

# Insurance policy

**Management risks combined**

# Policyholder services

We offer a range of exclusive services for policyholders, which provide practical advice and professional help from industry experts.

## Employer helpline and guides

Market employment law protection policyholders can access our employer helpline and guides provided by employment law specialists at Markel Law LLP. The employer helpline must be used whenever TUPE issues could potentially arise.

## PR crisis management

Specified Markel policyholders have access to specialist public relations advice, public relations organisation, The Counsel House (TCH), to manage adverse press coverage should certain claims situations arise.

### **Please note:**

Employer helpline and guides is available exclusively with employment law protection cover.

PR crisis management is available exclusively with the following policy sections: directors and officers, management liability, executive liability, professional liability, cyber and entity defence.

For further information, please visit

[www.markelinternational.com/policyholderservices](http://www.markelinternational.com/policyholderservices)

# Contents

Welcome .....	2
The insurance contract.....	2
The cover provided .....	2
Exclusions .....	2
The meaning of highlighted words .....	2
Important information .....	3
How to make a claim .....	3
Fraudulent claim .....	3
Our reliance on the information provided to us .....	3
How to cancel this policy .....	4
How to make a complaint.....	5
Details of the Financial Services Compensation Scheme .....	6
Language .....	6
Regulatory authorities .....	6
Data protection.....	6
Information notices .....	6
Minimisation and notification.....	6
Rights of third parties .....	7
Sanctions limitation.....	7
Choice of law.....	7
Cover sections .....	8
Words with special meanings that apply throughout this policy (general definitions) .....	8
1 Directors and Officers liability.....	11
2 Entity defence.....	24
3 Employment law protection .....	31
Claims conditions that apply to this policy as a whole (claims conditions).....	36
Other conditions that apply to this policy as a whole (general conditions) .....	38
What is not covered (general exclusions).....	40

# Welcome

Welcome and thank you for choosing to buy your management risks combined policy from Markel.

This document, the schedule and any endorsement(s) attached form your policy. This document sets out the conditions of the insurance between **you** and **us**. Please carefully read the following and keep them in a safe place:

- this document,
- the schedule, and
- any endorsements that apply

## The insurance contract

In return for payment of the premium shown in the schedule, **we** agree to insure **you** as described in each section of this document, subject to the terms and conditions contained in or endorsed on this policy.

## The cover provided

The cover provided depends on which sections of cover you have chosen.

It is important that:

- **you** check that the sections you have requested are included in the schedule
- **you** check that the information **you** have given **us** is accurate – see 'our reliance on the information provided to us' in the 'important information' section
- **you** notify **your** broker as soon as practicable of any inaccuracies in the information **you** have given **us**
- **you** comply with **your** duties under each section of cover and under this policy as a whole.

## Exclusions

Your policy is subject to exclusions and these tell you what is not covered.

Some exclusions apply to this policy as a whole and are found under 'what is not covered (general exclusions)'.  
There are also exclusions that apply to specific sections of cover. These are found in each section of cover under the heading 'what is not covered'.

## The meaning of highlighted words

Some of the words in this policy have a special meaning, **we** have highlighted these words in bold print.

Some of these words have the same meaning throughout this policy, these will be found under the section 'words with special meaning that apply throughout this policy (general definitions)'.  
Other words only have a special meaning that is used in a specific section of cover or the meaning may vary from one section to another. The meaning of these words are found in the list of 'words with special meaning (definitions)' in each section of cover.

# Important information

## How to make a claim

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

- contact **your** insurance broker, or
- contact **us** by
  - writing to our claims team at Markel (UK) Limited, Verity House, 6 Canal Wharf, Leeds LS11 5AS, or
  - phoning our claims team on 0345 355 2227, or
  - email our claims team – [claimsuk@markelintl.com](mailto:claimsuk@markelintl.com)quoting your policy number and the name of the policyholder shown in the policy schedule.

## Things you must do

**You** must comply with the claims conditions. These can be found under 'claims conditions that apply to this policy as a whole'.

If **you** fail to comply with these conditions **we** may not pay **your** claim or any payment could be reduced.

## Fraudulent claim

If **you** make a fraudulent claim under this policy:

- **we** are not liable to pay the claim, and
- **we** may recover from **you** any sums **we** have paid to **you** in respect of the claim, and
- **we** may write telling **you** that **we** are treating the contract as having been terminated with effect from the fraudulent act.

If **we** do write to **you** telling **you** that **we** are treating this policy as having been terminated:

- **we** will not be liable to **you** 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 this policy (such as a loss, the making of a claim, or the notification of a potential claim), and
- **we** need not return any of the premium paid.

If this policy provides cover for any person who is not a party to the contract of insurance ('a covered person', for example a **director or officer** or an **insured person**), and a fraudulent claim is made under this policy by or on behalf of a covered person, **we** may exercise the same rights as above as if there was an individual contract of insurance between the covered person and **us**. However, the exercise of any of these rights shall not effect the cover provided under this policy for any other person.

In respect of any fraudulent claim under section of cover C (director and officers liability), **we** will not exercise **our** right to treat this policy as having been terminated.

## Our reliance on the information provided to us

In deciding to accept this policy and in setting the terms and premium **we** have relied on the information **you** have given **us**. **You** must take care when answering any questions **we** ask by ensuring that all information provided is accurate and complete.

If **you** become aware that information **you** have given **us** is inaccurate **you** must inform **us** as soon as practicable.

The information **you** have provided us constitutes **your** fair presentation of risk.

A 'fair presentation of the risk' is one

- which discloses to **us** every material circumstance which **you** know of or ought to know of, or
  - gives **us** sufficient information to put **us** on notice that we will need to make further enquiries for the purpose of revealing those material circumstances, and
  - which makes that disclosure in a manner which is reasonably clear and accessible to us

and

- in which every material representation as to a matter of fact is substantially correct and every material representation as to a matter of expectation or belief is made in good faith.

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

If **you** fail to make a fair presentation of risk there are a number of remedies available to **us** which are set out in general condition 7 (breach of the duty of fair presentation) in the section 'conditions that apply to this policy as a whole (general conditions)'.

**We** will write to **you** if **we** intend to take one of these remedies.

### How to cancel this policy

You can cancel this insurance (other than cover clause 1 (directors and officers liability)) at any time by writing to **your** broker.

