

We agree to indemnify You against Loss arising from any Claim in respect of a Wrongful Act happening in connection with Your Business and occurring during the Period of Insurance other than any Loss caused by or through or in connection with any Product.

## (b) PRODUCTS LIABILITY

We agree to indemnify You against Loss arising from any Claim made against You during the Period of Insurance in respect of a Wrongful Act happening in connection with Your Business caused by or through or in connection with any Product sold or supplied by You.

## LIMIT AND EXCESS

Our liability under Insuring Clause 1(a) (Public Liability) for Loss shall not exceed the Limit of Indemnity.

Our total aggregate liability under Insuring Clause 1(b) (Products Liability) in the Period of Insurance in respect of all Loss shall not exceed the Limit of Indemnity.

Under Insuring Clause 1(a) (Public Liability) We shall only be liable for that part of each and every Loss resulting from loss of or damage to Property which exceeds the Excess.

## ADDENDA APPLICABLE TO INSURING CLAUSE 1

### 1 CROSS LIABILITIES

If the Assured comprises more than one party, Insuring Clause 1(a)(Public Liability) shall be construed as though separate Certificates had been issued to each.

Provided always that nothing in this Addendum will operate to increase Our liability beyond the amount for which We would have been liable had this Addendum not applied.

### 2 DATA PROTECTION ACT

The indemnity provided by Insuring Clause 1(a) (Public Liability) is extended to include Loss arising from any Claim made against You by reason of breach of Section 13 of the Data Protection Act 1998 or any amendment or re-enactment thereof arising in connection with Your Business during the Period of Insurance.

Provided always that

- (a) You have been accepted and remain registered by the Data Protection Registrar
- (b) Our total aggregate liability under this Addendum in respect of all Loss shall not exceed £250,000

We shall not be liable to pay or indemnify You against Loss

- (c) which results from any deliberate act or omission by You the result of which could reasonably have been anticipated having regard to the nature and circumstances of such act or omission
- (d) which results from any act of fraud or dishonesty
- (e) to the extent of any costs and expenses of rectifying, reinstating, rewriting, erasing, blocking or destroying data
- (f) arising from the recording, processing or provision of data for reward or to determine the financial status of any person.

### 3 MEMBER TO MEMBER LIABILITY

In respect of members of Your canteen, social, sports welfare, first aid, fire, medical and security activities, if any action for damages is brought against any such member by any other member and the action is such that if it were brought against You, You would be entitled to indemnity under Insuring Clause 1(a) (Public Liability) We will indemnify such member in like manner to You.

Provided always that

- (a) We shall not be liable to pay or indemnify such member against Loss in respect of which such member is entitled to indemnity under any other insurance
- (b) such member shall, as though he were the Assured, observe, fulfil and be subject to the terms, conditions, limitations and exclusions of this Certificate in so far as they can apply
- (c) for the purpose of this Addendum, guests and voluntary helpers shall be deemed to be members.

#### 4 OVERSEAS PERSONAL LIABILITY

The indemnity provided by Insuring Clause 1(a) (Public Liability) is extended to include Loss incurred by You in a personal capacity whilst temporarily outside the United Kingdom in connection with Your Business by reason of accidental Injury to any person and/or accidental Loss of or accidental damage to Property.

Provided always that We shall not be liable to pay or indemnify You against Loss arising out of the ownership of any land or building(s).

#### 5 VENDORS EXTENSION

At Your request the indemnity provided by Insuring Clause 1(b) (Products Liability) is extended to indemnify, as though they were the Assured, any vendor of Your Product in respect of their legal liability arising out of the distribution or sale of Your Product in the course of their business.

Provided always that

- (a) We shall not be liable to pay or indemnify the vendor in respect of their liability arising out of any act or omission of theirs which changes or permits changes in Your Product or the condition of the Product or instructions or warnings accompanying the Product
- (b) such indemnity shall only be provided to the extent of any written contractual obligation You have to such vendor to indemnify them
- (c) such vendor
  - (i) has not caused or contributed to the Claim
  - (ii) shall, as though they were the Assured, observe, fulfil and be subject to the terms, limitations, exclusions and conditions of this Certificate in so far as they can apply
  - (iii) notifies You of any circumstances which might result in a Loss or payment or indemnity under this Addendum immediately upon the same arising.

### DEFINITIONS APPLICABLE TO INSURING CLAUSE 1 (see also the General Definitions)

**'Assured/You/Your/Yours'** shall mean

- (a) the person, persons, firm and all partners and former partners (or in the event of the death, incompetency, incapacity, bankruptcy or insolvency of any of the foregoing, their estate, heirs, legal representatives or assigns), limited liability partnership, trust or company named as the Policyholder in the Schedule
- (b) and, at Your request, any principal to whom an indemnity is required to be provided under a contract for the performance of work by You in connection with Your Business but only to the extent required by such contract

In addition, if You so require, We will indemnify

- (c) any director or officer of Yours or any Employee in like manner to You
- (d) in respect of Insuring Clause 1(a) (Public Liability), any officer or member of Your canteen, social, sports or welfare and other facilities and organisations or ambulance, first aid, fire, medical or security services in their respective capacity as such.

Provided always that such persons shall, as though they were the Assured, observe, fulfill and be subject to the terms, conditions and exclusions of this Certificate in so far as they can apply.

**'Business'** shall, in addition to the meaning given in General Definitions, include the following

- (a) Your ownership, occupation and maintenance of land or buildings
- (b) the provision and management of canteen, social, sports, welfare and other facilities and organisations, including (but not limited to) first aid and medical services for the benefit of Employees
- (c) the provision and operation of fire and security services for the protection of premises owned or occupied by You
- (d) private duties undertaken by an Employee for You or, with Your consent, for any director or partner of Yours or any Employee.

**'Employee'** shall mean any person, other than a director of Yours, who was or is or may hereafter be

- (a) under a contract of service or apprenticeship with You, or
- (b) under a work experience or similar scheme, or
- (c) supplied to or hired in or borrowed by You, or
- (d) volunteers, or
- (e) self-employed persons

working for You and under Your direct control in connection with Your Business.

**'Excess'** shall mean

- (a) in respect of Insuring Clause 1(a) (Public Liability), £250
- (b) in respect of Insuring Clause 1(b) (Product Liability), the amount stated in the Schedule for this Insuring Clause.

**'Limit of Indemnity'** shall mean the amount stated in the Schedule in respect of this Insuring Clause.

**'Period of Insurance'** shall mean

- (a) in respect of Insuring Clause 1(a) (Public Liability), the period stated in the Schedule

- (b) in respect of Insuring Clause 1(b) (Products Liability), the period stated in the Schedule and in the event that
- (i) We refuse to renew the cover afforded by Insuring Clause 1(b) (Products Liability) for reasons other than non-payment of premium to Us or the failure by You to comply with or observe the terms, provisions and Conditions of this Certificate, or
  - (ii) You decline to accept the renewal terms offered by Us in so far as they relate to this insuring clause
- You shall have the right to a further single period of either
- (iii) 30 days from the expiry date of the period stated in the Schedule, or
  - (iv) up to 12 calendar months from the expiry date of the Period of Insurance stated in the Schedule subject to an immediate payment of 100% of the Premium applicable to this Insuring Clause, or
- but only in respect of Loss arising from a Wrongful Act committed or allegedly committed prior to the expiry of the Period of Insurance stated in the Schedule.
- Provided always that
- (v) the right provided by (iv)
    - (1) is exercised within 30 days of the expiry of the Period of Insurance stated in the Schedule, and
    - (2) can only be exercised once
  - (vi) the further periods referred to in this Definition are not applicable to the extent that other insurance policies have been purchased with the intention of providing equivalent cover for any part of such period.

**'Property'** shall mean material and tangible property.

**'Retroactive Date'** shall mean the date which this Insuring Clause was first inceptioned, or where equivalent cover to that provided under this Insuring Clause has continuously been maintained in full force and effect immediately prior to the inception of this Insuring Clause, the date which applied to such equivalent cover.

**'Vessel or Craft'** shall mean any vessel or craft or object made or intended to float on or in or travel on or through water or air.

**'Wrongful Act'** shall mean any actual or alleged wrongful act or omission resulting in

- (a) Injury to any natural person
  - (b) loss of or damage to Property
- and, in respect of Insuring Clause 1(a) (Public Liability)
- (c) libel, slander or defamation
  - (d) wrongful arrest, imprisonment or eviction of any person or wrongful accusation of shoplifting
  - (e) trespass, nuisance or any interference with right of way, by foot, air or water.

## **EXCLUSIONS APPLICABLE TO INSURING CLAUSE 1 (see also the General Exclusions)**

We shall not be liable to pay or indemnify You against Loss

- (1) HEALTHCARE SERVICE**  
arising from the rendering or failure to render Healthcare Services.
- (2) SPECIFIED DISEASE**  
resulting directly or indirectly from or relating to any Specified Disease or related disease, illness, injury or condition including the provision of Healthcare Services in relation to the Specified Disease.
- (3) TAKEOVER AND MERGERS**  
resulting from any Wrongful Act of Yours occurring subsequent to the effective date of Your takeover or merger by or with any other person.
- (4) EMPLOYERS LIABILITY**  
which results
  - (a) directly or indirectly from Injury sustained by any Employee arising out of and in the course of their employment by You
  - (b) from any breach of any obligation owed by You as an employer to any Employee or prospective Employee.
- (5) RETROACTIVE DATE**  
arising from the carrying out of Your Business prior to the Retroactive Date.
- (6) OTHER INSURANCE**  
in respect of which You are entitled to payment or indemnity under any other insurance.  
Notwithstanding the above, these Insuring Clauses shall contribute in excess of such other insurance, provided always that if such other insurance is also provided by Us the Limit of Indemnity under such Insuring Clause shall be deemed reduced by any amount payable under such other insurance.
- (7) EXCLUDED PRODUCTS**  
arising out of or resulting directly or indirectly from, in consequence of or in any way involving
  - (a) a Specified Product

- (b) a derivative, extract, adulated botanical or botanical derivative of a Specified Product
- (c) anything that contains or has the same or a similar chemical formula, structure or function to any Specified Product
- (d) a Specified Product Category
- (e) supplements used in body building, sport or husbandry to replace meals, enhance weight gain, promote weight loss, increase yield or improve performance.

**(8) UNAPPROVED PRODUCTS**

arising out of or resulting directly or indirectly from, in consequence of or in any way involving Products

- (a) that do not have approval from the applicable government or regulatory authority
- (b) being used in a way or for purposes that have not been approved by the applicable government or regulatory authority
- (c) that have been declared unsafe by any government or regulatory authority.

Provided always that this exclusion shall not apply

- (d) where such Product was sold, supplied, processed, installed, serviced, repaired, altered, treated or renovated-prior to such declaration  
and
- (e) You have undertaken all reasonable actions to notify all appropriate persons of such declaration.

**(9) PRODUCTS**

- (a) arising from any Claim for the cost of defective workmanship, repair, inspection, alteration, removal, recall, withdrawal or replacement of any Product or for the cost of or reduction in the contract value of any Product
- (b) arising out of any Product which with Your knowledge is used in the petrochemical industry in direct connection with manufacture, processing or storage.

**(10) CHAT ROOM, BULLETIN BOARDS, USER NETS AND ELECTRONIC OPEN FORUM DEBATES**

based upon, arising out of or relating directly or indirectly from, in consequence of or in any way involving any chat rooms, electronic bulletin boards, user nets or electronic open forum debates hosted, sponsored or operated by You.

Provided always that this Exclusion shall not apply if You can demonstrate to Our reasonable satisfaction that You monitor such chat rooms, electronic bulletin boards, user nets or electronic open forum debates on a daily basis and have in place sufficient and proper procedures and protocols to

- (a)
  - (i) prevent
  - (ii) respond to and investigate complaints relating to their improper use or the posting of illegal, abusive or offensive content or statements and to immediately remove such content or statements
- (b) exclude any person from further participation in such chat rooms, electronic bulletin boards, user nets or electronic open forum debates following their improper use or the posting of illegal, abusive or offensive content or statements.

**(11) EMAIL AND SOCIAL MEDIA**

based upon, arising out of or relating directly or indirectly from, in consequence of or in any way involving electronic mail and/or the use of any form of social media other than where sent or used in the course of and in connection with Your Business.

**(12) ASBESTOS**

resulting directly from, in consequence of or in any way involving the manufacture, mining, processing, distribution, testing, remediation, removal, storage, disposal, sale, use of or exposure to asbestos or materials or products containing asbestos.

**(13) CONSORTIA AND JOINT VENTURES**

resulting from Your association with others whilst acting in consortia or joint ventures, other than in respect of Loss arising from Your own acts or omissions.

**(14) CLINICAL TRIALS**

against Loss arising directly or indirectly from a Research Subject's participation in a Clinical Trial Sponsored by You provided always that this exclusion shall not apply unless the Wrongful Act and/or Injury to a Research Subject is the direct consequence of the Clinical Trial itself.

**(15) PROPERTY DAMAGE**

which results directly or indirectly from loss of or damage to

- (a) Property
  - (i) belonging to You, or
  - (ii) in Your charge, custody or control or in the charge, custody or control of any Employee, other than
    - (1) personal property (including motor vehicles) of Your directors, partners, visitors or Employees
    - (2) premises (including fixtures, fittings and contents) not owned, hired or rented by You but temporarily occupied by You for the purpose of Your Business
- (b) that part of any Property on which You or Your agent are or have been working where the loss or damage occurs as a direct result of such work.

**(16) MOTOR VEHICLES OR VESSELS**

which results directly or indirectly from the ownership, possession or use by You or on Your behalf of

- (a) any mechanically propelled vehicle for which insurance or security is required under road traffic legislation but this exclusion shall not apply
  - (i) while such vehicle is being used as a tool of trade (other than in respect of liability which is compulsorily insurable under road traffic legislation)
  - (ii) in respect of the loading or unloading of such vehicle or the delivery or collection of goods to or from such vehicle
  - (iii) in respect of the movement of any such vehicle not belonging to You which is interfering with the performance of Your Business except where more specifically insured in whole or in part by any other insurance policy or certificate
- (b) any Vessel or Craft, other than hand propelled watercraft not exceeding 8 metres in length and in use on inland waters.

**(17) POLLUTION**

based upon, arising out of or relating directly or indirectly from, in consequence of or in any way involving Pollution including the cost of removing or nullifying or cleaning up the Pollution

- (a) occurring in Canada and/or the United States of America or any dependency or trust territory
- (b) occurring elsewhere in the world unless caused by a sudden identifiable unintended and unexpected incident which takes place in its entirety at a specific time and place during the Period of Insurance provided always that
  - (i) all Pollution which arises out of such incident shall be deemed to have occurred at the time such incident takes place and shall be deemed to be one incident irrespective of the number of Periods of Insurance over which such Pollution occurs
  - (ii) Our liability for all damages payable arising out of all Pollution which is deemed to have occurred during any one Period of Insurance shall not exceed in the aggregate the Limit of Indemnity.

**(18) CONTRACTUAL LIABILITY**

resulting from any agreement entered into by You in so far as liability under such agreement exceeds that which would be implied by statute or common law.

**(19) PROFESSIONAL SERVICES**

resulting directly or indirectly

- (a) from remedial or professional or other treatment given, administered or omitted by You or on Your behalf for which a fee is or would normally be charged
- (b) from any Service.

# INSURING CLAUSE 2 – PROFESSIONAL LIABILITY AND PRODUCTS LIABILITY (FINANCIAL LOSS)

*N.B. This Insuring Clause is on a 'claims made' basis which provides cover for claims which are made and notified to Us during the Period of Insurance.*

## (a) PROFESSIONAL LIABILITY

We agree to indemnify You against Loss arising from any Claim made against You during the Period of Insurance in respect of a Wrongful Act in or about the conduct of any Service

## (b) PRODUCTS LIABILITY (FINANCIAL LOSS)

We agree to indemnify You against Loss arising from any Claim made against You during the Period of Insurance in respect of a Wrongful Act happening in connection with Your Business caused by or through or in connection with any Product sold or supplied by You.

## LIMIT AND EXCESS

Our total aggregate liability under this Insuring Clause in the Period of Insurance in respect of all Loss shall not exceed the Limit of Indemnity.

We shall only be liable for that part of each Loss which exceeds the Excess.

## ADDENDA APPLICABLE TO INSURING CLAUSE 2

### 1 VENDORS EXTENSION

At Your request the indemnity provided by Insuring Clause 2(b) (Products Liability (Financial Loss)) is extended to indemnify, as though they were the Assured, any vendor of Your Product in respect of their legal liability arising out of the distribution or sale of Your Product in the course of their business.

Provided always that

- (a) We shall not be liable to pay or indemnify the vendor in respect of their liability arising out of any act or omission of theirs which changes or permits changes in Your Product or the condition of the Product or instructions or warnings accompanying the Product
- (b) such indemnity shall only be provided to the extent of any written contractual obligation You have to such vendor to indemnify them
- (c) such vendor
  - (i) has not caused or contributed to the Claim
  - (ii) shall, as though they were the Assured, observe, fulfil and be subject to the terms, limitations, exclusions and conditions of this Certificate in so far as they can apply
  - (iii) notifies You of any circumstances which might result in a Loss or payment or indemnity under this Addendum immediately upon the same arising.

### 2 INTELLECTUAL PROPERTY DEFENCE COSTS

Notwithstanding Exclusion 15 (Intellectual Property), the indemnity provided by this Insuring Clause is extended to include Costs and Expenses incurred in defending a Claim alleging infringement and/or breach of intellectual property rights.

