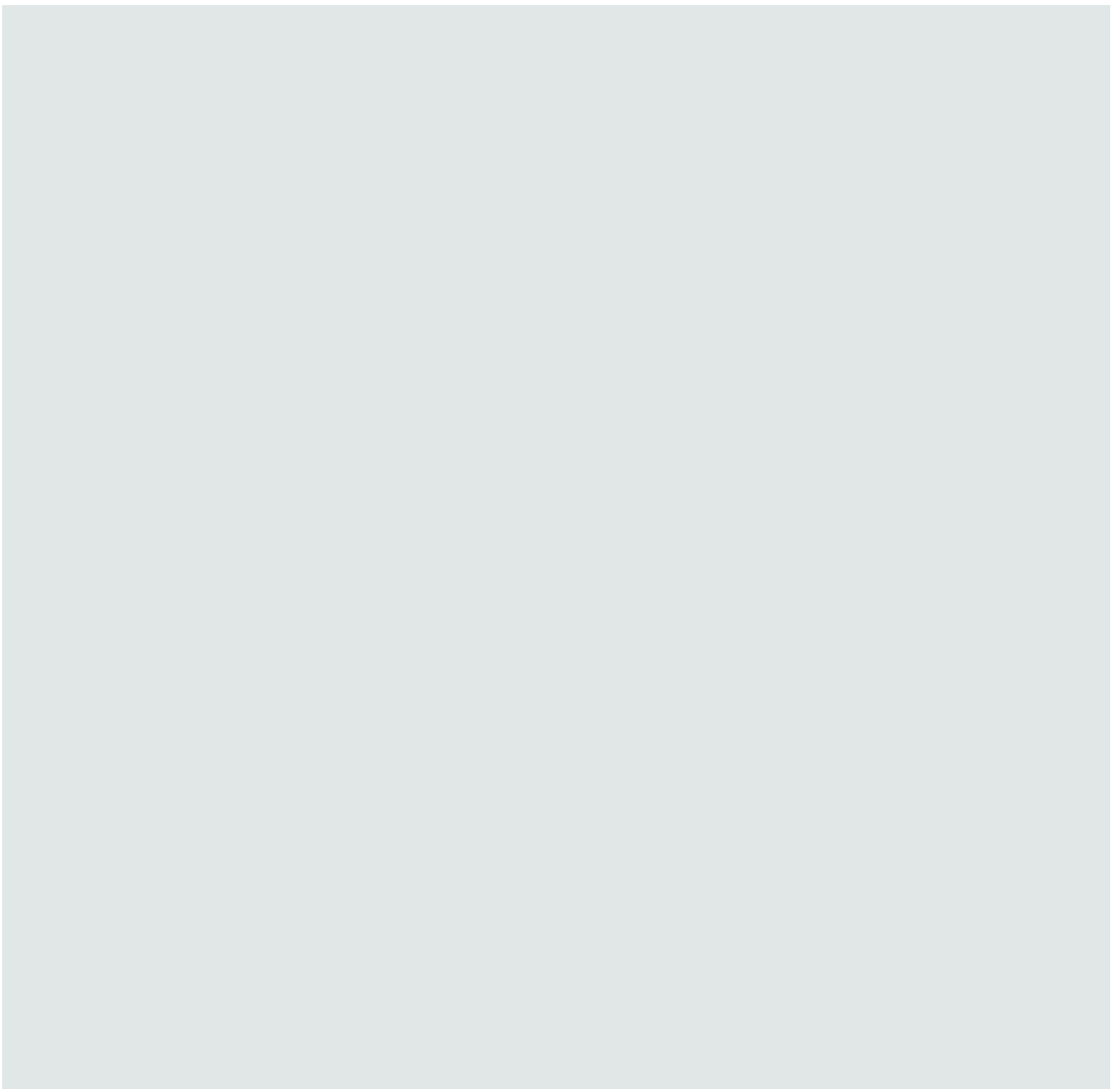


# Executive Risk Solutions for Solicitors

Policy document



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# How we use your information

## Who controls your personal information

This notice tells you how Zurich Insurance plc ('Zurich'), as data controller, will deal with your personal information. Where Zurich introduces you to a company outside the group, that company will tell you how your personal information will be used.