**We** can cancel this insurance (other than cover clause 1 (directors and officers liability)) by giving **you** 30 days written notice. **We** will only do this for a valid reason, examples of valid reasons are:

- a change in risk occurring which means **we** can no longer provide **you** with insurance cover
- non-cooperation or failure to supply any information or documentation **we** request.

### Cooling-off period

This policy has a cooling-off period of 14 days from either:

- the date **you** receive this insurance policy, or
- the start of the period of insurance shown in the policy schedule

whichever is the later.

### Refund of premium

If **we** pay (or have agreed to pay) any claim, in whole or in part, then no refund of premium will be allowed.

If **we** haven't paid (or agreed to pay) any claim, in whole or in part, then:

- if **we** cancel this policy **you** will be entitled to a refund of any premium paid, subject to a deduction for any time for which **you** have been covered. This will be calculated on a proportional basis. For example, if **you** have been covered for 6 months and the period of insurance shown in the policy schedule is for 12 months, the deduction for the time **you** have been covered will be half the annual premium.
- if **you** cancel this policy within the cooling-off period **we** will return to **you** all of the premium paid without any deduction.
- if **you** cancel this policy outside the cooling-off period **you** will be entitled to a refund of any premium paid, subject to a deduction for any time for which **you** have been covered. This will be calculated on a proportional basis.

If the premium is paid by instalments the way **we** calculate the return premium may differ, please refer to general condition 2 (premium payment).

## How to make a complaint

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

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

In the event that **you** remain dissatisfied and wish to make a complaint **you** can do so at any time by either writing to:

Markel (UK) Limited  
Verity House  
6 Canal Wharf  
Leeds  
LS11 5AS

or to:

Markel International Insurance Company Ltd  
20 Fenchurch Street  
London  
EC3M 3AZ

Complaints that cannot be resolved in this way may be referred to the financial Ombudsman Service.

If **you** were sold this product online or by other electronic means and within the European Union (EU) **you** may refer **your** complaint to the EU Online dispute Resolution (ODR) platform. Upon receipt of **your** complaint the ODR will escalate **your** complaint to **your** local dispute resolution service – this process is free and conducted entirely online.

**You** can access the ODR platform on <http://ec.europa.eu/odr>

### The Financial Ombudsman Service (FOS)

The FOS is an independent service in the UK for settling disputes between consumers and businesses providing financial services. You can find out more information on the FOS at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

The contact details for the FOS are:

The Financial Ombudsman Service

Exchange Tower

London E14 9SR

Telephone: 0800 023 4567 (calls to this number are free from 'fixed lines' in the UK, or  
0300 123 9123 (calls to this number are charged at the same rate as 01 and 02 numbers on  
mobile tariffs in the UK)

Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

Website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

In certain situations **you** will not be able to refer **your** complaint to the Financial Ombudsman Service.

If **you** are a large business with an annual turnover of over two million euros (or the equivalent in pounds sterling) and **you** employ more than 10 employees, **you** are not eligible to refer **your** complaint to the Financial Ombudsman Service. If **you** are unsure whether **you** are able to refer **your** complaint, please contact the Financial Ombudsman Service.

Making a complaint does not affect **your** right to take legal action.

## Details of the Financial Services Compensation Scheme

Under the Financial Services & Markets Act 2000 **you** may be able to claim from the Financial Services Compensation Scheme. The level of compensation is different depending on the type of cover **you** hold:

- compulsory insurance, such as employer's liability, is covered for 100% of the claim
- for other insurances 90% of the claim is covered with no upper limit
- further information can be obtained by visiting the Financial Services Compensation Scheme
- website on [www.fscs.org.uk](http://www.fscs.org.uk) or by telephoning 0800 678 1100 or 020 7741 4100

## Language

This policy and all correspondence between **you** and **us** in relation to this policy (including any correspondence in relation to a claim) shall be in English.

## Regulatory authorities

**We** are authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority (Financial Services number 202570) and registered in England with company number 966670 with a registered office at 20 Fenchurch Street, London EC3M 3BY.

## Data protection

**Your** insurance cover includes cover for individuals who are either insureds or beneficiaries under the policy (individual insureds). **We** collect and use relevant information about individual insureds to provide **you** with **your** insurance cover and to meet **our** legal obligations.

This information includes individual insureds' details such as their name and address [and may include more sensitive details such as information about their health and criminal convictions].

**We** will process individual insureds' details, as well as any other personal information **you** provide to **us** in respect of **your** insurance cover, in accordance with **our** full Market privacy notice, a copy of which is available online at <http://www.markelinternational.com/foot/privacy-policy/> or on request.

## Information notices

To enable **us** to use individual insureds' details in accordance with current data protection laws, **we** need **you** to provide those individuals with certain information about how **we** will use their details in connection with **your** insurance cover.

**You** agree to provide to each individual insured **our** short form information notice set out in **our** proposal forms or risk profiles on or before the date that the individual becomes an individual insured under **your** insurance cover or, if earlier, the date that you first provide information about the individual to **us**.

## Minimisation and notification

**We** are committed to using only the personal information **we** need to provide **you** with **your** insurance cover. To help **us** achieve this, **you** should only provide to **us** information about individual insureds that **we** ask for from time to time.

**You** must promptly notify **us** if an individual insured contacts **you** about how **we** use their personal details in relation to **your** insurance cover so that **we** can deal with their queries.



## Rights of third parties

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

## Sanctions limitation

**We** will not provide any benefit under this contract of insurance to the extent of providing cover, payment of any claim or the provision of any benefit where doing so 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.

## Brexit

**We** will not provide any benefit under this contract of insurance to the extent of providing cover, payment of any claim or the provision of any benefit where the regulatory risk location is within the European Economic Area (EEA) excluding the **United Kingdom**

## Choice of law

The law of England and Wales will apply to this contract unless at the commencement of the period of insurance shown in the policy schedule **you** are a resident of (or, in the case of a business, the registered office or principal place of business is situated in) Scotland, in which case (in the absence of agreement to the contrary) the law of Scotland will apply.