Provided always that Our total aggregate liability under this Addendum shall not exceed £2,500 in any one Period of Insurance.

## DEFINITIONS APPLICABLE TO INSURING CLAUSE 2 (see also the General Definitions)

'Assured/You/Your/Yours' shall mean the person, persons, firm and all partners and former partners (or in the event of the death, incompetency, incapacity, bankruptcy or insolvency of any of the foregoing, their estate, heirs, legal representatives or assigns), limited liability partnership, trust or company named as the Policyholder in the Schedule.

In addition, if You so require, We will indemnify any director or officer of Yours or any Employee in like manner to You.

'Excess' shall mean the amount stated in the Schedule in respect of this Insuring Clause.

'Employee' shall mean any person, other than a director of Yours, who was or is or may hereafter be

- (a) under a contract of service or apprenticeship with You, or
- (b) under a work experience or similar scheme, or

- (c) supplied to or hired in or borrowed by You, or
- (d) volunteers, or
- (e) self-employed persons

working for You and under Your direct control in connection with Your Business.

**'Limit of Indemnity'** shall mean the amount stated in the Schedule in respect of this Insuring Clause which amount is inclusive of all Loss in respect of unintentional breach of copyright, trademark or registered design for which Our total aggregate liability in the Period of Insurance shall not exceed £1,000,000 or the amount stated in the Schedule whichever is the least.

**'Period of Insurance'** shall mean the period stated in the Schedule and in the event that

- (a) We refuse to renew this Insuring Clause for reasons other than non-payment of premium to Us or the failure by You to comply with or observe the terms, provisions and Conditions of this Certificate, or
- (b) You decline to accept the renewal terms offered by Us in so far as they relate to this Insuring Clause

You shall, other than in respect of Loss arising directly or indirectly from unintentional breach of copyright, trademark or registered design, have the right to a further single period of either

- (c) 30 days from the expiry date of the period stated in the Schedule, or
- (d) up to 12 calendar months from the expiry date of the Period of Insurance stated in the Schedule subject to an immediate payment of 100% of the Premium applicable to this Insuring Clause, or

but only in respect of Loss arising from a Wrongful Act committed or allegedly committed prior to the expiry of the Period of Insurance stated in the Schedule.

Provided always that

- (e) the right provided by (d) above
  - (i) is exercised within 30 days of the expiry of the Period of Insurance stated in the Schedule, and
  - (ii) can only be exercised once
- (f) the further periods referred to in this Definition are not applicable to the extent that other insurance policies have been purchased with the intention of providing equivalent cover for any part of such period.

**'Property'** shall mean material and tangible property.

**'Retroactive Date'** shall mean the date which this Insuring Clause was first incepted, or where equivalent cover to that provided under this Insuring Clause has continuously been maintained in full force and effect immediately prior to the inception of this Insuring Clause, the date which applied to such equivalent cover.

**'Wrongful Act'** shall mean any actual or alleged wrongful act or omission resulting in a civil liability.

## **EXCLUSIONS APPLICABLE TO INSURING CLAUSE 2 (see also the General Exclusions)**

We shall not be liable to pay or indemnify You against Loss

- (1) **HEALTHCARE SERVICE**  
arising from the rendering or failure to render Healthcare Services.
- (2) **SPECIFIED DISEASE**  
resulting directly or indirectly from or relating to any Specified Disease or related disease, illness, injury or condition including the provision of Healthcare Services in relation to the Specified Disease.
- (3) **TAKEOVER AND MERGERS**  
resulting from any Wrongful Act of Yours occurring subsequent to the effective date of Your takeover or merger by or with any other person.
- (4) **EMPLOYERS LIABILITY**  
which results
  - (a) directly or indirectly from Injury sustained by any Employee arising out of and in the course of their employment by You
  - (b) from any breach of any obligation owed by You as an employer to any Employee or prospective Employee.
- (5) **RETROACTIVE DATE**  
arising from the carrying out of Your Business prior to the Retroactive Date.
- (6) **OTHER INSURANCE**  
in respect of which You are entitled to payment or indemnity under any other insurance.  
Notwithstanding the above, these Insuring Clauses shall contribute in excess of such other insurance, provided always that if such other insurance is also provided by Us the Limit of Indemnity under such Insuring Clause shall be deemed reduced by any amount payable under such other insurance.
- (7) **EXCLUDED PRODUCTS**  
arising out of or resulting directly or indirectly from, in consequence of or in any way involving
  - (a) a Specified Product
  - (b) a derivative, extract, adulated botanical or botanical derivative of a Specified Product

- (c) anything that contains or has the same or a similar chemical formula, structure or function to any Specified Product
- (d) a Specified Product Category
- (e) supplements used in body building, sport or husbandry to replace meals, enhance weight gain, promote weight loss, increase yield or improve performance.

**(8) UNAPPROVED PRODUCTS**

arising out of or resulting directly or indirectly from, in consequence of or in any way involving Products

- (a) that do not have approval from the applicable government or regulatory authority
- (b) being used in a way or for purposes that have not been approved by the applicable government or regulatory authority
- (c) that have been declared unsafe by any government or regulatory authority.

Provided always that this exclusion shall not apply

- (d) where such Product was sold, supplied, processed, installed, serviced, repaired, altered, treated or renovated-prior to such declaration  
and
- (e) You have undertaken all reasonable actions to notify all appropriate persons of such declaration.

**(9) PRODUCTS**

- (a) arising from any Claim for the cost of defective workmanship, repair, inspection, alteration, removal, recall, withdrawal or replacement of any Product or for the cost of or reduction in the contract value of any Product
- (b) arising out of any Product which with Your knowledge is used in the petrochemical industry in direct connection with manufacture, processing or storage.

**(10) CHAT ROOM, BULLETIN BOARDS, USER NETS AND ELECTRONIC OPEN FORUM DEBATES**

based upon, arising out of or relating directly or indirectly from, in consequence of or in any way involving any chat rooms, electronic bulletin boards, user nets or electronic open forum debates hosted, sponsored or operated by You.

Provided always that this Exclusion shall not apply if You can demonstrate to Our reasonable satisfaction that You monitor such chat rooms, electronic bulletin boards, user nets or electronic open forum debates on a daily basis and have in place sufficient and proper procedures and protocols to

- (a)
  - (i) prevent
  - (ii) respond to and investigate complaints relating to their improper use or the posting of illegal, abusive or offensive content or statements and to immediately remove such content or statements
- (b) exclude any person from further participation in such chat rooms, electronic bulletin boards, user nets or electronic open forum debates following their improper use or the posting of illegal, abusive or offensive content or statements.

**(11) EMAIL AND SOCIAL MEDIA**

based upon, arising out of or relating directly or indirectly from, in consequence of or in any way involving electronic mail and/or the use of any form of social media other than where sent or used in the course of and in connection with Your Business.

**(12) ASBESTOS**

resulting directly from, in consequence of or in any way involving the manufacture, mining, processing, distribution, testing, remediation, removal, storage, disposal, sale, use of or exposure to asbestos or materials or products containing asbestos.

**(13) CONSORTIA AND JOINT VENTURES**

resulting from Your association with others whilst acting in consortia or joint ventures, other than in respect of Loss arising from Your own acts or omissions.

**(14) CLINICAL TRIALS**

against Loss arising directly or indirectly from Clinical Trials

**(15) INTELLECTUAL PROPERTY**

arising from any Claim alleging infringement of patent, passing off or any other intellectual property rights (other than unintentional breach of copyright, trademark or registered design).

**(16) INJURY AND PROPERTY DAMAGE**

- (a) under Insuring Clause 2(a) (Professional Liability), arising from any Claim or Claims
  - (i) for Injury sustained by any person (other than emotional distress arising from any libel, slander or defamation), or
  - (ii) for any loss, damage or destruction of property including loss of use thereof  
unless the basis of such Claim is a Wrongful Act in the provision of any Service
- (b) under Insuring Clause 2(b) (Products Liability (Financial Loss)) which results directly or indirectly from
  - (i) Injury
  - (ii) loss of or damage to
    - (1) Property

- (2) data, software or any information held in electronic format unless You can demonstrate to Our reasonable satisfaction that You had in place sufficient and proper procedures for the security and daily back up of such data, software or information.

**(17) POLLUTION**

based upon, arising out of or relating directly or indirectly from, in consequence of or in any way involving Pollution.

**(18) PENALTIES AND LIQUIDATED DAMAGES**

resulting from any agreement entered into by You to pay penalties or liquidated damages.

**(19) CONTRACTUAL LIABILITY OF OTHERS**

(unless agreed otherwise by Us in writing), resulting from

- (a) the liability of others which You have assumed under a contract or agreement
- (b) liability assumed by You under a contract or agreement to any person to whom You have not directly sold, supplied or performed any Product or Services

in so far as liability under such contract or agreement exceeds that which would be implied by common law or statute.

**(20) FINANCIAL INTEREST**

arising from any Claim or Claims made against You by

- (a) any parent company, ultimate holding company or subsidiary company, or
- (b) any person or entity having a financial, executive or controlling interest in Your operation, or
- (c) any company or entity in which You or any director, member or partner of Yours has a financial, executive or controlling interest

unless such Claim is for an indemnity or contribution in respect of a Claim made by an independent third party against such company, person or entity.

**(21) UNREASONABLE EXPECTATIONS OF FULFILMENT**

arising from

- (a) performance undertakings, guarantees, warranties, representations or offers as to the nature, functionality, quality or probable cost of Products or Services which You could not reasonably expect to fulfil at the time of making such undertakings
- (b) the late delivery of Products or Services
- (c) Your failure to resource properly in order to conduct Your Business.

**(22) INSOLVENCY/BANKRUPTCY**

as a result of or relating directly or indirectly from Your insolvency or bankruptcy.

**(23) TRADING LOSSES**

as a result of, or in connection with, any trading losses or liabilities or any debts incurred by any business managed by or carried on by You.

**(24) FUNDING EXCLUSION**

resulting directly or indirectly from any dispute between You and any provider of finance or funds in relation to your legal entitlement to, or procurement of, such finance or funds.

Provided always that this exclusion shall only apply where such provider of finance or funds is

- (a) a non-departmental public body, or a government-owned corporation, state-owned enterprise, or government business enterprise, or a government agency, or
- (b) a local authority or local authority agency, or
- (c) a European Union funding agency.

**(25) LIBEL AND SLANDER**

which results directly or indirectly from libel, slander or defamation.

**(26) ANTI-TRUST**

against Loss resulting from any actual or alleged violation of any law or regulation designed to prevent any anti-trust or anti-competitive practices, cartel or price fixing activity or abuse of dominant position.

**(27) DISHONEST AND MALICIOUS ACTS**

for Loss resulting from any dishonest, fraudulent, criminal or malicious act or omission committed by any person after the discovery of reasonable cause for suspicion of such act or omission in relation to that person.

Furthermore,

- (a) no person shall be entitled to payment or indemnity under this Insuring Clause in respect of any Loss resulting from their dishonest, fraudulent, criminal or malicious act or omission or from condoning such an act or omission
- (b) the following shall be deducted from any amount payable by Us
  - (i) any monies which but for such act would be due from You to the person committing or condoning such act
  - (ii) any monies held by You and belonging to such person
  - (iii) any monies recovered following action in accordance with General Condition 2 (Subrogation) of this Certificate.

# INSURING CLAUSE 3 – EMPLOYERS LIABILITY

*The indemnity provided by this Insuring Clause is deemed to be in accordance with the provisions of any law relating to compulsory insurance of liability to Employees in the United Kingdom.*

We agree to indemnify You against Loss arising from any Claim made against You by reason of Injury sustained by any Employee while employed in or temporarily outside the United Kingdom caused during the Period of Insurance and arising out of and in the course of their employment by You in Your Business.

Provided always that an action for damages is brought against You under the Jurisdiction of a court within the United Kingdom.

## LIMIT

Our liability under this Insuring Clause for Loss shall not exceed the Limit of Indemnity.

## ADDENDA APPLICABLE TO INSURING CLAUSE 3

### (1) UNSATISFIED COURT JUDGMENTS

In the event of a judgment for damages being obtained in any court in the United Kingdom

- (a) by an Employee or the personal representatives of such Employee, in respect of Injury to the Employee caused during the Period of Insurance and arising out of and in the course of employment by You in Your Business, against any company or person operating from premises within the United Kingdom, and
- (b) remaining unsatisfied in whole or in part six months after the date of such judgment

We will, at Your request, pay to the Employee or the personal representatives of the Employee the amount of such damages and awarded costs to the extent that they remain unsatisfied.

Provided always that

- (c) there is no appeal outstanding.
- (d) the Employee or personal representatives of the Employee shall assign the judgment to Us in the event of any payment being made under the terms of this Addendum.

## DEFINITIONS APPLICABLE TO INSURING CLAUSE 3 (see also the General Definitions)

**'Assured/You/Your/Yours'** shall mean

- (a) the person, persons, firm and all partners and former partners in the firm (or in the event of the death, incompetency, incapacity, bankruptcy or insolvency of any of the foregoing, their estate, heirs, legal representatives or assigns), limited liability partnership, trust or company named as the Policyholder in the Schedule
- (b) any principal to whom an indemnity is required to be provided under a contract for the performance of work by You in connection with Your Business but only to the extent required by such contract.

In addition, if You so require, we will indemnify

- (c) any governor, director, council member, member, officer or trustee of Yours or any Employee in like manner to You
- (d) any officer or member of Your canteen, social, sports or welfare and other facilities and organisations or ambulance, first aid, fire, medical or security services in their respective capacity as such.

Provided always that such persons shall, as though they were the Assured, observe, fulfil and be subject to the terms, conditions and exclusions of this Certificate in so far as they can apply.

**'Business'** shall, in addition to the General Definition of 'Business', include

- (a) Your ownership, occupation and maintenance of land or buildings
- (b) the provision and management of canteen, social, sports, welfare and other facilities and organisations for the benefit of Employees
- (c) the provision and operation of first aid, fire, medical and security services
- (d) private duties undertaken by an Employee for You or, with Your consent, for any director or partner of Yours or any Employee.

**'Employee'** shall mean any person who was or is or may hereafter be

- (a) under a contract of service or apprenticeship with You, or
- (b) under a work experience or similar scheme, or
- (c) supplied to or hired in or borrowed by You, or
- (d) volunteers, or
- (e) self-employed persons

working for You under Your direct control in connection with Your Business and normally resident in the United Kingdom.

'Limit of Indemnity' shall mean £10,000,000.

'Period of Insurance' shall mean the period stated in the Schedule.

### **EXCLUSIONS APPLICABLE TO INSURING CLAUSE 3 (see also the General Exclusions)**

We shall not be liable to pay or indemnify You against Loss

**(1) OFFSHORE**

for Injury from the time of embarkation by the Employee upon a conveyance at the point of final departure to an offshore rig or offshore platform until disembarkation from the conveyance onto land upon their return from such offshore rig or platform.

**(2) OTHER INSURANCE**

in respect of which You are entitled to payment or indemnity under any other insurance.

Notwithstanding the above, this Insuring Clause shall contribute in excess of such other insurance, provided always that if such other insurance is also provided by Us the Limit of Indemnity under this Insuring Clause shall be deemed reduced by any amount payable under such other insurance.

**(3) CLINICAL TRIALS**

for Injury to an Employee arising directly from their participation as a Research Subject in a Clinical Trial.

### **CONDITIONS APPLICABLE TO INSURING CLAUSE 3 (see also the Claims Conditions and the General Conditions)**

**(1) CERTIFICATE OF EMPLOYERS LIABILITY**

If the insurance cover provided by this Insuring Clause is cancelled by You or Us, any certificate of Employers Liability insurance issued hereunder is similarly cancelled from the same date.

Specimen

# INSURING CLAUSE 4 – DIRECTORS AND OFFICERS LIABILITY

*N.B. This Insuring Clause is on a 'claims made' basis which provides cover for claims which are made and notified to Us during the Period of Insurance*

## (a) DIRECTORS AND OFFICERS LIABILITY

We agree to pay on Your behalf and as incurred Loss arising from

- (i) any Claim made against You during the Period of Insurance by reason of a Wrongful Act committed by You in Your capacity of a Director or Officer of the Company.
- (ii)
  - (1) Disqualification Proceedings which are first ordered or commissioned during the Period of Insurance
  - (2) an Investigation which is first ordered or commissioned during the Period of Insurance
  - (3) Environmental Proceedings which are first ordered or commissioned during the Period of Insurance
  - (4) Extradition Proceedings

except to the extent that such Loss is recoverable by You from the Company under Insuring Clause 4(b) (Company Reimbursement).

## (b) COMPANY REIMBURSEMENT

We agree to pay on behalf of the Company and as incurred Loss arising from

- (i) any Claim made against You during the Period of Insurance by reason of a Wrongful Act committed by You in Your capacity of a Director or Officer of the Company
- (ii)
  - (1) Disqualification Proceedings which are first ordered or commissioned during the Period of Insurance
  - (2) You attending an Investigation which is first ordered or commissioned during the Period of Insurance
  - (3) You attending any Environmental Proceedings which are first ordered or commissioned during the Period of Insurance
  - (4) Extradition Proceedings

but only if and to the extent that the Company shall be required or permitted to indemnify You pursuant to the law or by reason of any indemnity clause in the Memorandum or Articles of Association, trust deed, constitution or charter of the Company.