You can ask for further information about our use of your personal information or complain about its use in the first instance, by contacting our Data Protection Officer at: Zurich Insurance Group, Tri-centre 1, Newbridge Square, Swindon, SN1 1HN or by emailing the Data Protection Officer at GBZ.General.Data.Protection@uk.zurich.com.

If you have any concerns regarding our processing of your personal information, or are not satisfied with our handling of any request by you in relation to your rights, you also have the right to make a complaint to the Information Commissioner's Office. Their address is: First Contact Team, Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, SK9 5AF.

## What personal information we collect about you

We will collect and process the personal information that you give us by phone, e-mail, filling in forms, including on our website, and when you report a problem with our website. We also collect personal information from your appointed agent such as your trustee, broker, intermediary or financial adviser in order to provide you with the services you have requested and from other sources, such as credit reference agencies and other insurance companies, for verification purposes. We will also collect information you have volunteered to be in the public domain and other industry-wide sources.

We will only collect personal information that we require to fulfil our contractual or legal requirements unless you consent to provide additional information. The type of personal information we will collect includes; basic personal information (i.e. name, address and date of birth), occupation and financial details, health and family information, claims and convictions information and where you have requested other individuals be included in the arrangement, personal information about those individuals.

If you give us personal information on other individuals, this will be used to provide you with a quotation and/or contract of insurance and/or provision of financial services. You agree you have their permission to do so. Except where you are managing the contract on another's behalf, please ensure that the individual knows how their personal information will be used by Zurich. More information about this can be found in the 'How we use your personal information' section.

## How we use your personal information

We and our selected third parties will only collect and use your personal information (i) where the processing is necessary in connection with providing you with a quotation and/or contract of insurance and/or provision

of financial services that you have requested; (ii) to meet our legal or regulatory obligations; or (iii) for our "legitimate interests". It is in our legitimate interests to collect your personal information as it provides us with the information that we need to provide our services to you more effectively including providing you with information about our products and services. We will always ensure that we keep the amount of information collected and the extent of any processing to the absolute minimum to meet this legitimate interest. Examples of the purposes for which we will collect and use your personal information are:

1. to provide you with a quotation and/or contract of insurance;
2. to identify you when you contact us;
3. to deal with administration and assess claims;
4. to make and receive payments;
5. to obtain feedback on the service we provide to you;
6. to administer our site and for internal operations including troubleshooting, data analysis, testing, research, statistical and survey purposes;
7. for fraud prevention and detection purposes.

We will contact you to obtain consent prior to processing your personal information for any other purpose, including for the purposes of targeted marketing unless we already have consent to do so.

## Who we share your personal information with

Where necessary, we will share the personal information you gave us for the purposes of providing you with the goods and services you requested with the types of organisations described below:

- associated companies including reinsurers, suppliers and service providers;
- introducers and professional advisers;
- regulatory and legal bodies;
- survey and research organisations;
- credit reference agencies;
- healthcare professionals, social and welfare organisations; and
- other insurance companies

Or, in order to meet our legal or regulatory requirements, with the types of organisations described below:

- regulatory and legal bodies;
- central government or local councils;
- law enforcement bodies, including investigators;
- credit reference agencies; and
- other insurance companies

## How we use your personal information for websites and email communications

When you visit one of our websites we may collect information from you such as your email address or IP address. This helps us to track unique visits and monitor patterns of customer website traffic, such as who visits and why they visit.

We use cookies and/or pixel tags on some pages of our website. A cookie is a small text file sent to your computer. A pixel tag is an invisible tag placed on certain pages of our website but not on your computer. Pixel tags usually work together with cookies to assist us to provide you with a more tailored service. This allows us to monitor and improve our email communications and website. Useful information about cookies, including how to remove them, can be found on our websites.

## How we transfer your personal information to other countries

Where we transfer your personal information to countries that are outside of the UK and the European Union (EU) we will ensure that it is protected and that the transfer is lawful. We will do this by ensuring that the personal information is given adequate safeguards by using 'standard contractual clauses' which have been adopted or approved by the UK and the EU, or other solutions that are in line with the requirements of European data protection laws.

A copy of our security measures for personal information transfers can be obtained from our Data Protection Officer at: Zurich Insurance Group, Tri-centre 1, Newbridge Square, Swindon, SN1 1HN, or by emailing the Data Protection Officer at GBZ.General.Data.Protection@uk.zurich.com.