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

# Cover sections

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

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

**Insured, you, your, yours.** The meaning of these words can vary depending upon which section of cover they appear in. Their meaning is given under 'words with special meanings' under each section of cover. When these words appear in either

- conditions that apply to this policy as a whole', or
- 'exclusions that apply to this policy as a whole'

then they shall have the meaning which is given in the relevant section of cover.

**Business** means **your** activities, profession or occupation that **you** have told **us** about and which **we** have confirmed are acceptable to **us** for the purpose of this insurance.

**Computer equipment** means any

- computer
- electronic data processing device, equipment or system

and includes any

- hardware
- software programme instruction
- data
- component

utilised or intended to be utilised in or by the computer or electronic data processing device, equipment or system.

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

**Contamination** means the

- contamination
- poisoning
- prevention or limitation of use

of objects due to the effects of chemical or biological substances.

**Costs and expenses** means legal costs and expenses incurred

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

but does not include

- damages and costs awarded against **you**
- any kind of payment for work or service due to **you**.

**Discovery period** means the period immediately following the expiry of the period of insurance shown in the policy schedule during which

- a claim, or
- circumstance for which cover is provided under the appropriate section of cover

can be reported to **us**.

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

**Mould event** means any actual, alleged or threat of:

- contact with,
- exposure to,
- inhalation of,
- absorption of,
- discharge of,
- dispersal of,
- seepage of,
- migration of,
- release of,
- escape of,
- presence of,
- growth of

**mould.**

**Our, us, we** means Markel International Insurance Company Limited.

**Pollution** means the

- discharge,
- dispersal,
- release, or
- escape

of any irritant or contaminant.

**Proposal** means all the information supplied to **us** (whether by written, electronic or any other means) for the purpose of effecting this policy.

**Terrorism** means any act of terrorism (including the use or threat of 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 (whether by right or not) and/or
- putting the public or any section of the public in fear.

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

**Unlawful association** means any unlawful organisation which is engaged in **terrorism** including any organisation which at any relevant time is a proscribed organisation within the meaning of the Terrorism Act 2000 or any legislation amending or re-enacting the act.

**War** means

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

# 1 Directors and Officers liability

*Please look at the policy schedule to see if this cover is provided.*

## What is covered

### a Directors and officers liability

**We** will pay any **director or officer** for their legal liability for damages and costs awarded against them arising from any claim first made against them and reported to **us** during the period of insurance shown in the policy schedule which arises from any actual or alleged wrongful act, error or omission committed or attempted by a **director or officer** during the performance of their duties as a **director or officer** of **yours** including

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

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

In addition **we** will pay

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

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

However, if **you** are legally allowed to pay the **director or officer** under **your** Memorandum or Articles of Association, trust deed, constitution or charter for their legal liability and **we** reimburse **you** or make that payment on **your** behalf under section of cover 8 (company reimbursement) below, then **we** will not make any payment under this section of cover 1 (directors and officers liability).

### b Outside board cover

**We** will pay any **director or officer** for their legal liability for damages and costs awarded against them arising from any claim first made against them and reported to **us** during the period of insurance shown in the policy schedule which arises from any actual or alleged wrongful act, error or omission committed or attempted by a **director or officer** during the performance of their duties as a **director or officer** of the **outside company** when they hold the position of **director or officer** at **your** written request including

- breach of any duty including fiduciary or statutory duty
- breach of trust
- negligence, negligent statement, misleading statement or negligent misrepresentation

- libel, slander or defamation
- wrongful trading as defined under United Kingdom law
- breach of warranty or authority
- or any other act, error or omission committed by them in their capacity of a **director or officer** of the **outside company**.
- Related, continuous or repeated wrongful acts, or wrongful acts that are connected by the same cause, shall constitute a single wrongful act.

In addition **we** will pay

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

However, **we** will not pay any amount which the **director or officer** recovers from **you** and where **we** pay **you** under 'h' (company reimbursement) below.

#### c Disqualification proceedings

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

However, **we** will not pay any amount which the **director or officer** recovers from the **company** and where **we** pay the **company** under 'h' (company reimbursement) below.

#### d Investigation costs

**We** will pay any **director or officer** for **costs and expenses** arising from an **investigation** which is first ordered or commissioned and reported to **us** during the period of insurance shown in the policy schedule.

However, **we** will not pay any amount which the **director or officer** recovers from **you** and where **we** pay **you** under 'h' (company reimbursement) below.

#### e Environmental proceedings

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

However, **we** will not pay any amount which the **director or officer** recovers from **you** and where **we** pay **you** under 'h' (company reimbursement) below.

#### f Extradition proceedings

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

However, **we** will not pay any amount which the **director or officer** recovers from **you** and where **we** pay **you** under 'h' (company reimbursement) below.

#### g Manslaughter claims cover

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

However, **we** will not pay any amount which the **director or officer** recovers from **you** and where **we** pay **you** under 'h' (company reimbursement) below.

#### h Company reimbursement

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

- a above (directors and officers liability)
  - c above (disqualification proceedings)
  - d above (investigation costs)
  - e above (environmental proceedings)
  - f above (extradition proceedings)
  - g above (manslaughter claims cover)
- then **we** will reimburse **you** for that payment.

#### i Discovery period

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

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

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

The **discovery period** shall only apply to:

- **wrongful acts**
- **disqualification proceedings**
- **investigations**
- **environmental proceedings**
- **extradition proceedings**
- proceedings brought under the Corporate Manslaughter and Corporate Homicide Act 2007

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

The **discovery period** can be extended from 30 days to:

- 90 days subject to an immediate payment to **us** of 25% of the premium applicable to this section of cover.
- 180 days subject to an immediate payment to **us** of 50% of the premium applicable to this section of cover.
- 12 calendar months subject to an immediate payment to **us** of 100% of the premium applicable to this section of cover.

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

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

If a **discovery period** is also provided under 'j' (retired directors or officers) then the two **discovery periods** shall run concurrently.

**j Retired directors or officers**

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

The **discovery period** shall only apply to:

- **wrongful acts**
- **disqualification proceedings**
- **investigations**
- **environmental proceedings**
- **extradition proceedings**
- proceedings brought under the Corporate Manslaughter and Corporate Homicide Act 2007

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

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

If a **discovery period** is also provided under 'i' (discovery period) then the two **discovery periods** shall run concurrently.