## LIMIT AND EXCESS

Our total aggregate liability under this Insuring Clause in the Period of Insurance in respect of all Loss shall not exceed the Limit of Indemnity.

We shall only be liable for that part of each Loss which exceeds the Excess.

## ADDENDA APPLICABLE TO INSURING CLAUSE 4

### (1) PUBLIC RELATIONS CRISIS MANAGEMENT

In the event of a Crisis We shall, at Your request and subject to Our prior agreement, pay

- (a) costs incurred by You in utilising the services of the Crisis Response Service
- (b) other related and reasonable costs agreed with Us,

For the purpose of this Addendum

- (c) 'Crisis' shall mean
  - (i) the allegation of a Wrongful Act committed by You during the Period of Insurance
  - (ii) the successful defence of an allegation of a Wrongful Act originally alleged to have been committed by You during the Period of Insurance

where, in Our opinion, there is a risk to Your livelihood as a consequence of adverse press, publicity or media attention.

- (d) 'Crisis Response Service' shall mean public relations specialist services provided by Us or on Our behalf.

Provided always that

- (e) the total amount payable under this Addendum shall not exceed £25,000 in any one Period of Insurance, which amount shall be in addition to the Limit of Indemnity
- (f) You shall immediately notify Us of any event or circumstance which might result in You seeking payment or indemnity under this Addendum and comply with Our recommendations or the recommendations of Our public relations specialist as directed
- (g) You take all reasonable and practical measures to avoid or mitigate costs relating to Crisis.

**(2) NON-EXECUTIVE DIRECTORS**

In the event that the Limit of Indemnity under this Insuring Clause and any indemnity to which You are entitled under any other insurance is exhausted, We will deem the Limit of Indemnity to be increased by a further 10% but only in respect of Costs and Expenses incurred in Your capacity as a non-executive director of the Company.

**(3) EMERGENCY COSTS AND EXPENSES**

In the event that You are unable to reasonably obtain Our prior written consent to incur Costs and Expenses, We will retrospectively approve such Costs and Expenses provided always that they do not exceed 10% of the Limit of Indemnity.

**DEFINITIONS APPLICABLE TO INSURING CLAUSE 4 (see also the General Definitions)**

**'Claim'** shall, in addition to the meaning given in General Definitions, include criminal proceedings which might result in a Loss.

**'Company'** shall mean the limited liability partnership or company named as the Policyholder in the Schedule.

**'Director or Officer'** shall mean any natural person who was or is or may hereafter be

- (a) a director or officer of the Company, or
- (b) a Shadow Director, or
- (c) an Employee
  - (i) acting in a managerial or supervisory capacity in the Company, or
  - (ii) against whom a Claim is made based upon or arising out of any Employment Wrongful Act, or
  - (iii) named in a Claim as co-defendant with a Director or Officer as defined in (a) to (b) above (other than in any capacity as external auditor, liquidator, receiver, administrator or administrative receiver), or
- (d) the lawful spouse or civil partner of any person defined in (a) to (b) above but only in respect of Loss payable under this Insuring Clause in relation to such person which is by operation of law imputed or transferred to that spouse, or
- (e) the estate, heirs, legal representatives or assigns of any of the foregoing in the event of the death, incompetency, incapacity, bankruptcy or insolvency of that person.

**'Disqualification Proceedings'** shall mean legal action against You pursuant to which You are liable to be disqualified from continuing to be a director or officer of the Company.

**'Employee'** shall mean any person other than an independent agent, consultant, sub-contractor or professional advisor who was or is

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

whilst employed or engaged by and under the direct control of the Company in connection with the Business.

**'Employment Wrongful Act'** shall mean any actual or alleged

- (a) act or omission resulting in a dispute concerning the employment of an Employee or any prospective Employee, or
- (b) Retaliatory Treatment

committed or allegedly committed or attempted by You.

**'Environmental Proceedings'** shall mean any prosecution, official investigation, examination, inquiry or other proceedings by any official body or institution that is empowered to investigate the affairs of the Company arising from any actual or alleged Pollution.

**'Excess'** shall mean £25,000 which amount shall only apply in respect of Insuring Clause 4(b) (Company Reimbursement) where

- (a) action for damages is brought in a court of law of, or Costs and Expenses arise within, the United States of America, or
- (b) action is brought in a court of law elsewhere to enforce a judgment of a court of law of the United States of America whether by way of reciprocal agreement or otherwise.

**'Extradition Proceedings'** shall mean proceedings brought against You under the Extradition Act 2003, or any amendment or re-enactment thereof, including any appeal relating thereto.

**'Investigation'** shall mean any official investigation or examination, inquiry or other proceedings, other than when arising from any actual or alleged Pollution, by any official body or institution that is empowered to investigate the affairs of the Company.

**'Limit of Indemnity'** shall mean the amount stated in the Schedule in respect of this Insuring Clause which amount is inclusive of all Loss under Insuring Clause 4(a)(ii)(3) and 4(b)(ii)(3) for which Our total aggregate liability in the Period of Insurance shall not exceed £250,000.

**'Loss'** shall mean

- (a) for the purpose of Insuring Clauses 4(a)(i) and 4(b)(i)
  - (i) Your legal liability for damages, legal costs, charges or expenses awarded against You
  - (ii) Costs and Expenses, it being understood that in the event of a Claim being made against both You and the Company by reason of the same Wrongful Act, and such Wrongful Act not being an Employment Wrongful Act committed in the United States of America, We will pay the Costs and Expenses on Your behalf in full irrespective of whether such Costs and Expenses incidentally benefit the Company
  - (iii) punitive or exemplary damages awarded against You for which indemnity can be lawfully provided under this Certificate

(iv) the premium paid by You or on Your behalf for insurance instruments or bonds which, in certain jurisdictions, are required in order to institute an appeal

(b) for the purpose of Insuring Clauses 4(a)(ii) and 4(b)(ii), Costs and Expenses resulting from or attributable to the same originating cause.

**'Period of Insurance'** shall mean the period stated in the Schedule and in the event that

(a) We refuse to renew the cover afforded by this Insuring Clause for reasons other than non-payment of premium to Us or the failure by You or the Company to comply with or observe the terms, provisions and Conditions of this Certificate, or

(b) You and the Company and/or any natural person with effective control of the Company decline to accept the renewal terms offered by Us in so far as they relate to this Insuring Clause.

You and/or the Company shall have the right to a further single period of 30 days from the expiry date of the period stated in the Schedule but only in respect of

(c) a Wrongful Act committed or allegedly committed, and/or

(d) Disqualification Proceedings which are first ordered or commissioned, and/or

(e) an Investigation which is first ordered or commissioned, and/or

(f) Extradition Proceedings which are first ordered or commenced

prior to the expiry of the period stated in the Schedule

Provided always that the further period referred to in this Definition is not applicable to the extent that other insurance policies have been purchased with the intention of providing equivalent cover for any part of such period.

**'Property'** shall mean material and tangible property.

**'Retaliatory Treatment'** shall mean action taken against an Employee on account of such Employee exercising or attempting to exercise his or her rights under law.

**'Shadow Director'** shall mean a person who is deemed to be a shadow director (within the meaning given by section 741(2) of the Companies Act 1985 (UK) or any amendment or re-enactment thereof) of any company solely by reason of any activity of the Company.

**'Wrongful Act'** shall mean any actual or alleged wrongful act committed or attempted by You or any matter claimed against You solely by reason of You serving in the capacity of Director or Officer.

Related or continuous or repeated or causally connected Wrongful Acts shall constitute a single Wrongful Act.

**'You/Your/Yours'** shall mean the Director or Officer.

## **EXCLUSIONS APPLICABLE TO INSURING CLAUSE 4 (see also the General Exclusions)**

We shall not be liable to pay or indemnify You or the Company against Loss

### **(1) OTHER INSURANCE**

in respect of which You are entitled to payment or indemnity under any other insurance.

Notwithstanding the above, this Insuring Clause shall contribute in excess of such other insurance, provided always that if such other insurance is also provided by Us the Limit of Indemnity under this Insuring Clause shall be deemed reduced by any amount payable under such other insurance.

### **(2) EMPLOYMENT DISPUTES**

resulting from

(a) an Employment Wrongful Act

(b) an Investigation in respect of

(i) employment discrimination

(ii) health and safety

if the Company is an unincorporated body.

### **(3) PRIOR AND PENDING LITIGATION**

based upon, arising out of or resulting directly or indirectly from

(a) any claim form, writ, demand, suit or other proceeding pending, or order, decree or judgment entered against You prior to the date when this Insuring Clause became operative, or the same or any substantially similar fact, circumstance or situation underlying or alleged in such pending or prior proceeding, or

(b) any Claim or circumstance which have been reported or notified under any contract of insurance which this Insuring Clause renews or replaces.

### **(4) INJURY/PROPERTY DAMAGE**

arising from any Claim

(a) for Injury sustained by any person, other than

(i) emotional distress arising from any libel, slander, defamation or Employment Wrongful Act

(ii) Your criminal prosecution for manslaughter in relation to the activities of the Company

(b) for any loss, damage or destruction of property, including loss of use thereof.

Provided always that this Exclusion shall not apply to any Loss resulting from any Claim brought by any shareholder or bondholder of the Company, (which are made without any solicitation by, or assistance or participation of any Director or Officer), due solely to any actual or alleged loss in value of the share capital of the Company consequent upon the foregoing.

**(5) POLLUTION**

other than in respect of Insuring Clauses 4(a)(ii)(3) and 4(b)(ii)(3), based upon, arising out of or resulting directly or indirectly from, in consequence of or in any way involving Pollution.

Provided always that this Exclusion shall not apply to any Loss resulting from any Claim brought by any shareholder or bondholder of the Company, (which are made without any solicitation by, or assistance or participation of any Director or Officer), due solely to any actual or alleged loss in value of the share capital of the Company consequent upon Pollution.

**(6) PUNITIVE AND EXEMPLARY DAMAGES (EMPLOYMENT)**

to the extent of any punitive or exemplary damages awarded in relation to any Claim based upon or arising out of any Employment Wrongful Act (other than exemplary damages in respect of employment related libel, slander or defamation).

**(7) TAKEOVER OR MERGER**

resulting from

(a) any Wrongful Act of Yours occurring

(b) any Disqualification Proceedings, Investigation, Environmental Proceedings or Extradition Proceedings instigated subsequent to the effective date of the takeover or merger of the Company by or with any other person.

**(8) REMUNERATION**

to the extent of remuneration of whatsoever nature due to You or any Employee.

**(9) PENSION FUNDS**

resulting directly from You acting in the capacity of trustee or administrator of any pension, retirement or superannuation scheme or programme created for Your benefit or the benefit of any Employee.

**(10) PROFESSIONAL DUTY TO THIRD PARTIES**

arising from any Claim made by any third party for any breach of any professional duty owed to such third party.

**(11) ANTI-TRUST**

resulting from any actual or alleged violation of any law or regulation designed to prevent any anti-trust or anti-competitive practices, cartel or price fixing activity or abuse of dominant position

**(12) CLAIMS BROUGHT BY SHAREHOLDERS IN EXCESS OF 15%**

arising from any Claim made against You by or on behalf of any person who controls more than 15% of the issued share capital of the Company.

**(13) RETROACTIVE DATE**

brought about by or contributed to by or consequent upon any Wrongful Act committed or any Disqualification Proceedings, Investigation, Environmental Proceedings or Extradition Proceedings which are first ordered or commissioned prior to the date of incorporation of the Company

**(14) DISHONEST AND MALICIOUS ACTS**

for Loss arising out of Your dishonest, fraudulent or malicious conduct.

Provided always that

(a) such dishonest, fraudulent or malicious conduct is either admitted by You or established in a judgement or other final adjudication

(b) this Exclusion shall not apply to any Loss resulting from any Claim brought by any shareholder or bondholder of the Company, (which are made without any solicitation by, or assistance or participation of any Director or Officer), due solely to any actual or alleged loss in value of the share capital of the Company consequent upon the foregoing.

**and, where the Jurisdiction includes the United States of America**

**(15) 'ASSURED V. ASSURED' (USA)**

arising from any Claim made against the Director or Officer which is brought in a court of law within the jurisdiction of the United States of America or elsewhere in the world to enforce a judgment therein whether by way of reciprocal agreement or otherwise by or on behalf of

(a) the Company or any present or former holding company thereof, or

(b) any other Director or Officer

Provided, however, that We shall pay

(c) Loss arising from any Claim in respect of any Employment Wrongful Act concerning the employment of the Director or Officer by the Company

(d) Loss resulting from any Claim brought by any shareholder or bondholder of the Company, (which are made without the solicitation by, or assistance or participation of any Director or Officer), due solely to any actual or alleged loss in value of the share capital of the Company

- (e) Costs and Expenses incurred by or on behalf of the Director or Officer in the defence of such Claim
- (f) Loss arising from any Claim brought or maintained by any Director or Officer for contribution or indemnity if such Claim directly results from the payment of any other Loss under this Certificate
- (g) Loss arising from any Claim brought or maintained by a person who is no longer a Director or Officer
- (h) Loss arising from any Claim brought or maintained by or on behalf of a liquidator, receiver or administrative receiver due to the insolvency of the Company.

**(16) UNITED STATES OF AMERICA**

resulting directly from or attributable to, or in any way involving

- (a) profits in fact made from the purchase or sale of securities of the Company or the Associated Company within the meaning of Section 16(b) of the Securities Exchange Act of 1934 (USA), any amendment or re-enactment thereof, or any similar provision in any state statutory law enacted in the United States of America, or
- (b) any actual or alleged violation of any responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974 (USA) or any amendment or re-enactment thereof.

**CONDITIONS APPLICABLE TO INSURING CLAUSE 4** (see also the Claims Conditions and the General Conditions)

**(1) UNINTENTIONAL NON-DISCLOSURE CLAUSE**

You or the Company must have provided the Proposal with reasonable skill and care and after having made all reasonable and appropriate enquiries.

Notwithstanding General Condition 21 (Breach of the Duty of Fair Presentation):

- (a) If You or the Company have made any misrepresentation or non-disclosure of any material facts or circumstances then We will not seek to avoid Insuring Clause 4 (Directors and Officers Liability) of this Certificate
  - (i) unless either:
    - (1) We reasonably believe such misrepresentation or non-disclosure was deliberate or reckless; or
    - (2) We would not have underwritten Insuring Clause 4 (Directors and Officers Liability) of this Certificate on any terms if the facts or circumstances had been disclosed or not misrepresented
  - (ii) and provided that
    - (1) Where You or the Company should have notified Us during a preceding Period of Insurance of a Claim or the instigation of Disqualification Proceedings, Investigation, Environmental Proceedings or Extradition Proceedings and the cover to which You or the Company would have been entitled was in any way more restrictive than that provided at the date of notification We shall only be liable to the extent available during such preceding Period of Insurance.
    - (2) Where You or the Company has prejudiced the handling or settlement of any Loss, Disqualification Proceedings, Investigation, Environmental Proceedings or Extradition Proceedings the amount payable in respect of such Loss, Disqualification Proceedings, Investigation, Environmental Proceedings or Extradition Proceedings shall be reduced to such sum as in Our opinion would have been payable in the absence of such prejudice.
- (b) Subject to the above, if You or the Company made any misrepresentation or non-disclosure of any material facts and We would still have underwritten Insuring Clause 4 (Directors and Officers Liability) of this Certificate but on different terms had the facts been disclosed or not misrepresented, then We may instead:
  - (i) reduce proportionately the amount paid or payable on any Loss by reference to the ratio which the premium actually charged bears to the premium which We would have charged had You or the Company told Us about a material fact or circumstance. The same reduction shall be applied to any Losses which have already been paid and any overpayment of such Losses by Us shall be repaid by You or the Company; and/or
  - (ii) treat Insuring Clause 4 (Directors and Officers Liability) of this Certificate as if it had included such additional terms (other than terms relating to Premium) as We would have imposed had You or the Company told Us about a material fact of circumstance. Any such additional terms apply equally to existing, past and future Losses.
  - (c) We shall not deny payment or indemnity on the grounds of the breach of Claims Conditions 1 or 2 of this Certificate subject to provisos (a)(ii)(1) and (a)(ii)(2) of this clause.

**(2) INSTRUCTIONS**

Neither You nor the Company shall have any right to require cancellation of this Insuring Clause or any material reduction in the cover afforded hereunder, and any such cancellation or reduction sought shall be granted only at and to the extent of Our absolute discretion and shall not be effected unless and until We are reasonably satisfied that such cancellation or reduction has been sanctioned by all Directors or Officers whose rights under this Insuring Clause at that time are or may be affected thereby.

**(3) OFFERING**

If during the Period of Insurance the Company decides to make a public or private offering of its shares or other equity interest, the Company shall provide Us with any prospectus, offering statement or other relevant information to enable Us to amend the terms, limitations, exclusions and/or conditions of this Insuring Clause and/or charge an additional premium, if so required.

**(4) SEVERABILITY**

Nothing in the Proposal or otherwise known or done by any Director or Officer shall be imputed to any other person in determining any right or obligation of the Director or Officer under this Insuring Clause. In no case shall a Director or Officer be prevented from pursuing any point in his or her defence only because it is inimical to the interests of any other Director or Officer.

Specimen

# INSURING CLAUSE 5 - PROPERTY DAMAGE

If the Property, or any part of such Property, shall sustain Damage during the Period of Insurance We agree to pay You the value of the Property at the time of Damage or, at Our option, repair, reinstate or replace the Property or any part of such Property.