## How long we keep your personal information for

We will retain and process your personal information for as long as necessary to meet the purposes for which it was originally collected. These periods of time are subject to legal, tax and regulatory requirements or to enable us to manage our business.

## Your data protection rights

You have a number of rights under the data protection laws, namely:

- to access your data (by way of a subject access request);
- to have your data rectified if it is inaccurate or incomplete;
- in certain circumstances, to have your data deleted or removed;
- in certain circumstances, to restrict the processing of your data;
- a right of data portability, namely to obtain and reuse your data for your own purposes across different services;
- to object to direct marketing;
- not to be subject to automated decision making (including profiling), where it produces a legal effect or a similarly significant effect on you;

- to claim compensation for damages caused by a breach of the data protection legislation.
- if we are processing your personal information with your consent, you have the right to withdraw your consent at any time.

We will, for the purposes of providing you with a contract of insurance, processing claims, reinsurance and targeted marketing, process your personal information by means of automated decision making and profiling where we have a legitimate interest or you have consented to this.

## What happens if you fail to provide your personal information to us

If you do not provide us with your personal information, we will not be able to provide you with a contract or assess future claims for the service you have requested.

## Fraud prevention and detection

In order to prevent and detect fraud we may at any time:

- check your personal data against counter fraud systems
- use your information to search against various publicly available and third party resources
- use industry fraud tools including undertaking credit searches and to review your claims history
- share information about you with other organisations including but not limited to the police, the Insurance Fraud Bureau (IFB), other insurers and other interested parties.

If you provide false or inaccurate information and fraud is identified, the matter will be investigated and appropriate action taken. This may result in your case being referred to the Insurance Fraud Enforcement Department (IFED) or other police forces and fraud prevention agencies. You may face fines or criminal prosecution. In addition, Zurich may register your name on the Insurance Fraud Register, an industry-wide fraud database.

## Claims history

We may pass information relating to claims or potential claims to any relevant database.

We and other insurers may search these databases when you apply for insurance, when claims or potential claims are notified to us or at time of renewal to validate your claims history or that of any other person or property likely to be involved in the policy or claim.

This helps to check information provided and prevent fraudulent claims.

# Your Executive Risk Solutions for Solicitors policy

This policy is a contract between **you** and **us**.

This policy and any statement of fact, schedule and endorsement should be read as if they are one document.

**We** will insure **you** under those parts stated in the schedule during any period of insurance for which **we** have accepted **your** premium. **Our** liability will in no case exceed the amount of any sum insured or limit of indemnity stated in this policy, the schedule or any endorsement to this policy.

Any reference to the singular will include the plural and vice versa.

Any reference to any statute or statutory instrument will include any amendments thereto or re-enactment thereof.

Any heading in this policy is for ease of reference only and does not affect its interpretation.

## **Law applicable to this contract**

In the UK the law allows both **you** and **us** to choose the law applicable to this contract. This contract will be subject to the relevant law of England and Wales, Scotland, Northern Ireland, the Isle of Man or the Channel Islands depending upon **your** address stated in the schedule. If there is any dispute as to which law applies it will be English law.

The parties agree to submit to the exclusive jurisdiction of the English courts.

This is a legal document and should be kept in a safe place.

Please read this policy and any statement of fact, schedule and endorsement carefully and if they do not meet **your** needs contact **us** or **your** broker or insurance intermediary.

# Definitions

Certain words in this policy have special meanings. These meanings are given below and apply where the words appear in bold.

Certain words have special meanings that only apply to a particular section of this policy. These are stated at the beginning of the relevant section as special definitions and will apply in that section wherever the defined words are shown in bold italics.

## Benefits

Any type of compensation or the equivalent value thereof other than salary and wages including but not limited to:

- a) perquisites, fringe benefits, bonus payments
- b) incentive or deferred compensation
- c) the value of any actual, beneficial or contingent rights to benefits, incentives or other compensation whose value is imputed or derived in any way from the value of **your** securities including but not limited to, share options, share grants, restricted shares or share warrants.
- d) medical or insurance benefits and payments due to any person in connection with an employee benefit plan or pension scheme.