**k Public relations crisis management**

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

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

**l Non-executive directors**

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

**m Emergency costs and expenses**

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

**n Compensation for court attendance**

If at **our** request

- any director or partner of **yours**, or
- any **employee**



attends a court as a witness in connection with a claim **we** will pay you the following amounts:

- for any director or partner £500 per day
- for any **employee** £250 per day

for each day on which attendance is required.

### What we will pay

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

- all claims in total, plus
- all **costs and expenses**, plus
- all punitive or exemplary damages, plus
- all premiums for insurance or bonds required to begin an appeal,

is the **limit**.

The most **we** will pay in the period of insurance shown in the policy schedule for costs resulting from the use of the **crisis response service** is £25,000. This amount is in addition to the **limit**.

The most **we** will pay in the period of insurance shown in the policy schedule for **costs and expenses** arising from **environmental proceedings** is £250,000. This amount is not in addition to the **limit**.

Under 'h' (company reimbursement) **we** will not pay the **excess** where:

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

This amount must be paid by **you**.

### What is not covered (exclusions)

#### 1 Other insurance

**We** will not pay a **director or officer** or **you** where they or **you** have a right to payment under any other insurance.

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

#### 2 Legal action

**We** will not pay a **director or officer** or **you**

- where the claim is brought in a court of law outside the jurisdiction shown in the policy schedule for this section of cover, and/or
- where action for damages is brought in a court within that jurisdiction to enforce a foreign judgement.
- where **disqualification proceedings, investigation, environmental proceedings** or **extradition proceedings** are ordered or commissioned outside that jurisdiction.

### 3 Employment disputes

If

- **you** are an unincorporated body, or
- if section of cover 3 (employment law protection) has been chosen

then **We** will not pay a **director or officer** or **you** for

- an **employment wrongful act**
- an **investigation** in respect of employment discrimination or health and safety.

### 4 Dishonest and malicious acts

**We** will not pay a **director or officer** or **you** if the **director or officer** admits to dishonest, fraudulent or malicious conduct or if this is established in a judgement or final ruling.

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

### 5 Remuneration

**We** will not pay a **director or officer** or **you** to the extent of any remuneration of any kind that is due to any **director or officer** or **employee**.

### 6 Prior and pending litigation

**We** will not cover any claim made against any **director or officer** or **you** or pay any **costs and expenses** arising from

- a **wrongful act**
- **disqualification proceedings**
- an **investigation**
- **environmental proceedings**
- **extradition proceedings**
- any proceedings brought under the Corporate Manslaughter and Corporate Homicide Act

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

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

### 7 Pollution

**We** will not pay a **director or officer** or **you** in respect of any claim or proceedings arising from or in any way involving **pollution**.

This exclusion does not apply to section of cover 'e' (environmental proceedings).

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

### 8 Injury or property damage

**We** will not cover any claim for

- **injury** to any person

- loss, damage, destruction or loss of use of property.

This exclusion does not apply to emotional distress arising from

- libel, slander or defamation
- **employment wrongful act** (provided section of cover 6 (employment law protection) has not been chosen)

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

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

## 9 Pension funds

**We** will not pay a **director or officer** or **you** in respect of any claim or proceedings arising from the **director or officer** acting in the capacity of trustee or administrator of any pension, retirement or superannuation scheme or programme created for the benefit of a **director or officer** or **employee**.

## 10 Takeover or merger.

**We** will not cover any actual or alleged **wrongful act** committed or attempted after the effective date of **your** takeover or merger by or with any person or entity.

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

## 11 Professional duties to third parties

**We** will not cover any claim made by a third party for any breach of any professional duty owed to that party.

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

## 12 Claims made by any outside company

**We** will not cover any claim made by or on behalf of any **outside company** and/or any director, officer or trustee of the **outside company**.

This exclusion does not apply to

- any claim in respect of any **employment wrongful act** concerning the employment of the director or officer of the **outside company**
- any claim brought by any shareholder or bondholder of the **outside company** (which is made without any solicitation by, or assistance or participation of, any director, officer or trustee) due solely to any actual or alleged loss in value of the share capital of the **outside company**
- **costs and expenses** in the defence of any claim made by or on behalf of any **outside company** and/or any director, officer or trustee of the **outside company**
- any claim for contribution brought by any director, officer or trustee of the **outside company** if the claim directly results from any other claim or payment under this section of cover
- any claim brought by any person who is no longer a director, officer or trustee of the **outside company**

- any claim brought by a liquidator, receiver or administrative receiver due to the insolvency of the **outside company**.

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

### 13 Punitive and exemplary damages (employment)

**We** will not cover the cost of any punitive or exemplary damages awarded in relation to any claim arising from or in any way involving an **employment wrongful act**.

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

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

### 14 'Insured v. insured' (USA)

**We** will not cover any claim made against a **director or officer** brought by

- **you**, or
- any present or former holding company of **yours**, or
- any other **director or officer**, or
- any **outside company**

where the claim is brought

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

This exclusion shall not apply to:

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

### 15 United States of America

**We** will not cover any claim made against any **director or officer** or **you** or pay any **costs and expenses** arising from

- a **wrongful act**
- **disqualification proceedings**
- an **investigation**
- **environmental proceedings**
- **extradition proceedings**

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

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

## Conditions that apply to this section of cover

### 1 Unintentional non-disclosure

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

Despite general condition 7 (breach of the duty of fair presentation):