## LIMIT AND EXCESS

Our total liability under this Insuring Clause in the Period of Insurance shall not exceed the Sum Insured for such Property.

We shall only be liable for that part of each and every occurrence of Damage at each separate Premises which exceeds the Excess.

## ADDENDA APPLICABLE TO INSURING CLAUSE 5

### (1) Professional Fees

the indemnity provided by this Insuring Clause includes an amount for professional fees necessarily and reasonably incurred in the reinstatement of the Property consequent upon Damage but not for preparing any request for payment or indemnity.

### (2) Debris removal

the indemnity provided by this Insuring Clause includes costs and expenses necessarily incurred by You with Our consent, in removing debris from the Premises and the area immediately adjacent thereto

### (3) Non-Invalidation

The indemnity provided by this Insuring Clause shall not be invalidated by reason of anything being done or omitted to be done in respect of any portion of the Premises not occupied by You, whether constituting an increase in risk or not, provided that immediately You become aware thereof You inform Us of such alteration or omission and pay any reasonable additional premium We may require.

### (4) Automatic Reinstatement

Notwithstanding the clause headed 'Limit and Excess', in the event of Damage insured by this Insuring Clause, the Sum(s) Insured will be automatically reinstated in full from the date of such Damage provided that You

(a) pay any additional premium We may require

(b) comply with any reasonable recommendations We may make to prevent further Damage.

### (5) Interested Parties

The interest of those supplying Property to You under a hiring, leasing or similar agreement is noted, provided always that in the event of Damage to such Property You will disclose to Us the nature and extent of such interest.

### (6) Extended Perils

#### (a) Controlled Environment Deviation

Notwithstanding Exclusion 29 (Controlled Environments) the indemnity provided by this Insuring Clause extends to include Damage to Property caused by a change in environmental conditions (including but not limited to changes in the temperature, humidity, dampness or air quality) within an area where the environment is artificially controlled.

Provided always that We shall not be liable to pay or indemnify You for Damage caused by

(i) error in operation of the machinery or plant

(ii) an act or decision or the failure to act or decide of any person group or organisation

(iii) the failure to comply with manufacturers recommendations or the use of components unapproved by the manufacturer

(iv) failure of any machinery or plant which is not subject to a manufacturer's guarantee and/or maintenance contract provided in accordance with manufacturers recommendations

(v) wanton, wilful or reckless acts performed by You or Your Employee or former employees.

The total amount payable in the Period of Insurance shall not exceed the Sum Insured or the amount stated in the Schedule of Limits of this Addendum whichever is the least.

We shall only be liable for that part of each and every occurrence of Damage which exceeds the Excess.

#### (b) Contamination Event

Notwithstanding Exclusion 30 (Contamination) the indemnity provided by this Insuring Clause extends to include Damage to Property following contact with anything which has accidentally escaped, been released, discharged or dispersed by a sudden or unexpected incident which takes place in its entirety at a specific time and place during the Period of Insurance and which results in it being impure and harmful to itself or other Property or persons at the Premises.

Provided always that We shall not be liable to pay or indemnify You for Damage resulting from

(i) the suppression of fire by any solid, liquid or gas

(ii) the escape of fire suppression agents

(iii) the escape of water from any plumbing or heating system, processing equipment or refrigeration system

- (iv) the backup of sewers or drains
- (v) an error in operation of the machinery and plant
- (vi) an act or the decision or the failure to act or decide of any person group or organisation
- (vii) or associated with the enforcement of any order or legislation that requires You or someone on Your behalf to test for, monitor, clean up, remove, contain, treat, detoxify or neutralise or in any way respond to or assess the effects of such an incident

The total amount payable in the Period of Insurance shall not exceed the Sum Insured or the amount stated in the Schedule of Limits of this Addendum whichever is the least.

We shall only be liable for that part of each and every occurrence of Damage which exceeds the Excess.

**(c) Machinery Breakdown**

Notwithstanding exclusion 5(b)(ii) the indemnity provided by this Insuring Clause extends to include Damage to Your machinery or plant following failure, distortion, breaking or burning out of any part of Your machinery or plant whilst in use arising from

- (i) mechanical or electrical defects in the machinery and plant
- (ii) failure or fluctuation in the electricity supply

which results in sudden stoppage of the functions of the machinery and plant and necessitating repair or replacement before it can resume working.

Provided always that We shall not be liable to pay or indemnify You for Damage resulting directly or indirectly caused by

- (iii) the deliberate act of any utility provider or competent authority to withhold or restrict supply
- (iv) error in operation or installation of the machinery or plant
- (v) an act or decision or the failure to act or decide of any person group or organisation
- (vi) the failure to comply with manufacturers recommendations or the use of components not approved by the manufacturer
- (vii) the failure of any plant not subject to a manufacturers guarantee and/or maintenance contract provided in accordance with manufacturers recommendations
- (viii) wanton, wilful or reckless acts performed by You or Your Employee or former employees.

The total amount payable in the Period of Insurance shall not exceed the Sum Insured or the amount stated in the Schedule of Limits of this Addendum whichever is the least.

We shall only be liable for that part of each and every occurrence of Damage which exceeds the Excess.

**(d) Computer Breakdown**

Notwithstanding Exclusion (5)(b)(ii) of this Insuring Clause, the indemnity provided by this Insuring Clause extends to include breakdown of Your Computer Equipment provided always that

- (i) such Computer Equipment is the subject of a manufacturer's guarantee and/or a maintenance contract in the event of breakdown
- (ii) We will not be liable to pay or indemnify You for
  - (1) gradual deterioration, wear and tear or inherent defect
  - (2) any loss recoverable under a manufacturer's guarantee, maintenance agreement, hire or lease agreement, contract or the like
  - (3) Computer Equipment that is more than 10 years old from the date of manufacture

The total amount payable in the Period of Insurance shall not exceed the Sum Insured or the amount stated in the Schedule of Limits of this Addendum whichever is the least.

We shall only be liable for that part of each and every occurrence of Damage which exceeds the Excess.

**(e) Computer Security**

Notwithstanding Exclusion 31 (Computer Security) the indemnity provided by this Insuring Clause extends to include costs and expenses reasonably incurred by Us or by You with Our written consent in

- (i) copying, re-creating, replacing or retrieving data on, or
- (ii) restoring the functionality of

Computer Equipment owned or used by You following Damage to such Computer Equipment directly arising from any Computer Virus which has been designed to specifically and exclusively damage, alter or modify access to Your website or Computer Equipment.

Provided always that You can demonstrate to Our reasonable satisfaction that You have in place sufficient and proper systems, safeguards and programs to a generally accepted industry standard to protect against such Computer Virus.

The total amount payable in the Period of Insurance shall not exceed the Sum Insured or the amount stated in the Schedule of Limits of this Addendum whichever is the least.

We shall only be liable for that part of each and every occurrence of Damage which exceeds the Excess.

**(f) SCHEDULE OF LIMITS APPLICABLE TO THIS ADDENDUM**

(i)	in respect of Addendum 6 (a) (Controlled Environment Deviation)	£2,500
(ii)	in respect of Addendum 6 (b) (Contamination Event)	£2,500
(iii)	in respect of Addendum 6 (c) (Machinery Breakdown)	£2,500
(iv)	in respect of Addendum 6 (d) (Computer Breakdown)	£2,500
(v)	in respect of Addendum 6 (e) (Computer Security)	£2,500

**(7) Temporary Removal**

The indemnity provided by this Insuring Clause is extended to include Property whilst temporarily removed for cleaning, renovation, repair or other similar purposes

- (a) elsewhere on the same Premises
- (b) to any other location in the United Kingdom not occupied by You and whilst in transit to and from such location.

Provided always that We shall not be liable to pay or indemnify You for Damage to Property in the open or in transit caused by storm or flood.

**(8) Additional Metered Utility Charges**

The indemnity provided by this Insuring Clause extends to include additional metered water and/or additional metered gas charges incurred by You and for which You are responsible as a result of the accidental escape of water or gas from water tanks, apparatus or pipes at the Premises.

Provided always that

- (a) You maintain a record of readings from the utility company meter at intervals of not more than 7 days
- (b) the amount payable hereunder shall be calculated by comparing the charge made by the utility company for the period during which the loss of metered water and/or gas occurred, with the charges for the previous period adjusted for any relevant factors affecting Your normal consumption during the periods concerned
- (c) this Addendum does not provide an indemnity where the water tanks, apparatus or pipes are within a Building which is Unoccupied
- (d) the total amount payable under this Addendum in the Period of Insurance shall not exceed £5,000.

**(9) Replacement of Locks**

Notwithstanding Exclusion 8 (Theft) of this Insuring Clause, the indemnity provided by this Insuring Clause extends to include the costs incurred in necessarily replacing locks of the Building following theft of keys from

- (a) the Building, or
- (b) Your home, or
- (c) the home of any director or partner of Yours or of any Employee.

Provided always that

- (d) the amount payable under this Addendum shall not exceed £1,000 in respect of any one occurrence of theft or loss of such keys
- (e) notwithstanding the definition of 'Excess' We shall only be liable for that part of such costs which exceeds £25.

**(10) Incidental Theft Damage to Buildings**

Notwithstanding the 'Limit and Excess' clause and/or the Definition of Property, the indemnity provided by this Insuring Clause in respect of General Contents is extended to include the cost of repairing Damage to the Buildings caused by theft or attempted theft, provided always that such repair is to

- (a) ensure the continued trading of Your Business
- (b) render the Premises secure.

Provided always that the total amount payable under this addendum in the Period of Insurance shall not exceed £5,000.

**(11) Glass and Shop Fronts**

The indemnity provided by this Insuring Clause extends to include:

- (a) the boarding-up following Damage of Fixed Glass
- (b) the cost of removing or replacing fixtures and fittings in the course of replacement of Fixed Glass
- (c) repair of Damage to shop fronts for which You are responsible.

Provided always that the total amount payable under this Addendum shall not exceed £2,500.

**(12) Condemnation of Stock and Research and Development Property**

The indemnity provided by this Insuring Clause extends to include undamaged Property being

- (a) condemned by, or
- (b) withheld from the market to comply with the written notification from

an authorised regulatory body following Damage to Property provided always that such Damage is not excluded

Provided always that the total amount payable under this Addendum in the Period of Insurance shall not exceed £5,000.

**(13) Reinstatement of Data**

The indemnity provided by this Insuring Clause extends to include the reinstatement of data belonging to You, including but not limited to records, formulas or processes, necessary for the continuation of the Business and lost as a direct result of Damage at the Premises not otherwise excluded.

Provided always that

- (a) the costs and expenses of reinstating data are reasonably incurred by Us or by You at Our written consent (such consent not to be unreasonably withheld)
- (b) the data belongs to You
- (c) You can demonstrate to Our reasonable satisfaction that You had in place sufficient and proper procedures for the security and daily back-up of such data

The total amount payable under this addendum in the Period of Insurance shall not exceed £5,000.

We shall only be liable for that part of each and every occurrence of Damage which exceeds the Excess.

**(14) Portable Electronic Equipment**

The indemnity provided by this Insuring Clause is extended to include Damage occurring anywhere in the world to portable electronic equipment belonging to You or for which You are responsible

Provided always that:

- (a) the total amount payable under this Addendum in the Period of Insurance shall not exceed the Sum Insured
- (b) We shall not be liable to pay or indemnify You for Damage
  - (i) caused by or consisting of any process of cleaning, dyeing, repairing or renovation
  - (ii) caused by or consisting of theft or attempted theft whilst the portable electronic equipment is left unattended, other than
    - (1) theft or attempted theft from an unattended vehicle or theft where the vehicle is stolen at the same time.

Provided always that

- (a) the portable electronic equipment is concealed in a locked boot or stowage area within the vehicle; and
  - (b) all points of access to the vehicle are securely locked and security devices put in full and proper operation; and
  - (c) force is used to gain entry to the vehicle and such entry causes external and visible damage to the vehicle.
- (2) from premises where the Property is being used or stored.  
Provided always that
    - (a) such theft or attempted theft involves entry to or exit from such premises by forcible and violent means
    - (b) the Property is not being used or stored in any yard, car park, open space or open sided building
  - (3) Damage consequent upon and in connection with assault or violence or threat thereof to You or any of Your Employees or any member of Your or Your Employee's family.

**(15) Transit**

The indemnity provided by this Insuring Clause is extended to include Damage to Property whilst in transit within the United Kingdom.

Provided always that

- (a) the total amount payable under this Addendum in the Period of Insurance shall not exceed £5,000
- (b) We shall only be liable for that part of each and every occurrence of Damage which exceeds £500
- (c) We shall not be liable to pay or indemnify You for Damage to Property
  - (i) arising whilst in transit by a vehicle owned, leased, rented or borrowed by You caused by theft or attempted theft or resulting from unexplained shortage or disappearance whilst Your vehicle is left unattended unless the Property, if not permanently fixed in position, is out of sight in a locked compartment or locked boot within the vehicle and such vehicle
    - (1) is securely locked at all points of access, and any security devices are put into full and proper operation, and all keys are removed, and
    - (2) between the hours of 19:00 and 08:00, is
      - (a) garaged in a securely locked building, or
      - (b) contained in a securely locked vehicle park or compound with security attendant on duty at all times.
      - (c) arising from defective or inadequate packing or insufficient labelling or incorrect addressing.

**(16) Rent Payable**

Notwithstanding Exclusion 22 (Rent) of this Insuring Clause We will pay You for rent which You are obliged to continue to pay whilst the Buildings are rendered unfit for occupation as a result of Damage.

Provided always that

- (a) the total amount payable under this Addendum in the Period of Insurance shall not exceed £5,000
- (b) We shall only be liable to indemnify You for rent payable during the Rental Period or until the Buildings are deemed fit for habitation whichever is the shorter period.
- (c) for the purpose of this Addendum 'Rental Period' shall mean the period beginning with the occurrence of the Damage and ending three calendar months thereafter.

**(17) Money**

The indemnity provided by this Insuring Clause is extended to include loss of Money occurring during the Period of Insurance within the United Kingdom whilst the Money is

- (a) in transit
- (b) in the Premises
- (d) in the private and permanent residence of any director or partner of Yours or any Employee
- (c) in the night or wall safe of a bank

Provided always that

- (d) Our total liability under this Addendum in respect of any one loss of Money shall not exceed
  - (i) 1 In transit whilst escorted by at least one able bodied adult
  - 2 In the Premises during business hours
  - 3 In a locked safe at the Premises out of business hours
  - 4 In a night or wall safe at a bank £ 5,000
  - (ii) In respect of any other loss of Money £ 500
- (e) Our total liability under this Addendum in respect of any one Loss of Non-negotiable Money shall not exceed £100,000
- (f) We shall only be liable for that part of each and every loss which exceeds £100
- (g) for the purpose of this Addendum
  - (i) 'Money' shall mean current coin, bank and currency notes, uncrossed cheques, uncrossed postal and money orders, unused postage stamps, unused National Insurance Stamps, National Savings Stamps and Certificates, unexpired units in franking machines, luncheon and customer redemption vouchers, trading stamps, holiday with pay stamps, telephone cards and travel tickets (solely for Your personal use, or use by any director or partner of Yours or any Employee).
  - (ii) 'Non-Negotiable Money' shall mean crossed cheques (including crossed giro cheques and drafts but excluding pre-signed blank cheques), crossed bankers' drafts, crossed postal and money orders, crossed warrants, used National Insurance Stamps, VAT purchase invoices, company credit and/or debit cards, credit card and debit card sales vouchers and Premium Bonds
- (h) We shall not be liable to pay or indemnify You for loss of Money or Non-Negotiable Money
  - (i) due to fraud or dishonesty of Employees unless the loss is discovered within 30 days of it occurring
  - (ii) due to mysterious disappearance, unexplained shortage or shortages, accounting or clerical error or omission
  - (iii) from unattended motor vehicle
  - (iv) due to depreciation in value or to the use of counterfeit Money
  - (v) due to falsification of accounts
  - (vi) where You are entitled to indemnity under a Fidelity Guarantee or similar insurance policy or certificate
  - (vii) in transit sent in unregistered post
- (i) As a condition precedent to Your right to payment of indemnity under this Addendum You shall ensure that
  - (i) a complete record is kept of
    - (1) Money in transit
    - (2) Money in the Premisesand that such record is deposited in some place other than in any safe or strongroom containing Money
  - (ii) that no keys or combination codes of any safe or strongroom containing Money are in the Premises out of business hours unless You or any director or partner of Yours or any Employee (who is entrusted with Money) permanently reside at the Premises, and/or no keys or combination codes of any safe or strongroom containing Money shall, out of business hours, be
    - (1) in the Business portion of the Premises.
    - (2) in or about that particular portion of the Premises in which such safe or strongroom is kept or situated.

**(18) Personal Assault**

If any principal, partner, governor, director, council member, member, officer or trustee of Yours or any Employee or any member of their family suffers Injury during the Period of Insurance as a direct result of robbery or attempted robbery in the course of the Business We agree to pay You

- (a) In respect of Death or Disability £10,000 per person
- (b) In respect of Temporary Total Disablement £100 per person per week for a maximum of 104 weeks.