- If **you** or the **director or officer** have made any misrepresentation or non-disclosure of any material facts or circumstances then **we** will not avoid this section of cover
  - unless either:
    - **we** reasonably believe the misrepresentation or non-disclosure was deliberate or reckless; or
    - **we** would not have underwritten this section of cover on any terms if the facts or circumstances had been disclosed or not misrepresented
  - and provided that
    - where **you** or the **director or officer** should have notified **us** during a preceding period of insurance to that shown in the policy schedule of a claim or the instigation of **disqualification proceedings, investigation, environmental proceedings** or **extradition proceedings** and the cover to which **you** or the **director or officer** would have been entitled was in any way more restrictive than that provided at the date of notification **we** will only be liable to the extent available during that preceding period of insurance.
    - where **you** or the **director or officer** have prejudiced the handling or settlement of any claim, **disqualification proceedings, investigation, environmental proceedings** or **extradition proceedings**, the amount **we** will pay **you** will be reduced to the amount which, in **our** opinion, would have been payable in the absence of the prejudice.
- Subject to the above, if **you** or the **director or officer** make any misrepresentation or non-disclosure of any material facts and **we** would still have underwritten this section of cover but on different terms had the facts been disclosed or not misrepresented, then **we** may instead:
  - reduce proportionately the amount paid or payable on any claim by reference to the ratio which the premium actually charged bears to the premium which **we** would have charged had **you** or the **director or officer** told **us** about a material fact or circumstance. The same reduction will be applied to any claims which have already been paid and any overpayment of claims by **us** will be repaid by **you** or the **director or officer**; and/or
  - treat this section of cover as if it had included such additional terms (other than terms relating to premium) as **we** would have imposed had **you** or the **director or officer** told **us** about a material fact of circumstance. These additional terms will apply equally to existing, past and future claims.
- **We** will not deny payment on the grounds of the breach of claims conditions 1 or 2 of this policy subject to the above.

## 2 Cancellation

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

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

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

## 3 Offering

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

- **you** shall provide **us** with
  - any prospectus, and/or
  - any offering statement, and/or
  - any other information **we** may require
- **we** may at our discretion
  - amend the terms, limitations, exclusions and/or conditions of this section of cover, and/or
  - charge an additional premium.

## 4 Severability

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

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

## Words with special meanings (definitions)

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

**Crisis** means

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

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

**Crisis response service** means public relations specialist services that **we** provide.

**Director or officer** means

- any person who was, is, or during the period of insurance shown in the policy schedule becomes a director, trustee, partner, member or officer of **yours**.
- Any natural person acting in the capacity as a director of **yours** (not including any administrator, liquidator, receiver or auditor).
- Any shadow director as defined under United Kingdom law or similar legislation in any other country.
- Any **employee** of **yours**.
- The lawful husband, wife or civil partner of any of the above, only because of their relationship, following a claim against the above.
- The estates, heirs or legal representatives of any of the above who has died or become incapacitated, insolvent or bankrupt but only in relation to a claim against the above.

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

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

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

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

**Employment wrongful act** means any actual or alleged

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

committed or allegedly committed by **you**.

**Environmental proceedings** means any

- prosecution
- official investigation
- examination
- inquiry, or
- other proceedings

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

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

**Extradition proceedings** means proceedings brought against the **director or officer** under

- the Extradition Act 2003, or
- any legislation amending or re-enacting the Act

including any appeal relating to those proceedings.

**Injury** shall mean bodily injury, mental injury, emotional distress, shock, sickness, disease or death.

**Investigation** means any

- official investigation
- examination
- inquiry, or
- other proceedings

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

**Limit** means the maximum amount **we** will pay. The amount in respect of this section of cover is shown in the policy schedule.

**Outside company** means

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

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

**Retaliatory treatment** means action taken against an **employee** on account of the **employee** exercising or attempting to exercise their rights under law.

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

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

**Subsidiary company** means any company where **you**

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



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

- wrongful acts covered under 1 (directors and officers liability)
- **disqualification proceedings**
- **investigations**
- **environmental proceedings**
- **extradition proceedings**
- proceedings brought under the Corporate Manslaughter and Corporate Homicide Act 2007

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

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

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

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

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

**You/your/yours** shall mean

- the limited liability partnership or company named as the policyholder in the policy schedule, and
- the **subsidiary company**.

## 2 Entity defence

*Please look at the policy schedule to see if this cover is provided.*

### What is covered

#### a Public relations crisis management

**We** will pay **you** for costs resulting from the use, with **our** prior agreement, of the **crisis response service** following a **crisis** first occurring and reported to **us** during the period of insurance shown in the policy schedule.

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

#### b Identity fraud

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

#### c Investigations

**We** will pay **you** for **costs and expenses** arising from an **investigation** which is first ordered or commissioned and reported to **us** during the period of insurance shown in the policy schedule.

**We** will not pay **you** under this section of cover for **costs and expenses** arising from an **investigation** in respect of employment discrimination and/or health and safety if section of cover 3 (employment law protection) is in force.

#### d Corporate manslaughter

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

#### e Breach of contract

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

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

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

or where the Government or any government agency is a majority shareholder of **yours** or of **your** parent or ultimate holding company.

**We** will not pay **you** for defending a claim alleging

- infringement of copyright, patent, registered design, trademark, merchandise marks or any other intellectual property rights

- breach of any secrecy and/or any confidentiality agreements.

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

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

**We** will not pay **you** for defending a claim

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

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

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

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

#### f Pollution

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

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

#### g Taxation

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

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

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

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

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

#### h Data protection

**We** will pay **you** for **costs and expenses** in defending a claim (and in an appeal) first made against **you** and reported to **us** during the period of insurance shown in the policy schedule for a breach or alleged breach of the Data Protection Act 1988 (or any legislation amending or re-

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

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

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

#### i **Discovery period**

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

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

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

The **discovery period** shall only apply to

- a **crisis** occurring, or
- **identity fraud** committed, or
- an **investigation, environmental proceedings** instigated, ordered or commissioned, or
- **tax investigation instigated**, or
- a breach of **contract** occurring, or
- a **wrongful act** committed or allegedly committed, or
- a breach or alleged breach of the Data Protection Act 1998, or any legislation amending or re-enacting the Act, occurring

during the period of insurance shown in the policy schedule.

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

#### **What we will pay**

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

- all **costs and expenses**, plus
- costs resulting from the use of the **crisis response service**

is the **limit**.

The most **we** will pay in the period of insurance shown in the policy schedule for costs resulting from the use of the **crisis response service** is £25,000. This amount is not in addition to the **limit**.

Under section of cover 'c' (investigations) **we** will not pay the **excess**. This amount must be paid by **you**.

#### **What is not covered (exclusions)**

##### 1 **Other insurance**

**We** will not pay **you** where **you** have a right to payment under any other insurance.

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

## 2 Circumstances known at inception

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

## 3 Dishonest and malicious acts

**We** will not pay **you** if **you** admit to dishonest, fraudulent or malicious conduct or if this is established in a judgement or final ruling.

## 4 Known acts

**We** will not pay **you** for any **costs and expenses** or costs resulting from the use of the **crisis response service** that arises from something **you** did knowing it to be wrongful or ignoring that possibility.