Provided always that

- (a) for the purpose of this Addendum
  - (i) 'Injury' shall mean bodily injury caused solely and directly by violent, external and visible means
  - (ii) 'Death' shall mean death resulting solely and directly from, and within 104 weeks of sustaining, the Injury
  - (iii) 'Disability shall mean
    - (1) total loss of use of one or more hands or feet resulting solely and directly from, and within 104 weeks of suffering, the Injury, or
    - (2) total and irrecoverable loss of all sight in one or both eyes, or the power of speech, or the sense of hearing resulting solely and directly from, and within 104 weeks of suffering, the Injury, or
    - (3) permanent total disablement (other than (1) or (2) above) resulting solely and directly from Injury which necessarily and continuously prevents attendance to business or occupation of any description and, having lasted for 104 weeks from the date of suffering the Injury, is beyond hope of improvement.
  - (iv) 'Temporary Total Disablement' shall mean total disablement resulting solely and directly from Injury which necessarily prevents the injured person from attending to his/her usual business or occupation or, if the injured person has no occupation, necessarily confines the person to a private dwelling or other location where he/she is under treatment
- (b) benefit (b) is no longer payable once benefit (a) becomes claimable.
- (c) We shall not be liable to pay or indemnify You for Injury
  - (i) in so far as it is directly or indirectly due to, or prolonged by, pregnancy or childbirth
  - (ii) to any person under the age of 16 years or over the age of 75 year
- (d) as a condition precedent to Your right to payment or indemnity under this Addendum such person suffering the Injury must agree to any medical examination which We may require at Our expense. In the event of Death We may arrange a post-mortem examination at Our request.

**DEFINITIONS APPLICABLE TO INSURING CLAUSE 5 (see also the General Definitions)**

'Assured/You/Your/Yours' shall mean the person named as the Policyholder in the Schedule.

'Buildings' shall mean the buildings at the Premises owned or occupied solely or in part by You in connection with Your Business and/or as a private dwelling or offices which shall unless stated otherwise be constructed of brick, stone, or other non-combustible materials and roofed with slates, tiles, metal, concrete, asphalt, asbestos or other non-combustible materials.

Furthermore such buildings shall include landlord's fixtures and fittings in or on the buildings and, other than for the application of Exclusions 7(a) and 17 of this Insuring Clause,

- (a) walls, gates and fences, car parks, yards, private roads, pavements and paths all on the same Premises
- (b) small outside buildings (including but not limited to cages, cabinets and storage containers for flammable and combustible liquids), annexes, loading bays, conveniences, external fire escapes, staircases, gangways and pedestrian ways attaching or belonging to the buildings.
- (c) services, which shall mean lowering and loading apparatus, water and fuel tanks and ancillary equipment, service pipes, trunking, piping, ducting, cables, wires and their associated control gear and accessories extending from the buildings to the public mains all for which You are responsible and so far as they are not otherwise insured.

'Computer Equipment' shall mean any computer or other electronic data processing device, equipment or system, any hardware, software programme instruction, data or component utilised or intended to be utilised in/or by any such item.

'Damage' shall mean accidental loss, destruction or damage.

'Defined Peril(s)' shall mean fire, lightning, explosion, earthquake, subterranean fire, riot, civil commotion, strikers, locked-out workers, persons taking part in labour disturbances, malicious persons (other than thieves), aircraft or other aerial devices or articles dropped therefrom, storm, flood, escape of water from any tank, apparatus or pipe and impact by any road vehicle or animal.

'Employee' shall mean any person, other than a director of Yours, who was or is or may hereafter be

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

working for You under Your direct control in connection with Your Business.

**'Excess'** shall mean

- (a) £1,000 in respect of Damage caused by Subsidence
- (b) £500 in respect of all other Damage.

**'Fixed Glass'** shall mean

- (a) fixed glass in windows, doors and fanlights, glass showcases, tops and mirrors, including frames and surrounds all at the Premises
- (b) the fixed glass, framework, fittings, lettering, signs, signage, ornamentation and burglar alarm foil of the ground floor frontage of any retail or office unit of the Premises.

**'General Contents'** shall mean business equipment, plant, machinery, furniture, fixtures and fittings and, in so far as they are not otherwise or more specifically insured,

- (a) money and stamps (other than National Insurance Stamps) for an amount not exceeding £1,000 (but this is limited to £500 following theft other than from a locked safe or strongroom)
- (b) National Insurance Stamps including stamps affixed to cards
- (c) documents, manuscripts, laboratory books and business books but only for the value of the materials as stationery together with the cost of clerical labour expended in writing up and not for the value to You of the information contained therein
- (d) computer systems records, but only for the value of the materials together with the cost of clerical labour and computer time expended in reproducing such records (excluding any expenses in connection with the production of information to be recorded therein) and not for the value to You of the information contained therein, for an amount not exceeding £10,000
- (e) patterns, models, moulds, plans and designs
- (f) Employees', directors', partners', customers' and visitors' pedal cycles, tools and other personal effects for an amount not exceeding £500 in respect of any one person
- (g) wines, spirits, cigarettes and tobacco goods kept for entertainment purposes only (and not for sale) but not for more than £500 in total in respect of loss or damage by theft (if insured)
- (h) Tenants Improvements

all contained within the Buildings and belonging to You or for which You are responsible but excluding

- (i) landlords fixtures and fittings
- (j) vehicles licensed for road use (other than fork lift and stacker trucks) including their accessories and equipment
- (k) Fixed Glass
- (l) property more specifically insured.

**'Period of Insurance'** shall mean the period stated in the Schedule.

**'Premises'** shall mean the premises stated in the Schedule.

**'Property'** shall mean Computer Equipment, General Contents, Research and Development Property, Stock and Tenant's Improvements..

**'Research Projects'** shall mean Your activities directly related to the development of new products or improvements to existing products.

**'Research and Development Property'** shall mean consumables, cultures, samples and resulting products prior to regulatory approval, including clinical trial stocks and Research Animals, associated with Research Projects all contained within the Buildings and belonging to You for which You are responsible.

**'Research Animals'** shall mean animals used by You or intended to be used by You in Research Projects.

**'Stock'** shall mean stock and materials in trade (excluding heating oil), including work in progress and finished goods, belonging to You or held by You in trust or on commission and for which You are responsible and contained within the Buildings.

**'Subsidence'** shall mean subsidence, ground heave or landslip.

**'Sum(s) Insured'** shall mean the amount(s) stated in the Schedule in respect of this Insuring Clause.

**'Tenants Improvements'** shall mean improvements, alterations and decorations at the Premises for which You are responsible.

## **EXCLUSIONS APPLICABLE TO INSURING CLAUSE 5 (see also the General Exclusions)**

We shall not be liable to pay or indemnify You for

### **(1) OTHER INSURANCE**

more than Our rateable proportion of any Damage where You are entitled to payment or indemnity under any other insurance for such Damage.

### **(2) WEAR AND TEAR**

Damage caused by or consisting of

- (a) inherent vice, latent defect, gradual deterioration, wear and tear, frost, change in water table level, faulty or defective design or materials
- (b) the bursting of a boiler (other than a boiler used for domestic purposes only), economiser or other vessel, machine or apparatus, belonging to You or under Your control, in which internal pressure is due to steam only

other than subsequent Damage which itself results from a cause not otherwise excluded.

**(3) DEFECTIVE WORKMANSHIP**

Damage caused by or consisting of faulty or defective workmanship, operational error or omission, by You or on the part of any of Your employees, other than subsequent Damage resulting from another cause.

**(4) FRAUD OR DISHONESTY OF EMPLOYEES**

Damage by or consisting of acts of fraud or dishonesty by Your Employees other than subsequent Damage resulting from a Defined Peril.

**(5) LEAKAGE, MECHANICAL / ELECTRICAL BREAKDOWN ETC**

- (a) Damage caused by or consisting of corrosion, rust, wet or dry rot, shrinkage, evaporation, loss of weight, dampness, dryness, change in temperature, colour, flavour, texture or finish, marring, scratching, vermin or insects
- (b) Damage consisting of
  - (i) joint leakage, failure of welds, cracking, fracturing, collapse or overheating of boilers, economisers, superheaters, pressure vessels or any range of steam and feed piping in connection therewith
  - (ii) mechanical or electrical breakdown or derangement

other than subsequent Damage resulting from another cause.

**(6) POLLUTION**

Damage caused by Pollution other than Damage caused by

- (a) Pollution which results from a Defined Peril
- (b) a Defined Peril which results from Pollution.

**(7) SUBSIDENCE**

Damage caused by or consisting of Subsidence

- (a) to yards, car parks, roads, pavements, walls, gates or fences at the Premises unless the buildings at the Premises are Damaged by the same cause and at the same time
- (b) to any Property situated within the Isle of Wight
- (c) which itself results from
  - (i) demolition, construction, structural alteration or repair of any property, or
  - (ii) groundworks or excavations at the Premises
  - (iii) the normal settlement or bedding down of new structures
  - (iv) the settlement or movement of made up ground
  - (v) coastal or river erosion.

**(8) THEFT**

Damage caused by theft or any attempted theft

- (a) from any outbuilding unless such theft or attempted theft involved entry to or exit by forcible and violent means
  - (b) to moveable Property in any yard, car park, open space or open sided building at the Premises unless in a metal fenced enclosure
    - (i) of not less than 2.4 meters in height, and
    - (ii) incorporating a metal gate, with anti-removal and anti-lifting measures, locked with a closed shackle padlock certified to BSEN12320 grade 5 or above together with a locking bar of commensurate quality welded to the fencing frame
- and such theft or attempted theft involved entry or exit by forcible or violent means
- (c) whilst the Buildings are Unoccupied other than Damage consequent upon and in connection with assault or violence or threat thereof to You or any of Your Employees
  - (d) expedited or in any way brought about by You, any member of Your family, or any director, partner of Yours or any Employee unless resulting from assault or violence or threat thereof to such persons

Provided always that this Exclusion shall not apply to any subsequent Damage resulting from a Defined Peril.

**(9) COLLAPSE**

Damage to the Building caused by its own collapse or cracking unless resulting from a Defined Peril.

**(10) DAMAGE TO FENCES, GATES AND MOVEABLE PROPERTY**

Damage to fences, gates and moveable property in the open caused by wind, rain, hail, sleet, snow, flood and dust.

**(11) DAMAGE TO ROADS, PATHS AND PAVEMENTS ETC**

Damage of or to any yard, car park, road, pavement or path caused by weight, vibration or vehicle.

**(12) UNOCCUPIED PREMISES**

Damage to Unoccupied Buildings caused by

- (a) freezing
- (b) unintentional discharge of fire protection systems
- (c) the escape of oil or water from any tank, apparatus or pipe, or escape of oil from any heating installation

- (d) malicious persons not acting on behalf of or in connection with any political organisation, other than by fire or explosion.
- (13) FIXED GLASS AND SANITARY WARE**  
Damage to Fixed Glass and fixed sanitary ware
- (a) which is broken or damaged at the commencement of this insurance
- (b) in respect of an Unoccupied Building.
- (14) VALUABLE AND FRAGILE PROPERTY**  
Damage to
- (a) (i) jewellery, precious stones, precious metals, bullion, furs, curiosities, works of art or rare books  
(ii) Property in transit  
(iii) money, cheques, stamps, bonds or credit cards  
other than Damage caused by a Defined Peril.
- (b) securities of any description unless stated otherwise in this Insuring Clause or the Schedule
- (c) glass (not being Fixed Glass or laboratory glassware), china, earthenware (not being fixed sanitary ware), marble or other fragile or brittle objects other than Damage caused by a Defined Peril or theft or any attempted theft.
- (15) VEHICLES**  
Damage to vehicles licensed for road use and their accessories and equipment, caravans, trailers, railway locomotives, rolling stock, watercraft or aircraft unless stated otherwise in this Insuring Clause or the Schedule.
- (16) CONTRACT WORKS**  
Damage to
- (a) the permanent and/or temporary works forming part of any contract for the maintenance, repair, renovation, refurbishment, alteration, rebuilding (or the like) of the Buildings, and/or
- (b) materials for incorporation within such permanent and/or temporary works.
- (17) LAND, ROADS, PAVEMENTS ETC**  
Damage to land, roads, pavements, piers, jetties, bridges, culverts or excavations unless stated otherwise in this Insuring Clause or the Schedule.
- (18) LIVESTOCK, CROPS AND PLANTS**  
Damage, other than by a Defined Peril, to
- (a) explosives
- (b) livestock and animals (other than Research Animals)
- (c) growing crops, trees, shrubs, plants or lawns
- (i) other than Research and Development Property, or
- (ii) where for ornamental purposes and within the structure of Your Buildings
- and not otherwise insured.
- (19) COMPONENT SELF IGNITION**  
Damage of the component part of any dynamo, electric motor or other electrical plant installation, apparatus or conductor caused by its own self-heating or self-ignition.
- (20) PROPERTY MORE SPECIFICALLY INSURED**  
any Property more specifically insured by You or on Your behalf.
- (21) CONSEQUENTIAL LOSS**  
consequential loss of any kind or description.
- (22) RENT**  
loss of rent.
- (23) UNEXPLAINED SHORTAGES**  
Damage caused by or consisting of unexplained disappearance or inventory shortage, misfiling or misplacing of information.
- (24) FALSE PRETENCE**  
Damage caused by the voluntary parting with title or possession of any Property insured if induced by any fraudulent scheme, trick, device or false pretence.
- (25) BASEMENT STORAGE**  
Damage to General Contents and/or Stock in any basement or cellar of the Premises which is not stored at least 15 centimetres above floor level.
- (26) FLAT ROOFS**  
Damage to or resulting directly or indirectly from flat roof sections of the Property where the flat roof
- (a) has not been adequately maintained, or
- (b) is greater than 10 years old.

**(27) DAMAGE TO PROPERTY**

Damage to Property

- (a) resulting directly or indirectly from the solidification of molten material
  - (b) resulting directly or indirectly from the correction, content or defective design of any computer records or computer programme
  - (c) undergoing a process, packing, treatment, testing, commissioning, service, repair or being worked upon
- Provided always that this Exclusion shall not apply to any subsequent Damage resulting from a Defined Peril.

**(28) SICKNESS, DISEASE OR DEATH OF RESEARCH ANIMALS**

Damage to Research Animals resulting directly or indirectly from

- (a) death by natural causes
- (b) intentional destruction
- (c) experimentation.

**(29) CONTROLLED ENVIRONMENTS**

Damage resulting directly or indirectly from a change in environmental condition within an area where the environment is artificially controlled unless resulting from a Defined Peril.

**(30) CONTAMINATION**

Damage to Property following contact with anything which results in the Property being impure or harmful unless resulting from a Defined Peril.

**(31) COMPUTER SECURITY**

Damage resulting from a Computer Virus.

**CONDITIONS APPLICABLE TO INSURING CLAUSE 5** (see also the Claims Conditions and the General Conditions).

**(1) REINSTATEMENT BASIS OF SETTLEMENT**

In the event of Damage to the Property the basis upon which the amount We shall pay You is calculated shall be the Reinstatement of the Damaged Property.

Notwithstanding the Definition of 'Property', for the purpose of this Condition 'Property' shall mean the property specified in the Schedule other than

- (a) Stock, rent, motor vehicles (including their accessories and equipment)
- (b) debris removal and professional fees specifically insured under this Insuring Clause
- (c) employees', directors', partners', customers' and visitors' pedal cycles, tools and other personal effects.

For the purpose of this Condition 'Reinstatement' shall mean the cost of carrying out the following work

- (d) where the Property is lost or destroyed
  - (i) the rebuilding of the Property if a building, or
  - (ii) in respect of other Property, its replacement by similar property in a condition equal to but not better or more extensive than its condition when new.
- (e) where Property is damaged, the repair of the damage and the restoration of the damaged portion of the Property to a condition substantially the same as but not better or more extensive than its condition when new.

Provided always that

- (f) the work of Reinstatement must be commenced and carried out with reasonable despatch
- (g) where the work or Reinstatement is carried out at another site and/or in any manner suitable to your requirements Our liability to pay You shall not thereby be increased
- (h) in respect of any Property which is Damaged in part only, Our liability to pay You shall not exceed the amount we would have paid for Reinstatement if such Property had been wholly destroyed.
- (i) no payment shall be made until the cost of Reinstatement shall have been actually incurred
- (j) Notwithstanding Condition (1) of this Insuring Clause, Average, if at the time of Damage the Sum Insured of the Property represents less than 85% of the full cost of Reinstatement of the Property We shall only pay for that proportion of the Damage which the Sum Insured bears to the full cost of Reinstatement
- (k) unless any other contract of insurance effected by You or on Your behalf in respect of the Property is subject to an identical basis of Reinstatement We shall not pay You any amount beyond that which We would have paid under this Insuring Clause had this Condition not been incorporated therein.

**(2) EXPLOSION**

It is a condition precedent to Your right to payment or indemnity under this Insuring Clause for Damage to any vessel, machinery or apparatus (or the contents therein) belonging to You or under Your control caused by an explosion originating therein that where such vessel, machinery or apparatus is required to be examined to comply with any statutory regulations such compliance has been observed.

**(3) WASTE**

Where You undertake any manufacture, processing, repair, renovation work or the like and/or operate any workshop (including those used for training and/or rehabilitation purposes) You shall, as a condition precedent to Your right to payment or indemnity under this Insuring Clause, ensure that all rags, cloths and similar material used to remove or clean up oil, grease or flammable liquids are deposited in metal receptacles fitted with lids when not in use at least once a day all trade and workshop waste and refuse is swept up and deposited in non-combustible containers away from the Buildings and removed from the Premises at least weekly.

**(4) PROTECTION OF DOCUMENTS AND DATA**

As a condition precedent to Your right to payment or indemnity under this Insuring Clause, You shall ensure that,

- (a) when not in use or out of business hours, business critical documents, laboratory books and laboratory documents are stored in a fire proof safe
- (b) in respect of documents in an electronic format, you can demonstrate to our reasonable satisfaction that You have in place sufficient and proper procedures for the security and daily back up of such Documents including but not limited to the daily backup and weekly removal of such Documents from the Premises.

Specimen

# INSURING CLAUSE 6 - BUSINESS INTERRUPTION

If, during the Period of Insurance, an Insured Event occurs and in consequence the Business carried on by You at the Premises is interrupted or interfered with then We agree to pay You

## Flexible First Loss

any combination of,

- (i) the reduction in Revenue, and/or
- (ii) the continuing expense of Research Projects
- (iii) the reduction in Research and Development Payments

and/or increase in cost of working, and/or

- (iv) the Additional Cost of Working

resulting from such interruption or interference.

Provided always that

- (i) This Insuring Clause is only operative if a Sum Insured is shown for such clauses in the Schedule and only in respect of the Premises stated against such Sum Insured
- (ii) in respect of Damage occurring at the Premises,
  - (a) payment shall have been made or liability admitted for the Damage under Insuring Clause 5 (Property Damage) or payment would have been made or liability admitted but for the operation of the Excess under Insuring Clause 5 (Property Damage), or
  - (b) if You do not own and are not responsible for insuring the Premises, payment would have been made or liability admitted had such Premises been insured under Insuring Clause 5 (Property Damage)

## LIMIT

Our total aggregate liability under this Insuring Clause in the Period of Insurance shall not exceed the Sum Insured

Provided always that

- (a) in respect of the interruption or interference of the Business following Damage for which payment shall have been made or liability admitted under Addendum 8 (Extended Perils) of Insuring Clause 5 (Property Damage) or payment would have been made or liability admitted but for the operation of the Excess under such Insuring Clause, shall not exceed
  - (i) in respect of Addendum 6 (a) (Controlled Environment Deviation) £2,500
  - (ii) in respect of Addendum 6 (b) (Contamination Event) £2,500
  - (iii) in respect of Addendum 6 (c) (Machinery Breakdown) £2,500
  - (iv) in respect of Addendum 6 (d) (Computer Breakdown) £2,500
  - (v) in respect of Addendum 6 (e) (Computer Security) £2,500
- (b) the amount payable in respect of
  - (i) reduction in Revenue shall be the amount by which the Revenue during the Indemnity Period shall, in consequence of the Insured Event, fall short of the Standard Revenue.
  - (ii) the continuing expense of Research Projects shall be the costs and expenses incurred during the Indemnity Period, other than the cost of raw materials or Contractual Commitments, solely required by You to maintain Your Research Projects which during the Indemnity Period shall, in consequence of the Insured Event have been interrupted or interfered with, less any savings made in respect of reduced costs and expenses of Research Projects.  
The costs and expenses payable for the continuing expense of Research Projects shall begin on the Commencement and end when the first of the following occurs:
    - (1) the Research Project is restored to the position that would have been achieved had the Damage not occurred, or
    - (2) the Indemnity Period expires, or
    - (3) 90 days have elapsed from the date of the physical reinstatement of the Property, or
    - (4) 90 days have elapsed from the date physical reinstatement of the Property would have been achieved had reinstatement been commenced and carried out with reasonable despatch.
  - (iii) the reduction in Research and Development Payments shall be the amount during the Indemnity Period by which such Research and Development Payments in consequence of the Insured Event, fall short of the payments stated in Your collaboration agreements or other written contractual agreements and which would have been payable to You had the Insured Event not occurred.  
The reduction in Research and Development Payments shall begin on the Commencement and end when the first of the following occurs:
    - (1) the Research Project is restored to the position that would have been achieved if the Damage had not occurred and payment is resumed, or

- (2) the Indemnity Period expires.  
Subject always to the following:
- (3) We shall not pay for the reduction in Research and Development Payments relating to Research Projects which have been or are planned to be discontinued
- (4) If You subsequently receive payment from a third party for the Research Projects for which we have made a payment to You under this Insuring Clause You will reimburse Us the amount of such payment
- (iv) increase in cost of working shall be the additional expenditure, subject to the provisions of Condition 3 (Savings) of this Insuring Clause, necessarily and reasonably incurred for the sole purpose of avoiding or diminishing the reduction in Revenue and/or the continuing expense of Research Projects which, but for that expenditure, would have taken place during the Indemnity Period in consequence of the Insured Event, but not exceeding the loss of Revenue and/or the continuing expense of Research Projects thereby avoided.
- (v) the Additional Cost of Working shall be the Additional Cost of Working necessarily and reasonably incurred or payable for the purpose of avoiding or diminishing the reduction in Revenue and/or Research and Development Payments and/or Rent Receivable which, but for that expenditure, would have taken place during the Indemnity period in consequence of the Insured Event (providing such Insuring Clauses are operative)

## **ADDENDA APPLICABLE TO INSURING CLAUSE 6**

### **(1) Alternative Trading**

If, during the Indemnity Period, goods shall be sold, accommodation provided or services shall be rendered elsewhere than at the Premises for the benefit of Your Business, either by You or by others on Your behalf the money paid or payable in respect of such sales, accommodation or services shall be brought into account in arriving at the Revenue, Research and Development Payments, Additional Cost of Working or increase in cost of working during the Indemnity Period.

### **(2) Professional Accountant's Charges**

We will pay the reasonable charges payable by You to Your professional accountants for producing any particulars or details or any other proofs, information or evidence, as may be required by Us under the terms of this Insuring Clause, and reporting that such particulars or details are in accordance with Your books of accounts or other Business books or documents.

### **(3) Reinstatement of Loss**

In the event of an Insured Event occurring that is insured by this Insuring Clause, the Sum(s) Insured will be automatically reinstated in full from the date of such Insured Event provided that You

- (a) pay any additional Premium We may require  
(b) comply with any reasonable recommendations We may make.

### **(4) Condemnation of Stock and Research and Development Property**

The indemnity provided by this Insuring Clause extends to include interruption or interference to Your Business following undamaged Property being

- (a) condemned by, or  
(b) withheld from the market to comply with the written notification from

an authorised regulatory body following Damage to Property provided always that such Damage is not excluded.

Provided always that the total amount payable under this Addendum in the Period of Insurance shall not exceed £5,000.

### **(5) Contractual Commitments**

The Indemnity provided by this Insuring Clause extends to include Contractual Commitments.

The total amount payable under this Addendum in the Period of Insurance shall not exceed £25,000 which amount shall be in addition to the Sum Insured.

## **DEFINITIONS APPLICABLE TO INSURING CLAUSE 6 (see also the General Definitions)**

'Assured/You/Your/Yours' shall mean the person named as the Policyholder in the Schedule.

'Additional Cost of Working' shall mean additional expenditure, including but not limited to,

- (a) the cost of moving to and from temporary premises and the additional rent rates and taxes thereon  
(b) expenses incurred in equipping temporary premises to make them suitable for Your Business  
(c) additional costs in respect of lighting, heating and water  
(d) additional costs in respect of additional staff and overtime and allowances to existing staff.

'Commencement' shall mean the date the Damage occurred.

'Contractual Commitments' shall mean those payments made and not recoverable, for which You are contractually committed to pay, for research services that have been cancelled, or which You are unable to utilise, as a result of Damage.

'Damage' shall mean accidental loss, destruction or damage.

'Indemnity Period' shall mean the period beginning with the commencement of the Insured Event and ending not later than the twelve

calendar thereafter during which the results of Your Business shall be affected in consequence of such Insured Event.

**'Insured Event'** shall mean Damage at the Premises to Property used by You for the purpose of Your Business and,

- (a) Damage at or to property in the vicinity of the Premises preventing or hindering You from using or accessing Your Premises for the purpose of the Business
- (b) accidental failure of Your supply of electricity, gas, water or telecommunications
- (c) restrictions imposed on the use of the Premises on the order or advice of the competent local authority consequent upon
  - (i) a human infectious or contagious disease which manifests itself in any person whilst at the Premises
  - (ii) injury or illness arising from or traceable to foreign or injurious matter in any food or drink provided on the Premises
  - (iii) any accident causing defects in the drains or other sanitary arrangements at the Premises
  - (iv) the discovery of vermin or pests at the Premises
  - (v) an emergency that could endanger human life or neighbouring property
- (d) murder or suicide at the Premises.

**'Period of Insurance'** shall mean the period stated in the Schedule.

**'Premises'** shall mean the premises stated in the Schedule.

**'Property'** shall mean material and tangible property.

**'Research Animals'** shall mean animals used by You or intended to be used by You in Research Projects.

**'Research and Development Expenditure'** shall mean the amount of expenditure, other than raw materials or Contractual Commitments, on Your Research Projects.

**'Research and Development Payments'** shall mean grants, milestone payments and other financial contributions payable to You at the intervals stated in Your collaboration agreements or other written contractual agreements declared to Us and in connection with Your Research Projects.

**'Research and Development Property'** shall mean consumables, cultures, samples and resulting products prior to regulatory approval, including clinical trial stocks and Research Animals, associated with Research Projects all contained within the Buildings and belonging to You for which You are responsible.

**'Research Projects'** shall mean Your activities directly related to the development of new products or improvements to existing products.

**'Revenue'** shall mean the money paid or payable to You in respect of work done and services rendered in the course of Your Business at the Premises.

**'Standard Revenue'** shall mean the Revenue during the period corresponding with the Indemnity Period in the twelve months immediately before the Commencement of the Insured Event appropriately adjusted where the Indemnity Period exceeds twelve months.

Providing always that adjustments shall be made, as may be necessary, to provide for the trend of Your Business and for variations in or other circumstances affecting Your Business either before or after the Insured Event or which would have affected Your Business had the Insured Event not occurred, so that the figures thus adjusted shall represent, as nearly as may be reasonably practicable, the results which but for the Insured Event would have been obtained during the relevant period after the Insured Event.

**'Sum(s) Insured'** shall mean the amount(s) stated in the Schedule.

**'Stock'** shall mean stock and materials in trade (excluding heating oil), including work in progress and finished goods, belonging to You or held by You in trust or on commission and for which You are responsible and contained within the Buildings.

## **EXCLUSIONS APPLICABLE TO INSURING CLAUSE 6 (see also the General Exclusions)**

We shall not be liable to pay or indemnify You for loss of Revenue, Gross Profit, Research and Development Payments, Research and Development Expenditure, Rent Receivable, Additional Cost of Working or increase in cost of working

### **(1) OTHER INSURANCE**

for more than Our rateable proportion where You are entitled to payment or indemnity under any other insurance for such loss of Revenue, Gross Profit, Research and Development Payments, Research and Development Expenditure, Rent Receivable, Additional Cost of Working and/or increase in cost of working.

### **(2) FAILURE OF SUPPLY**

consequent upon Damage caused by

- (a) the deliberate act of a supply undertaking in withholding the supply of water, gas, electricity, fuel or telecommunication services (unless such discontinuation is due to a deliberate act of the supply authority for the sole purpose of safeguarding life or protecting any part of the supply system or a scheme of rationing due to Damage to the supply authority's premises), other than loss resulting from subsequent Damage which itself results from a cause not otherwise excluded
- (b) the accidental failure of Your supply of electricity, gas, water or telecommunications
  - (i) which does not involve a cessation of supply for at least twenty-four consecutive hours
  - (ii) caused by

- (1) strikes of any labour or trade disputes
- (2) drought.

**CONDITIONS APPLICABLE TO INSURING CLAUSE 6** (see also the Claims Conditions and the General Conditions)

**(1) VALUE ADDED TAX CLAUSE**

To the extent that You are accountable to the tax authorities for Value Added Tax all terms shall be exclusive of such tax.

**(2) CURRENT COST ACCOUNTING**

Any adjustment implemented in current cost accounting shall be disregarded.

**(3) SAVINGS**

If any of the charges or expenses of the Business cease or reduce in consequence of an Insured Event the amount of such savings during the Indemnity Period shall be deducted from the amount payable.

**(4) EXPLOSION**

It is a condition precedent to Your right to payment or indemnity under this Insuring Clause for Damage to any vessel, machinery or apparatus (or the contents therein) belonging to You or under Your control caused by an explosion originating therein that where such vessel, machinery or apparatus is required to be examined to comply with any statutory regulations such compliance is observed.

**(5) WASTE**

Where You undertake any manufacture, processing, repair, renovation work or the like and/or operate any workshop (including those used for training and/or rehabilitation purposes) You shall, as a condition precedent to Your right to payment or indemnity under this Insuring Clause, ensure that

- (a) all rags, cloths and similar material used to remove or clean up oil, grease or flammable liquids are deposited in metal receptacles fitted with lids when not in use
- (b) at least once a day all trade and workshop waste and refuse is swept up and deposited in non-combustible containers away from the Buildings and removed from the Premises at least weekly.

# INSURING CLAUSE 7 - CYBER RISKS

## (a) Cyber loss

We will indemnify You against Loss arising from

- (i) Your Computers being subject to a Cyber Attack, or
- (ii) Data Extortion

in or about the course of Your Business first discovered by You during the Period of Insurance

## (b) Cyber liability

We will indemnify You against Loss arising from any Claim made against You during the Period of Insurance in respect of

- (i) Your negligent transmission of a Computer Virus that has emanated from or passed through Your Computers, or
- (ii) a Cyber Attack, or
- (iii) an E-Media Incident

in or about the conduct of Your Business.

## LIMIT AND EXCESS

Our total aggregate liability under this Insuring Clause in the Period of Insurance in respect of all Loss shall not exceed the Limit of Indemnity.

We shall only be liable for that part of each Loss which exceeds the Excess.

## DEFINITIONS APPLICABLE TO INSURING CLAUSE 7 (see also the General Definitions)

**'Assured/You/Your/Yours'** shall mean the person, persons, firm and all partners and former partners in the firm (or in the event of the death, incompetency, incapacity, bankruptcy or insolvency of any of the foregoing, their estate, heirs, legal representatives or assigns), limited liability partnership, trust or company named as the Policyholder in the Schedule.

In addition, if You so require, We will indemnify any director or member of Yours or any Employee in like manner to You, provided always that such persons shall, as though they were the Assured, observe, fulfil and be subject to the terms, conditions and exclusions of this Certificate in so far as they can apply.

**'Computer'** shall mean any computer or other electronic data processing device, equipment or system, any hardware, software program instruction, data or component utilised or intended to be utilised in/or by any such item.

**'Cyber Attack'** shall mean

- (a) a Hacking Incident, or
- (b) a Denial of Service Attack.

**'Data Extortion'** shall mean a demand made against You by a third party who threatens to cause or continue

- (a) the loss of, or
- (b) the unlawful or unauthorised alteration of, or
- (c) the inappropriate publication of, or
- (d) the theft of

either electronic or non-electronic data which would result in You suffering a financial loss if such demand is not met.

**'Denial of Service Attack'** shall mean any unlawful or unauthorised attempt specifically targeted at You alone by a third party to overload, hinder, interrupt or suspend service to Your Computers, via the internet.

**'E-Media Incident'** shall mean

- (a) libel, slander or defamation, or
- (b) unintentional infringement of intellectual property rights or any unintentional act of passing off

solely occasioned through Your website content, Your social media presence (including comments made by third parties for which You may be held legally responsible) or Your other online mediums.

**'Employee'** shall mean any person, other than a director of Yours, who was or is or may hereafter be

- (i) under a contract of service or apprenticeship with You or the Company, or

(ii) under any work experience or similar scheme, or  
(iii) supplied to or hired in or borrowed by You, or  
working for You under Your direct control in connection with Your Business.

**'Excess'** shall mean the amount stated in the Schedule.

**'Geographical Limits'** shall mean the United Kingdom.

**'Hacking Incident'** shall mean an electronic attack of a malicious or unauthorised nature specifically targeted at You alone, initiated by a third party or Employee with the intention of damaging, destroying, altering, encrypting, overloading or interfering with Your computer systems or records.

**'Indemnity Period'** shall mean the period commencing immediately following the expiry of the Time Retention and ending not later than 720 hours thereafter.

**'Limit of Indemnity'** shall mean the amount stated in the Schedule which amount is inclusive of all Loss under Insuring Clause 7(a)(ii) (Data Extortion) for which Our total aggregate liability in the Period of Insurance shall not exceed £25,000 or the amount stated in the Schedule, whichever is the least.

**'Loss'** shall mean

- (a) in respect of Insuring Clause 7 (a) (Cyber loss)
  - (i) under Insuring Clause 7 (a)(i) (Cyber Attack), costs reasonably incurred with Our prior written consent to restore, replace, rebuild, replicate or reinstate Your Computers
  - (ii) under Insuring Clause 7 (a)(ii) (Data Extortion), costs incurred by You with Our prior written consent (such consent not to be unreasonably withheld) to contain, mitigate and/or pay a ransom demand
- (b) in respect of Insuring Clause 7 (b) (Cyber liability),
  - (i) Your legal liability for damages and costs awarded against You
  - (ii) Costs and Expenses

resulting from or attributable to the same originating cause.

**'Period of Insurance'** shall mean

- (a) in respect of Insuring Clause 7(a) (Cyber loss) the period stated in the Schedule
- (b) in respect of Insuring Clause 7(b) (Cyber liability), the period stated in the Schedule and, in the event that
  - (i) We refuse to renew the cover afforded by this Certificate for reasons other than non-payment of premium to Us or Your failure to comply with or observe the terms, provisions and Conditions of this Certificate, or
  - (ii) You and/or any natural person with effective control of the Assured decline to accept the renewal terms offered by Us a further single period of thirty days from the expiry date of the period stated in the Schedule but only in respect of Loss arising from a Cyber Attack, Computer Virus or E-Media Incident occurring or a Data Extortion demand made prior to the expiry of the period stated in the Schedule.