## 5 Disputes between insureds

**We** will not pay **you** for any **costs and expenses** or costs resulting from the use of the **crisis response service** arising from any dispute between **insureds** in the same partnership, trust or committee.

## 6 Takeover or merger

**We** will not pay **you** for any **costs and expenses** or costs resulting from the use of the **crisis response service** arising from

- any **crises** occurring
- any **identity fraud** discovered
- any **investigation** or **environmental proceedings** ordered or commissioned
- any **tax investigation instigated**
- proceedings brought under the Corporate Manslaughter and Corporate Homicide Act 2007 that are ordered or commissioned
- any claim made against **you**
- an **appeal** made

after either

- the effective date of **your** takeover or merger by or with any person or entity, or
- the appointment of an administrator, liquidator, trustee, receiver or any other similar official.

## 7 Legal action

**We** will not pay **you** for any **costs and expenses** where

- a claim is brought in a court of law outside the jurisdiction of the **United Kingdom**, and/or
- where action for damages is brought in a court of law within the jurisdiction of the **United Kingdom** to enforce a foreign judgement.

## Words with special meanings (definitions)

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

**Appeal** means

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

**Aspect enquiry** means an examination by HM Revenue & Customs which considers one or more specific aspects of **your** self assessment and/or corporation tax return.

**Crisis** means

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

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

**Crisis response service** means public relations specialist services that **we** provide.

**Director or officer** means any natural person who was or is or who may be in the future

- a director or officer of **yours**, or
- an **employee**, or
- a shadow director as defined under **United Kingdom** law.

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

- under a contract of service or apprenticeship with **you**, or
- under a work experience or similar scheme, or

- supplied to or hired in or borrowed by **you**
- and who are working for and under **your** direct control in connection with **your business**

**Environmental proceedings** means any

- prosecution
- official investigation
- examination
- inquiry, or
- other proceedings

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

**Excess** means £1000.

**Full enquiry** means a fundamental challenge to and an extensive examination of **your** tax affairs by HM Revenue & Customs.

**Identity fraud** means an agreement with a third party entered into by anyone other than a **director or officer** who fraudulently represents themselves as **you**

**Insured, you, your, yours** means the person named as the policyholder in the policy schedule and any **subsidiary company**.

**Instigated** means

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

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

**Limit** means the maximum amount **we** will pay. The amount in respect of this section of cover is shown in the policy schedule.

**Subsidiary company** means any company where the person named as the policyholder in the policy schedule

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

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

- a **crisis** occurring, or
- **identity fraud** committed, or
- an **investigation, environmental proceedings** or **tax investigation** instigated, ordered or commissioned, or
- corporate manslaughter proceedings brought, or
- a breach of **contract** occurring, or
- a **wrongful act** committed, or
- a breach or alleged breach of the data protection Act 1998, or any legislation amending or re-enacting the Act, occurring

before it stopped being a subsidiary.

**Tax investigation** means

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

**Wrongful act** means any actual or alleged wrongful act, error or omission committed or attempted by a **director or officer** during the performance of their duties as a **director or officer** of **yours**.

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



## 3 Employment law protection

*Please look at the policy schedule to see if this cover is provided.*

### What is covered

#### a Employment disputes

**We** will pay **you** for **your** legal liability for damages and costs awarded against **you** arising from any claim first made against **you** and reported to **us** during the period of insurance shown in the policy schedule which arises from any actual or alleged

- act or omission resulting in a dispute concerning the employment of an **employee** or any prospective **employee**, and/or
- action taken against an **employee** on account of the **employee** exercising or attempting to exercise his or her rights under law

committed or allegedly committed by **you**.

In addition **we** will pay **your costs and expenses** resulting from the claim.

#### b Investigations

**We** will pay **your costs and expenses** arising from **your** or **your** representative's attendance at any official investigation, examination, inquiry or other proceedings instigated against **you** by any official body or institution that is empowered to investigate **your** affairs in respect of:

- employment discrimination
- health and safety

which is first ordered or commissioned during the period of insurance shown in the policy schedule.

#### c Discovery period

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

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

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

The **discovery period** shall only apply to

- **employment wrongful acts** first committed or allegedly committed during the period of insurance shown in the policy schedule and/or
- **investigations** which are first ordered or commissioned during the period of insurance shown in the policy schedule.

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

### What we will pay

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

- all claims in total, plus

- all **costs and expenses** in total

is the **limit**.

**We** will not pay the **excess**. This must be paid by **you**. The **excess** will be applied to each claim made against **you** by or on behalf of each **employee**.

## What is not covered

### 1 Other insurance

**We** will not pay **you** where **you** have a right to payment under any other insurance.

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

### 2 Legal action

**We** will not pay **you**

- where the claim is brought in a court of law outside the jurisdiction of England and Wales and/or Scotland, and/or
- where action for damages is brought in a court within that jurisdiction to enforce a foreign judgement.

### 3 Dishonest or fraudulent conduct

**We** will not pay **you** if **you** admit to dishonest, fraudulent or malicious conduct or if this is established in a judgement or final ruling.

### 4 Deliberate acts

**We** will not pay **you** in respect of any claim or **investigation** that results from **your** wilful, reckless or intentional disregard of any employment legislation. However, **we** will not impute the wilful, reckless or intentional disregard of one **insured** to another **insured**.

### 5 Voluntary assumption of liability

**We** will not pay **you** in respect of any claim or **investigation** arising from or in any way involving **your** voluntary assumption of liability for any act or omission of whatever nature of any other person.

### 6 Circumstances known at inception

If **you** knew or ought to have known of any circumstances that existed prior to the date that this section of cover started then **we** will not pay **you** for any legal liability that arises from such circumstances.

### 7 Injury/property damage

**We** will not pay **you** in respect of any claim

- for **injury** sustained by anyone (other than emotional distress arising from any libel, slander, defamation or **employment wrongful act**), or
- for any loss, damage or destruction of property, including loss of use of the property.

## 8 Takeover, merger or liquidation

**We** will not cover

- any actual or alleged **employment wrongful act** occurring, or
- any **investigation** instigated

after

- **your** takeover or merger by or with any person or entity, or
- the appointment of a liquidator, trustee, receiver or other similar officer.

## 9 Failure to adapt premises or working methods

**We** will not pay **you** in respect of any claim arising from or in any way involving **your** obligation to adjust or adapt any premises or working methods to meet the needs of a person with a disability. However, **we** will pay **your costs and expenses** in defending a claim.

## 10 Remuneration, redundancy and benefits

**We** will not pay **you** any amount that **you** are obliged to pay any **employee** in accordance with

- any law governing health and safety, worker's compensation, unemployment insurance, social security, disability benefits, redundancy, remuneration or any similar law, including any regulations created under those laws.
- the **employee's** contract of employment with **you**
- any **benefit scheme** or the failure to contribute to, fund, reimburse or make payment in connection with a **benefit scheme**.

## 11 Non-pecuniary relief

**We** will not pay **you** any amount that arises in any way from the cost of compliance with any order for, grant of or agreement to provide injunctive or non-pecuniary relief. However, **we** will pay **your costs and expenses**.

## 12 Disputes between insureds

**We** will not pay **you** in respect of any claim arising from a dispute concerning the dissolution of any partnership agreement between two or more **insureds**.

## Conditions that apply to this section of cover

### 1 Severability

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

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

### 2 TUPE

**You** must consult and follow the advice of the **Markel employer helpline** in any matter to which the terms of the

- Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE), or

- any legislation amending or re-enacting the above apply.

If **you** fail to do this **your** claim may not be covered or the amount **we** pay **you** may be reduced.

### 3 Subsidiary companies

- If **you** acquire or create a **subsidiary company** after the date that this section of cover came into force, and
- if **your** total number of **employees** increases by more than 10% compared with the number of **employees** at the beginning of the period of insurance shown in the policy schedule as a result of that acquisition or creation

**you** will

- notify **us** in writing within 30 days of its acquisition or creation, and
- give **us** any additional information **we** may require, and
- agree to any terms and/or additional premium **we** may require.

If **you** fail to do this **your** claim may not be covered or the amount **we** pay **you** may be reduced.

### Words with special meanings (definitions)

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

**Insured/you/your/yours** means:

- the **entity**
- any person who was, is, or during the period of insurance shown in the policy schedule becomes a director, trustee, partner, governor, council member or officer of **yours**.
- any **employee** of **yours**.
- the lawful husband, wife or civil partner of any of the above, only because of their relationship, following a claim against the above.
- the estates, heirs or legal representatives of any of the above who has died or become incapacitated, insolvent or bankrupt but only in relation to a claim against the above.

**Benefit scheme** means any

- superannuation or pension scheme, programme or plan
- profit sharing, share option or share purchase scheme
- health and welfare or other **employee** benefit plan or trust

established or conducted for the benefit of any **employee** and their families and dependants

**Employee** means anyone who was or is or may become subject to a contract of service or apprenticeship with the **entity** including anyone held to be an **employee** of **yours** by an Employment Tribunal or the Employment Appeals Tribunal.

**Employment wrongful act** means any actual or alleged

- act or omission that results in a dispute in connection with the employment of an **employee** or prospective **employee**, or
- **retaliatory treatment** committed or allegedly committed by **you**.

**Entity** means the person named as the policyholder in the policy schedule and the **subsidiary company**.

**Excess** means the first amount of any claim for which **you** are responsible. That amount is:

- in respect of any claim that arises in any way from
  - Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE)
  - any legislation amending or re-enacting the above
 either £10,000 or the amount shown in the policy schedule for this section of cover, whichever is the most.
- in respect of any other claim, the amount shown in the policy schedule for this section of cover.

**Injury** means bodily injury, mental injury, emotional distress, shock, sickness, disease or death.

**Investigation** means any

- official investigation
- examination
- inquiry, or
- other proceedings

by any official body or institution that has the authority or power to investigate **your** affairs in respect of

- employment discrimination
- health and safety.

**Limit** means the maximum amount **we** will pay. The amount in respect of this section of cover is shown in the policy schedule..

**Markel employer helpline** means employer helpline specialist services provided by **us** or on **our** behalf.

**Retaliatory treatment** means action taken against an **employee** on account of the **employee** exercising or attempting to exercise their rights under law.

**Subsidiary company** means any company where **you**

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

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

- **employment wrongful acts**
- **investigations**

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

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

### 1 Notification of claims

**You** must notify **us** in writing of

- any claim made against **you** or a **director or officer**
- the receipt of any communication of an intention to make a claim against **you** or a **director or officer**
- any circumstance of which **you** or a **director or officer** shall become aware which is likely to give rise to
  - a claim against **you** or a **director or officer**, or
  - the instigation of **disqualification proceedings, investigation, environmental proceedings, extradition proceedings or tax investigation**, or
  - **you** or a **director or officer** seeking payment under this policy

**you** must give **us**

- **your** reasons for **your** anticipation of a claim, **disqualification proceedings, investigation, environmental proceedings, extradition proceedings or tax investigation**, or **request for payment**
- full details of dates and persons involved

**Your** notification to **us** must be within the period of insurance shown in the policy schedule.

If **you** comply with the above then any subsequent

- claim made, or
- **disqualification proceedings, investigation, environmental proceedings, extradition proceedings or tax investigation** instigated, or
- request for payment

will be regarded as having been made, instigated or requested during the period of insurance shown in the policy schedule.

If **you** fail to do this **your** claim may not be covered or the amount **we** pay **you** may be reduced.

### 2 General claims handling

- **you** must give **us** the information and co-operation that **we** may reasonably request
- **you** must not do anything which might prejudice **us**
- **you** must take all reasonable steps to prevent any further claim or request for payment under this policy
- **you** must not admit liability or settle any claim or incur any **costs and expenses** without **our** written consent

and, in respect of the section of cover 1k (directors and officers liability – public relations crisis management) and 2a (entity defence - public relations crisis management)

- **you** must comply with **our** recommendations or the recommendations of **our** public relations specialist as directed
- take all reasonable and practicable measures to avoid or reduce costs relating to the **crisis**.

If **you** fail to do this **your** claim may not be covered or the amount **we** pay **you** may be reduced.