The further period referred to in this Definition is not applicable to the extent that other insurance policies have been purchased with the intention of providing equivalent cover for any part of such period.

**'Retroactive Date'** shall mean the date which this Insuring Clause was first incepted, or where equivalent cover to that provided under this Insuring Clause has continuously been maintained in full force and effect immediately prior to the inception of this Insuring Clause, the date which applied to such equivalent cover.

**'Time Retention'** shall mean 24 hours commencing from the time of Your first discovery of a Cyber Attack.

## **EXCLUSIONS APPLICABLE TO INSURING CLAUSE 7 (see also the General Exclusions)**

We shall not be liable to pay or indemnify You against Loss

### **(1) OTHER INSURANCE**

in respect of which You are entitled to indemnity under any other insurance.

Notwithstanding the above, this Certificate shall contribute in excess of such other insurance, provided always that if such other insurance is also provided by Us the Limit of Indemnity under this Insuring Clause shall be deemed reduced by any amount payable under such other insurance.

### **(2) BETTERMENT**

to the extent that Your Computers or Your financial position are in a better or improved position compared to their position in the absence of such Loss.

- (3) **LEGAL ACTION**  
under Insuring Clause 7 (b) (Cyber Liability),
- (a) where the Claim is brought in a court of law outside the Jurisdiction, and/or
  - (b) where action is brought in a court of law within the Jurisdiction to enforce a foreign judgment, whether by way of reciprocal agreement or otherwise.
- (4) **GEOGRAPHICAL LIMITS**  
arising from the conduct of Your Business outside the Geographical Limits other than whilst a director or Employee of Yours is temporarily outside the Geographical Limits in connection with Your Business.
- (5) **EMPLOYERS LIABILITY**  
which results
- (a) directly or indirectly from bodily injury, mental injury, emotional distress, shock, sickness, disease or death sustained by any Employee arising out of and in the course of his/her employment by You, or
  - (b) for any breach of any obligation owed by You as an employer to any Employee or prospective Employee.
- (6) **DISHONEST AND MALICIOUS ACTS**  
which result from
- (a) any dishonest, fraudulent, criminal, malicious, wilful or reckless act or omission committed by any board director, trustee, governor, council member, committee member, partner or member of Yours or Your in-house lawyers, risk managers, chief operating officers, chief technology officers, chief information officers, chief privacy officers, self-employed persons working for You, or any other person acting in a similar capacity
  - (b) any dishonest, fraudulent, criminal or malicious act or omission committed by any other person after the discovery of reasonable cause for suspicion of such act or omission in relation to that person.
- Furthermore,
- (a) no person shall be entitled to payment or indemnity under this Certificate in respect of any Loss resulting from their dishonest, fraudulent, criminal or malicious act or omission or from condoning such an act or omission
  - (b) the following shall be deducted from any amount payable by Us
    - (i) any monies which but for such act would be due from You to the person committing or condoning such act
    - (ii) any monies held by You and belonging to such person
    - (iii) any monies recovered following action in accordance with General Condition 2 (Subrogation) of this Certificate.
- (7) **CONTRACTUAL LIABILITY**  
resulting from any agreement entered into by You in so far as liability under such agreement exceeds that which would be implied by statute or common law.
- (8) **CONSORTIA AND JOINT VENTURES**  
resulting from Your association with others whilst acting in consortia or joint ventures, other than in respect of Loss arising from Your own acts or omissions.
- (9) **CIRCUMSTANCES KNOWN AT INCEPTION**  
brought about by, or contributed to, or consequent upon any circumstances existing prior to the date when this Certificate became operative and which You ought reasonably to have known might give rise to a Loss.
- (10) **RETROACTIVE DATE**  
under Insuring Clause 7(b) (Cyber Liability), arising from the carrying out of Your Business prior to the Retroactive Date.
- (11) **INJURY/PROPERTY DAMAGE**  
arising from any Claim or Claims
- (a) for bodily injury, mental injury, emotional distress, shock, sickness, disease or death sustained by any person, or
  - (b) for any loss, damage or destruction of property including loss of use thereof (other than in respect of Computers)
- (12) **INSOLVENCY/BANKRUPTCY**  
as a result of or relating directly or indirectly from Your insolvency or bankruptcy or the insolvency or bankruptcy of your suppliers, subcontractors or service providers.
- (13) **FINANCIAL INTEREST**  
under Insuring Clause 7(b) (Cyber Liability), arising from any Claim made against You by
- (a) any parent company, ultimate holding company or subsidiary company, or
  - (b) any person or entity having a financial, executive or controlling interest in Your operation, or
  - (c) any company or entity in which You or any director, member or partner of Yours has a financial, executive or controlling

interest

unless such Claim or Claims are for an indemnity or contribution in respect of a Claim made by an independent third party against such company, person or entity.

(14) **TRADING LOSSES**

as a result of, or in connection with, any trading losses or liabilities or any debts incurred by any business managed by or carried on by You.

(15) **PATENTS**

arising from any actual or alleged infringement of any patent.

(16) **DIRECTORS AND OFFICERS**

as a result of or in connection with the performance or non-performance by You, any director or member of Yours or any Employee, of any duties as a director or officer of any company.

(17) **TAXATION, COMPETITION, RESTRAINT OF TRADE AND ANTI-TRUST**

arising from any breach of any regulation or legislation governing taxation, competition, restraint of trade or anti-trust provisions.

(18) **ELECTROMAGNETIC OR ELECTRICAL DISTURBANCES**

resulting from

- (a) electromagnetic fields, electromagnetic radiation, electromagnetic pulses, electromagnetism, solar flares and storms, or any other type of radiation
- (b) any alleged or actual electrical or mechanical failures and/or interruption including, but not limited to, electrical disturbance, surge or spike.

(19) **INFRASTRUCTURE FAILURES**

arising from any failure of the provision of Your infrastructure and utilities including (but not limited to) the provision of gas, water, electricity, telecommunications or internet service.

(20) **INSUFFICIENT IT INFRASTRUCTURE CAPACITY**

arising from You having insufficient capacity allocated, planned or created within Computers solely because the demand upon such Computers is larger than they are designed to process, unless the reason for such levels of demand is due to a Denial of Service Attack.

(21) **DATA EXTORTION**

under Insuring Clause 7 (i)(2) (Data Extortion), arising from Data Extortion by an Employee or a self-employed person working for you or anyone acting in collusion with an Employee or such person.

(22) **UNPROVEN OR ILLEGAL SOFTWARE**

arising directly or indirectly from

- (a) Your use of programs, applications or software that have not been successfully tested in a real working environment
- (b) Your knowing or reckless use of illegal or unlicensed programs, applications or software.

(23) **FINES AND PENALTIES**

to the extent of any fine, penalty or non-compensatory damages.

# GENERAL EXCLUSIONS APPLICABLE TO THE CERTIFICATE AS A WHOLE

(see also the Exclusions applicable to each Insuring Clause)

We shall not be liable to pay or indemnify You or the Company

**(1) FINES AND PENALTIES**

to the extent of any

- (a) fine or penalty
- (b) other than in respect of Insuring Clause (Directors' and Officers' Liability), non-compensatory damages.

**(2) RADIOACTIVE CONTAMINATION, SONIC BANGS AND NORTHERN IRELAND**

against any Loss, Damage, loss of Money, Injury or loss of Revenue, Research and Development Payments, Research and Development Expenditure, Additional Cost of Working and/or increase in cost of working directly or indirectly caused by or contributed to by or arising from

- (a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- (b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
- (c) pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds, and in Northern Ireland and the Republic of Ireland only
- (d) riot, civil commotion, strikers, labour or political disturbances, vandals or malicious persons.

**(3) WAR RISKS AND TERRORISM**

against any Loss, Damage, loss of Money, Injury or loss of Revenue, Research and Development Payments, Research and Development Expenditure, Additional Cost of Working and/or increase in cost of working based upon, arising out of or relating directly or indirectly from, in consequence of or in any way involving

- (a) War and/or Terrorism
- (b) any action taken in controlling, preventing or suppressing War and/or Terrorism
- (c) any unlawful, wanton or malicious act committed maliciously by a person or persons acting on behalf of or in connection with any Unlawful Association

regardless of any other cause or event contributing concurrently or in any other sequence to such Loss, Damage, loss of Money, Injury or loss of Revenue, Research and Development Payments, Research and Development Expenditure, Additional Cost of Working and/or increase in cost of working.

- (d) Contamination due to Terrorism

Provided always that

- (i) if We allege that by reason of this Exclusion, any Loss, Damage, loss of Money, Injury or loss of Revenue, Research and Development Payments, Research and Development Expenditure, Additional Cost of Working and/or increase in cost of working is not covered by this Certificate the burden proving the contrary shall be upon You and/or the Organisation
- (ii) in respect of Insuring Clause 3 (Employers Liability) this Exclusion shall not apply in respect of the first £5,000,000 of each Loss
- (iii) in the event that any portion of this Exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect
- (iv) for the purposes of this Exclusion 'Contamination' shall mean the contamination, poisoning or preventing and/or limitation of use of objects due to the effects of chemical and/or biological substances.
- (v) in respect of Insuring Clause 7 (Cyber Risks), this Exclusion does not apply in the context of a Hacking Incident initiated for the sole purpose of exacting malice against or commercial gain from You.

**(4) CONFISCATION ETC**

other than under Insuring Clause 4 (Directors and Officers Liability) against Loss, Damage, loss of Money, Injury or loss of Revenue, Research and Development Payments, Research and Development Expenditure, Additional Cost of Working and/or increase in cost of working that is directly caused by, contributed to by or arising from

- (a) confiscation, requisition, nationalisation, seizure, detention or destruction by any government, public, local or customs authority, and
- (b) under Insuring Clause 7 (Cyber Risks), access by any government, public, local or customs authority or any order by such authority to take down, deactivate or block access to Your Computers.

**(5) ELECTRONIC DATA**

other than under Insuring Clause 4 (Directors and Officers Liability) against loss, destruction, damage, distortion, erasure, corruption or alteration of Electronic Data from any cause whatsoever (including but not limited to Computer Virus) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to such loss, destruction, damage, distortion, erasure, corruption or alteration.

Provided always that, this Exclusion shall not exclude physical loss, destruction, damage, distortion, erasure, corruption or alteration directly caused by fire or explosion.

**(6) COMPUTER DATE RECOGNITION**

- (a) under Insuring Clauses 1 (Public/Products Liability), 2 (Professional Liability and Products Liability (Financial Loss)), and 4 (Directors and Officers Liability) against Loss brought about by or consequent upon any failure of any computer or other electronic data processing device, equipment or system, any hardware, software, programme, instruction, data or component utilised or intended to be utilised therein or thereby, or any actual or intended function of or process performed by any of the foregoing, (by whomsoever owned or operated), to recognise or respond to, correctly and effectively, any particular date or period of time (continuous or otherwise).
- (b) under all other Insuring Clauses, against any Damage, loss of Money, Injury or loss of Revenue, Research and Development Payments, Research and Development Expenditure, Additional Cost of Working and/or increase in cost of working directly or indirectly caused by or consisting of or arising from the failure of any computer system, hardware, programme or software or any microchip, integrated circuit or similar device in computer or non-computer equipment, whether Your property or not, and whether occurring before, during or after the year 2000,
  - (i) to correctly recognise any date as its true calendar date
  - (ii) to capture, save or retain and/or correctly to manipulate, interpret or process any data or information or command or instruction as a result of treating any date otherwise than as its true calendar date
  - (iii) to capture, save, retain or correctly to process any data as a result of the operation of any command which has been programmed into any computer software, being a command which causes the loss of data or the inability to capture, save, retain or correctly to process such data on or after any datebut this shall not exclude
  - (iv) any ensuing physical loss or damage to property insured resulting from a Defined Peril (other than subterranean fire) or theft not otherwise excludedor
  - (v) any consequential loss which may arise from such ensuing physical loss or damage and which is otherwise covered under this insurance,

Provided always that nothing in this exclusion or any other provision, Addendum or extension of this insurance shall be construed to extend Our liability to cover any costs and expenses, whether preventative, remedial or otherwise arising out of or relating to change, alteration or modification of any computer system, hardware, programme or software or any microchip, integrated circuit or similar device in computer or non-computer equipment, whether Your property or not.

**(7) MOULD**

against any Loss, Damage, loss of Money, Injury or loss of Revenue, Research and Development Payments, Research and Development Expenditure, Additional Cost of Working and/or increase in cost of working directly or indirectly caused by or contributed to by or arising from Mould or a Mould Event.

**(8) LEGAL ACTION**

against Loss or Compensation, other than under Insuring Clause 3 (Employers Liability),

- (a) where the Claim is brought in a court of law outside the Jurisdiction, and/or
- (b) where action is brought in a court of law within the Jurisdiction to enforce a foreign judgment, whether by way of reciprocal agreement or otherwise, and/or
- (c) under Insuring Clause 4 (Directors and Officers Liability), where Disqualification Proceedings, Investigation, Environment Proceedings or Extradition Proceedings are ordered or commissioned outside the Jurisdiction.

**(9) CIRCUMSTANCES KNOWN AT INCEPTION**

against Loss or Compensation, other than under Insuring Clauses 1(a) (Public Liability), 3 (Employers Liability) or 4 (Directors and Officers Liability), brought about by, or contributed to, or consequent upon any circumstances existing prior to the date when the Insuring Clause under which indemnity or payment is being sought became operative and which You ought reasonably to have known might give rise to a Loss or Compensation.

**(11) DELIBERATE ACTS**

other than in respect of Insuring Clauses 3 (Employers Liability) and 4 (Directors and Officers Liability), resulting from Your wanton, wilful, reckless or intentional disregard for any regulatory or statutory obligations.

**(12) SANCTIONS**

to the extent that the provision of such payment or indemnity would expose Us to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanction, laws or regulations of the European Union, United Kingdom or United States of America.

# **CLAIMS CONDITIONS APPLICABLE TO THE CERTIFICATE AS A WHOLE** (see also the General Conditions and the Conditions applicable to each Insuring Clause)

## **(1) NOTIFICATION OF CLAIMS**

You or the Company shall, as a condition precedent to Your right to payment or indemnity, give Us immediate notice in writing (or within 7 days for riot Damage) and, in respect of Insuring Clauses 1(Public/Products Liability), 2 (Professional Liability and Products Liability (Financial Loss)), 4 (Directors and Officers Liability) within the Period of Insurance, of

- (a) any Claim made against You or the Company,
- (b) the receipt of any notice of an intention to make a Claim against You or the Company,
- (c) the discovery of any act of fraud or dishonesty by any Employee or any reasonable cause for suspicion of fraud or dishonesty by an Employee
- (d) any circumstances of which You or the Company shall become aware which is likely to give rise to
  - (i) a Claim against You or the Company, or
  - (ii) the instigation of Disqualification Proceedings, Investigation, Environmental Proceedings, Extradition Proceedings, Investigation, or
  - (iii) the seeking by You or the Company of any payment or indemnity under this Certificate,

giving reasons for the anticipation of such Claim, Disqualification Proceedings, Investigation, Environmental Proceedings, Extradition Proceedings, Investigation or request for payment or indemnity, together with full particulars as to dates and persons involved.

Such notice having been given as required by (a), (b) or (c) above, any subsequent Claim made, or any Disqualification Proceedings, Investigation, Environmental Proceedings, Extradition Proceedings, Investigation, Tax Investigation instigated, or request for payment or indemnity shall be deemed to have been made or instigated during the Period of Insurance.

## **(2) GENERAL CLAIMS HANDLING**

You or the Company shall, as a condition precedent to Your right to payment or indemnity under this Certificate

- (a) give Us such information and co-operation as We may reasonably require
- (b) take no action which might prejudice Us
- (c) take all reasonable steps to prevent further Loss, Damage or interruption of or interference with Your Business
- (d) neither admit liability for nor settle any Claim or incur any Costs or Expenses in connection therewith or in connection with any Disqualification Proceedings, Investigation, Environmental Proceedings, Extradition Proceedings, Investigations without Our written consent
- (e) tell the police as soon as reasonably possible of any Damage or Loss involving theft or any attempted theft, malicious damage or vandalism or any loss of Money.

## **(3) DEFENCE OF CLAIMS**

- (a) We shall be entitled to take over and conduct in Your name the defence or settlement of any Claim or Loss.
- (b) You shall be entitled at your own risk to contest any Claim or legal proceedings which in Our opinion should be compromised or settled provided that We shall not be liable for any Loss incurred directly or indirectly as a result of Your refusal to compromise or settle such Claim or legal proceedings.
- (c) In respect of Insuring Clause 4 (Directors and Officers Liability):
  - (i) it is Your or the Company's duty to defend any Claim, Disqualification Proceedings, Investigation or Environmental Proceedings. We have the right, but not the obligation, to actively associate with You or the Company in the settlement or handling of any Claim, Disqualification Proceedings, Investigation or Environmental Proceedings.
  - (ii) subject to Our written consent You have the right to appoint any appropriately qualified legal representative to deal with any Claim notified to Us in accordance with Claims Condition 1.