### 3 Defence of claims

- **we** are entitled to take over the defence or settlement of any claim in **your** name
- under cover clause 6, employment law protection, **you** will not be required to contest any legal proceedings unless a mutually agreed counsel advises that the proceedings should be contested.
- **you** are entitled at **your** own risk to contest any claim or legal proceedings which in **our** opinion should be compromised or settled but, if **you** choose to do this, **we** will not be liable for any loss incurred as a result of **your** refusal to compromise or settle the claim or legal proceedings.
- in respect of section of cover 1, directors and officers liability,
  - **you** or the **director or officer** have a duty to defend any claim, **disqualification proceedings, investigation, environmental proceedings, extradition proceedings or tax investigation**.
  - **we** have the right, but not the obligation, to actively associate with **you** or the **director or officer** in the settlement or handling of any claim, **disqualification proceedings, investigation, environmental proceedings, extradition proceedings or tax investigation**.
  - **you** have the right, subject to **our** written consent, to appoint any appropriately qualified legal representative to deal with any claim notified to **us** in accordance with claims condition 1.

### 4 Payment of indemnity limit

**We** are entitled at any time to pay **you** or the **director or officer**:

- the **limit** (or as much of it as remains available), or
- any lesser sum for which any claim can be settled.

If **we** do this **we** will not be under any further liability to **you** or the **director or officer** in respect of the claim.

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

## 1 Subrogation

**We** will be entitled to take over and undertake in **your** name, or in the name of the **director or officer**, all **your** rights of recovery against anyone before or after any payment under this policy.

**You** or the **director or officer** will give **us** all the assistance **we** may require to exercise those rights of recovery.

**We** agree, under all section of covers apart from

- 1 (directors and officers liability), and
- 3 (employment law protection),

not to exercise those rights against any company that is a subsidiary or parent company of **yours**. ('Subsidiary' or 'parent' company being defined by current legislation).

## 2 Premium payment

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

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

## 3 Notice

Any notice under this policy will be regarded as given

- to **us** if sent by first class prepaid post to Markel (UK) Limited, Verity House, 6 Canal Wharf, Leeds, LS11 5AS
- to **you** or the **director or officer** if sent by post to **your** last known address.

## 4 Multiple insureds

**Our** liability under each section of cover is as shown in the section of cover. **Our** liability shall not be varied or regarded as varied because of the number or type of **insureds** or claims under the section of cover.

## 5 Non-aggregation

If payment is available under more than one section of cover the total amount payable under any one section of cover will be reduced by any amount payable under any other section of cover.



## 6 Breach of terms not relevant to the actual loss

If **you** or the **director or officer** fail to comply with a term (express or implied) of this policy (other than a term that defines the risk as a whole) and compliance with the term would tend to reduce the risk of a loss, either

- of a particular kind, and/or
- at a particular location, and/or
- at a particular time

**we** cannot rely on the breach of the term to exclude, limit or discharge **our** liability under this policy if **you** or the **director or officer** show that the failure to comply with the term could not have increased the risk of loss which actually occurred in the circumstances in which it occurred.

## 7 Breach of the duty of fair presentation

### (a) breach of duty prior to entering into the contract of insurance

If **you** or the **director or officer** breach the duty of fair presentation prior to entering into this insurance contract, the remedies available to **us** are:

- if the breach of the duty of fair presentation is deliberate or reckless:
  - **we** may avoid this policy and refuse all requests for payment, and
  - **we** need not return any of the premium paid
- if the breach of the duty of fair presentation is not deliberate or reckless, **our** remedy will depend upon what **we** would have done if **you** or the **director or officer** had complied with the duty of fair presentation
  - if **we** would not have entered into the contract of insurance at all **we** may avoid this policy and refuse all requests for payment and will return the premium paid
  - if **we** would have entered into the contract of insurance but on different terms (other than terms relating to the premium), this policy will be treated as if it had been entered into on those different terms from the outset
  - 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 policy 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) breach of duty prior to entering into a variation of this contract of insurance

If **you** or the **director or officer** breach the duty of fair presentation prior to entering into a variation of this insurance contract, the remedies available to **us** are:

- if the breach of the duty of fair presentation is deliberate or reckless:
  - **we** may treat this policy as having been terminated from the time when the variation was concluded, and
  - **we** need not return any of the premium paid
- if the breach of the duty of fair presentation is not deliberate or reckless, **our** remedy will depend upon what **we** would have done if **you** or the **director or officer** had complied with the duty of fair presentation
  - 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
  - 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, if either

- **we** would have increased the premium by more than **we** did or at all, or

- **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 policy arising out of events after the variation.

## What is not covered (general exclusions)

### 1 Fines and penalties

**We** will not pay **you** or the **director or officer** for any

- fine or penalty
- non-compensatory damages.

This exclusion does not apply to (in respect of non-compensatory damages), section of cover 1 (directors and officers liability)

### 2 Radioactive contaminations and sonic bangs etc

**We** will not pay **you** or the **director or officer** for a loss that is otherwise covered under this policy if the loss is caused by or arises in any way from

- ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component
- 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
- riot, civil commotion, strikers, labour or political disturbances, vandals or malicious persons.

### 3 War risks and terrorism

**We** will not pay **you** or the **director or officer** for a loss that is otherwise covered under this policy if the loss is caused by or arises in any way from

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

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

- Contamination due to Terrorism

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

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

### 4 Confiscation etc

**We** will not pay **you** for a loss that is otherwise covered under this policy if the loss is caused by or arises in any way from confiscation, requisition, nationalisation, seizure, detention or destruction by any government, public, local or customs authority, and

This exclusion does not apply to section of covers 1 (director and officers liability) or 3 (employment law protection)

## 5 Electronic data

**We** will not pay **you** against loss, destruction, damage, distortion, erasure, corruption or alteration of **electronic data** from any cause (including **computer virus**) or any resulting loss of use, reduction in functionality, cost, or expense, of whatever nature, regardless of any other cause or event contributing concurrently or in any other sequence to the loss, destruction, damage, distortion, erasure, corruption or alteration.

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

This exclusion does not apply to section of covers 1 (director and officers liability) or 3 (employment law protection).

## 6 Mould

**We** will not pay **you** or the **director or officer** for a loss that is otherwise covered under this policy if the loss is caused by or arises in any way from **mould** or a **mould event**.

**Markel (UK) Limited**

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