## **(4) BUSINESS INTERRUPTION**

As a condition precedent to Your right to payment or indemnity under Insuring Clause 6 (Business Interruption) of this Certificate You shall

- (a) at Your expense within one month after the expiry of the Indemnity Period or within such further time as We may allow, deliver to Us in writing particulars of Your request for payment or indemnity
- (b) at Your expense deliver to Us such books of account and other Business books, vouchers, invoices, balance sheets and other documents, proofs, information, explanation and other evidence that We may reasonably ask for together with, (if We ask), a statutory declaration of the truth of the claim and of any matters connected with it.

## **(5) SALVAGE**

We may enter any Building in which Damage has occurred and deal with the salvage. However no property may be abandoned to Us.

**(6) PAYMENT OF INDEMNITY LIMIT**

In respect of Insuring Clauses 1 (Public/Products Liability), 2 (Professional Liability and Products Liability (Financial Loss)), 3 (Employers Liability), 4 (Directors and Officers Liability), We shall be entitled at any time to pay to You or the Company the Limit of Indemnity (or as much of it as remains available), or any lesser sum for which any Loss can be settled, whereupon We shall be under no further liability to You or the Company in respect of such Loss.

**(7) ELECTRONIC DATA PROCESSING MEDIA VALUATION**

Notwithstanding any provision relating to the basis of settlement of any request for payment or indemnity under this Certificate, should Electronic Data processing media insured by this Certificate suffer physical Damage insured by this Certificate then the basis of valuation shall be the cost of the blank media plus the cost of copying the Electronic Data from back-up or from originals of a previous generation.

If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media.

Such costs will not include

- (a) research and engineering nor any costs of recreating, gathering or assembling such Electronic Data.
- (b) any amount pertaining to the value of such Electronic Data to You or any other party even if the Electronic Data cannot be recreated, gathered or assembled.

**(8) LOSS OF DOCUMENTS**

Any payment or indemnity for expenditure under Addendum 12 (Condemnation of Stock and Research and Development Property) of Insuring Clause 5 (Property Damage) incurred by You in replacing or restoring Documents shall be supported by bills or accounts which shall be subject to Our approval.

**(9) DATA EXTORTION**

As a condition precedent to Your right to payment or indemnity under Insuring Clause 7 (a)(ii) (Data Extortion)

- (a) You shall not disclose the existence of the indemnity provided under such Insuring Clause to anyone.
- (b) You shall advise, or allow Us to advise, the police of the Data Extortion.

Specimen

# GENERAL CONDITIONS APPLICABLE TO THE CERTIFICATE AS A WHOLE

(see also the Claims Conditions and the Conditions applicable to each Insuring Clause)

## (1) CANCELLATION

Other than in respect of Insuring Clause 4 (Directors and Officers Liability) this Certificate may be cancelled by Us or on Our behalf by giving You 30 days' written notice and the Premium hereon shall be adjusted on the basis that We receive or retain pro rata premium.

(If the Premium for the Certificate is paid by instalments, please read carefully General Condition (3)).

## (2) SUBROGATION

We shall be subrogated to all Your or the Company's rights of recovery against any person before or after any payment or indemnity under this Certificate.

You or the Company shall give all such assistance in the exercise of rights of recovery as We may reasonably require, and other than in respect of Insuring Clauses 3 (Employers Liability) and 4 (Directors and Officers Liability), We agree not to exercise any such rights against any company standing in relation of subsidiary to parent or parent to subsidiary to You in each case as defined by current legislation.

## (3) PREMIUM PAYMENT

When premium payment has been arranged on a deferred basis with a premium finance company which has entered into a contractual agreement with Markel (UK) Limited to provide premium credit facilities and notwithstanding any other conditions in relation to cancellation it is hereby understood and agreed that

- (a) in the event of payment of any instalment to such premium finance company being overdue, Markel (UK) Limited may, in accordance with the authority granted to the premium finance company by You under the terms of the signed and dated Credit Agreement, accept cancellation instructions from the premium finance company and will allow a return pro-rata premium to the premium finance company provided there have been no claims or circumstances known or reported to Us during the Period of Insurance
- (b) all premiums due or returned shall be processed by the premium finance company in accordance with the signed and dated Credit Agreement.

## (4) FRAUDULENT CLAIMS

If You or the Company makes any request for payment or indemnity under this Certificate knowing it to be fraudulent in any respect, then We:

- (a) are not liable to pay or indemnify You or the Company in respect of the fraudulent request, and
- (b) may recover from You or the Company any sums paid to You or the Company in respect of the fraudulent request, and
- (c) may by notice to You or the Company treat this Certificate as having been terminated with effect from the time of the fraudulent act.

Furthermore,

- (d) if We exercise Our right under (c) above:
  - (i) We shall not be liable to You or the Company in respect of any relevant event occurring after the time of the fraudulent act. A relevant event is whatever gives rise to Our liability under the Certificate (such as a Loss, Claim, an occurrence of Damage, request for payment or indemnity or the notification of any Claim or circumstance), and
  - (ii) We need not return any of the Premium paid.
- (e) where this Certificate provides cover for any person who is not a party to this contract of insurance (a 'Covered Person'), and a fraudulent request for payment or indemnity is made under the Certificate by or on behalf of the Covered Person, We may exercise Our rights set out in (a), (b) and (c) above as if there were an individual contract of insurance between Us and the Covered Person. However, the exercise of any of those rights shall not affect the cover provided under this Certificate for any other person.

Provided always that,

- (f) in respect of Insuring Clause 4 (Directors and Officers Liability),
  - (i) We shall only exercise Our rights as set out in (a) and (b) above against the Director or Officer or Company making the fraudulent request for payment or indemnity
  - (ii) We shall not exercise Our rights as set out in (c) above.
- (g) Nothing in this General Condition (4) is intended to vary the position under the Insurance Act 2015.

## (5) LAW OF CONTRACT

The contract of insurance evidenced by this Certificate shall be governed by the law of England and Wales or the law of Scotland and subject to the exclusive jurisdiction of such English and Welsh or Scottish courts.

**(6) NOTICE**

Notice under this Certificate shall be deemed duly given

- (a) by any person to Us if sent by first class prepaid post to Markel (UK) Limited, at the address specified in the NOTICE of this Certificate, or such other address as has been notified to that person for the purpose from time to time,
- (b) to You or the Company if sent by post to the last known address thereof.

**(7) CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999**

A person who is not a party to this contract has no right under the Contracts (Rights of Third Parties) Act 1999 or any amendment or re-enactment thereof to enforce any term of this contract but this does not affect any right or remedy of a third party which exists or is available other than by virtue of this Act.

**(8) ALTERATION**

No payment or indemnity will be provided under this Certificate if, after the commencement of this insurance, there is any alteration which results in

- (a) the risk of Loss, Damage, loss of Money, Injury, or an Insured Event occurring being increased
  - (b) Your interest ceasing other than by a will or the operation of the law
  - (c) Your Business being wound up, carried on by a liquidator or receiver or permanently discontinued
- unless We are notified and agree to such alteration.

**(9) MULTIPLE ASSUREDS**

Our liability under each Insuring Clause shall be the liability specified therein which shall not be varied or deemed varied by virtue of the number or type of Assureds or claims thereunder.

**(10) CALIBRATION PROCEDURES & MAINTENANCE**

Other than in respect of Insuring Clause 3 (Employers Liability) and 4 (Directors and Officers Liability) You shall, as a condition precedent to Your right to payment or indemnity, ensure that all equipment utilised for the purpose of Your Business is calibrated and/or maintained in accordance with the manufacturer's recommendations.

**(11) MAINTENANCE OF RIGHTS AND REMEDIES**

As a condition precedent to Your right to payment or indemnity under this Certificate You shall ensure that You maintain all Your rights and remedies.

**(12) FIRE AND ELECTRICAL SAFETY**

You shall, as a condition precedent to Your right to payment or indemnity under Insuring Clauses 1(Public/Products Liability), 2 (Professional Liability and Products Liability (Financial Loss)), 5 (Property Damage) and 6 (Business Interruption), ensure that

- (a) a Gas Safe registered engineer
  - (i) annually inspects and services all gas appliances (including portable heating appliances), fittings and flues
  - (ii) undertakes all necessary remedial work following such inspection and servicing.
- (b) a competent person authorised to undertake buildings regulations Part P (Electrical Safety) inspections
  - (i) inspects and services all electrical equipment and appliances (including portable heating appliances) prior to their initial use and at least once every five years thereafter
  - (ii) inspects the electrical system at least once every five years to ensure safety and compliance with current electrical regulations

And undertakes all necessary remedial work following such inspections and servicing.

- (c) You provide adequate and suitable receptacles for the safe disposal of smoking materials in those areas of the Premises where smoking is allowed.

**(13) NON-AGGREGATION**

- (a) If payment or indemnity for Damage to Property is available under more than one Insuring Clause the total amount payable under any one Insuring Clause shall be reduced by any amount payable under any other Insuring Clause  
Provided always that

- (i) 'Damage', and
- (ii) 'Property'

shall, for the purpose of this General Condition, have the same meaning as that given in the applicable Insuring Clause under which payment or indemnity is being sought.

- (b) If payment or indemnity is available under both Insuring Clause 1 (Public/Products Liability) and 2 (Professional Liability and Products Liability (Financial Loss)) the total amount payable for such payment or indemnity shall not exceed the amount payable if only one of such Insuring Clauses was operative.

**(14) ALARM CONDITION**

You shall, as a condition precedent to Your right to payment or indemnity under Insuring Clauses 5 (Property Damage) and 6 (Business Interruption) ensure that, where an alarm has been installed at the Premises,

- (a) the alarm
  - (i) has been installed in accordance with the alarm company's specification lodged with and approved by Us
  - (ii) shall be fully operational and effective at all times when the Premises are closed for Business

- (iii) shall be maintained under contract by such alarm company throughout the currency of this Certificate of Insurance
- (b) notify Us immediately following any advice from the police that they will no longer respond following activation of the intruder alarm from the Premises.

**(15) BATTERY CHARGING**

You shall, as a condition precedent to Your right to payment or indemnity under Insuring Clauses 1 (Public/Products Liability), 2 (Professional Liability and Products Liability (Financial Loss)), 5 (Property Damage) or 6 (Business Interruption) ensure that when charging batteries for battery powered fork lift trucks, cherry pickers and the like, You:

- (a) charge such batteries in accordance with the battery manufacturer's recommendations and, in respect of vented batteries:
- (b) charge the batteries in a dedicated, well-ventilated area that is free of all combustible material and sources of ignition.

**(16) TEMPORARY PORTABLE HEATING APPLIANCES**

You shall, as a condition precedent to Your right to payment or indemnity under Insuring Clauses 1 (Public/Products Liability), 2 (Professional Liability and Products Liability (Financial Loss)), 5 (Property Damage) or 6 (Business Interruption) ensure that where portable heating appliances are used

- (a) such appliances are electrical or gas fired only
- (b) they are
  - (i) used, maintained and serviced
  - (ii) sited away from combustible materials in accordance with the manufacturer's recommendations
- (c) the heater is stable, sited and guarded so as to prevent burns from contact with hot surfaces, naked flame or electric bars
- (d) all leads, cables or fuel pipes are adequately secured and protected so as not to present a trip hazard
- (e) such heaters are turned off when the area is not occupied.

**(17) SECURITY PROTECTIONS**

You shall as a condition precedent to Your right to payment or indemnity under Insuring Clauses 5 (Property Damage) and 6 (Business Interruption) ensure that the following security protections (and/or any subsequently installed or fitted at Our request) shall be in full and proper use at all times when the Premises are closed for business or left unattended and shall be maintained in proper working order throughout the currency of this insurance

- (a) all external doors (and any internal doors leading to any part of the Buildings not in Your sole occupation) to be secured with either
  - (i) if an aluminium door: a cylinder mortice deadlock, or
  - (ii) if an armoured plate door: the door manufacturer's locks as supplied, or
  - (iii) if a UPVC door: a multi-point locking system incorporating a minimum of 3 deadbolts
  - (iv) if any other type of single leaf door
    - (1) where the door thickness is at least 4.5 cm: a five lever mortice deadlock to at least British Standard 3621 together with a 17.5 cm boxed steel striking plate
    - (2) where the door is less than 4.5 cm thick: a deadlocking rim latch keyed into the deadlock position or a mortice deadlock and two key operated security bolts engaging with the door frame and with internal operation only
  - (v) if double leaf doors:
    - (1) the standing leaf secured with internal surface mounted key operated security bolts or concealed flush bolts sited top and bottom engaging with the door frame and the floor, and
    - (2) the final closing leaf secured with either a lock fitted as above dependent on door type or both leaves fitted with a coach-bolted locking bar secured with a close shackle padlock (or, if the locking bar is sited internally, either a close or open shackle padlock) having at least five levers
  - (vi) if a designated fire door: either
    - (1) a panic bar locking system incorporating bolts which engage both the head and sill of the door frame, or
    - (2) a mortice lock having specific application for emergency exit doors and which is operated from the inside by means of a conventional handle and/or thumb turn mechanism.
- (b) all external ground floor windows, accessible windows and/or skylights, originally designed to open to be secured with either
  - (i) key operated window locks, or
  - (ii) adequately secured metal bars or grilles, external or internal metal shutters or internal collapsible metal security grill, or
  - (iii) screwed shut.

**(18) UNOCCUPIED BUILDINGS**

You shall as a condition precedent to Your right to payment or indemnity under Insuring Clauses 1 (Public/Products Liability), 5 (Property Damage) and 6 (Business Interruption) notify Us, in writing, as soon as reasonably possible when You become aware that

(a) a Building or any part of a Building is or is to become Unoccupied

(a) an Unoccupied Building or part of a Building has or is due to become occupied,

giving Us full details of the purposes for which it is to be used and pay the reasonable additional premium We may require.

**(19) ADVICE AND INSTRUCTIONS**

As a condition precedent to Your right to payment or indemnity under insuring Clauses 1 (Public/Products Liability), and 2 (Professional Liability and Products Liability (Financial Loss)) You shall ensure that any advice or instruction given by You or on Your behalf in respect of any Product is not knowingly contrary to any written advice or instructions given to You by the manufacturer of such Product.

**(20) BREACH OF TERMS NOT RELEVANT TO THE ACTUAL LOSS**

Where:

(a) there has been a failure to comply with a term (express or implied) of this Certificate, other than a term that defines the risk as a whole, and

(b) compliance with such terms would tend to reduce the risk of loss

(i) of a particular kind, and/or

(ii) at a particular location, and/or

(iii) at a particular time

We cannot rely on the breach of such term to exclude, limit or discharge Our liability under this Certificate if You or the Company show that the failure to comply with such term could not have increased the risk of loss which actually occurred in the circumstances in which it occurred.

**(21) BREACH OF THE DUTY OF FAIR PRESENTATION**

(a) if, prior to entering into this insurance contract, You or the Company shall breach the duty of fair presentation, the remedies available to Us are:

(i) if the breach of the duty of fair presentation is deliberate or reckless:

(1) We may avoid the Certificate and refuse all requests for payment or indemnity, and

(2) We need not return any of the Premium paid

(ii) if the breach of the duty of fair presentation is not deliberate or reckless, Our remedy shall depend upon what We would have done if You or the Company had complied with the duty of fair presentation

(1) if We would not have entered into the contract of insurance at all We may avoid the Certificate and refuse all requests for payment or indemnity and will return the Premium paid

(2) if We would have entered into the contract of insurance but on different terms (other than terms relating to the Premium), the contract will be treated as if it had been entered into on those different terms from the outset

(3) in addition, if We would have entered into the contract but would have charged a higher premium We may proportionately reduce the amount to be paid under this Certificate and, if applicable, any amount already paid in the same proportion as the premium we would have charged bears to the premium actually charged

(b) if, prior to entering into a variation of this contract of insurance, You or the Company shall breach the duty of fair presentation, the remedies available to Us are:

(i) if the breach of the duty of fair presentation is deliberate or reckless:

(1) We may by notice to You or the Company treat this Certificate as having been terminated from the time when the variation was concluded, and

(2) We need not return any of the Premium paid

(ii) if the breach of the duty of fair presentation is not deliberate or reckless, Our remedy shall depend upon what We would have done if You or the Company had complied with the duty of fair presentation

(1) if We would not have agreed to the variation at all We may treat the contract as if the variation was never made and will return any extra premium paid

(2) if We would have agreed to the variation but on different terms (other than terms relating to the Premium), the variation will be treated as if it had been entered into on those different terms from the outset

in addition:

(3) if, either

(i) We would have increased the premium by more than We did or at all, or

(ii) We would not have reduced the premium as much as We did or at all, then

We may proportionally reduce the amount to be paid under this Certificate arising out of events after the variation

Provided always that nothing in this General Condition (21) is intended to vary the position under the Insurance Act 2015.

# NOTICE

## COMPLAINTS

If at any time You have any query or complaint regarding Your contract of insurance, You should in the first instance refer to Your Insurance Broker or other intermediary or advisor, if any.

If Your problem cannot be resolved in this way, please write to Markel (UK) Limited, Verity House, 6 Canal Wharf, Leeds LS11 5AS quoting Your Certificate Number.

If You are unable to resolve the situation and wish to make a complaint You can do so at any time by referring the matter to Markel International Insurance Company Limited, 20 Fenchurch Street, London EC3M 3AZ.

Complaints that cannot be resolved in this way may be referred to the Financial Ombudsman Service. Further details will be provided at the appropriate stage of the complaints process.

Specimen