## Change of control

Where any person, entity or group:

- a) acquires more than 50% of **your** share capital
- b) acquires the majority of the voting rights in **you**
- c) assumes the right to appoint or remove the majority of **your** board of directors or equivalent positions
- d) assumes control pursuant to written agreement with other shareholders over the majority of the voting rights in **you**
- e) merges with **you** such that **you** are not the surviving entity
- f) is appointed as a trustee in bankruptcy, receiver, liquidator, administrator or similar official to **you**

## Civil fines and penalties

Civil, administrative or regulatory money penalties directly assessed against a **director or officer** or an **outside entity executive** for a violation of any law, regulation or statute, not including punitive, exemplary or multiple damages; but only if:

- a) such violations are not knowing, wilful or criminal; and
- b) such penalties are insurable under the internal laws of the jurisdiction in which such penalties were assessed or levied.

## Claim

- a) A written demand for compensation, monetary damages or non-monetary relief alleging any **wrongful act**
- b) a civil proceeding, suit or counter-claim for compensation, monetary damages or non-monetary relief commenced by the service of a claim form or similar pleading alleging any **wrongful act**
- c) a formal notice of a criminal proceeding alleging any **wrongful act**
- d) a formal notice of an arbitration proceeding alleging any **wrongful act**
- e) a formal administrative or regulatory proceeding commenced by the service on **you** or an **insured person** of a notice of charges or similar document against **you** or an **insured person** alleging any **wrongful act**
- f) an **investigation** of **you** or an **insured person** when identified in writing by any **official body** where a criminal, administrative or regulatory proceeding may be commenced.

Provided that a claim will not include any labour or grievance arbitration or other proceeding pursuant to an employment collective bargaining or union agreement.

## Defence costs

Reasonable fees, costs, charges or expenses necessarily incurred by **you** or an **insured person** with **our** prior written consent in the investigation, defence, adjustment, settlement or appeal of any **claim** made or brought against that **insured**.

Provided that defence costs will not include **investigation costs** and will not include remuneration payable to **you**, an **insured person** or an **employee**, cost of their time or **your** costs or overheads.

## Director or Officer

Any natural person who is:

- a) a past, present or future **principal**
- b) a past, present or future director, officer, management committee member, member of the board of managers, supervisory board member, management board member or governor of **you** elected or appointed according to law
- c) a past, present or future de facto director or officer or any natural person who is deemed a shadow director as defined in section 251 of the Companies Act 2006 of **you**
- d) employed by **you** to whom the Financial Conduct Authority or equivalent predecessor body has given its approval to perform one or more of the controlled functions for a company pursuant to Section 59 of the Financial Services and Markets Act of 2000 (as amended).

## Employee

Any natural person who is:

- a) under a contract of service or apprenticeship with **you**
- b) under a work experience or similar scheme
- c) a labour only subcontractor or person supplied by them
- d) seconded to **you** from another employer

and working under **your** direct control or supervision in connection with **your** business.

## Employment claim

A claim in respect of an **employment wrongful act** which is brought and maintained by or on behalf of any past, present, future or prospective **employee** of **you** or employee of an **outside entity** against an **insured**.

## Employment wrongful act

In relation to **you** or where applicable the **outside entity** any actual or alleged:

- a) wrongful or unfair dismissal, discharge or termination of employment
- b) breach of any oral or implied employment contract or quasi-employment contract
- c) employment related misrepresentation
- d) violation of employment discrimination laws
- e) illegal workplace harassment including sexual harassment
- f) wrongful discipline
- g) wrongful deprivation of a career opportunity
- h) wrongful demotion
- i) negligent evaluation
- j) negligent retention
- k) employment related invasion of privacy
- l) employment related defamation, humiliation, libel or slander
- m) failure to adopt workplace or employment practices policies and procedures
- n) illegal retaliatory treatment or victimisation of **employees** including retaliation in violation of whistleblower statutes
- o) employment related infliction of emotional distress in connection with a violation listed above in this definition.

## Excess

The amount stated in this policy, the schedule or any endorsement for which **you** will be responsible and which will be deducted from any payment under this policy after all other terms and conditions have been applied.

## Extradition

A formal request, **claim**, warrant for arrest or other proceedings pursuant to the provisions of the Extradition Act 2003 or similar legislation in any other jurisdiction around the world

## Financial institution

Any bank including any merchant or investment bank, finance company, hedge fund, insurance or reinsurance company, mortgage bank, savings and loan association, building society, credit union, stockbroker, investment trust, asset management company, fund manager or any entity established principally for the purpose of carrying out commodities, futures or foreign exchange trading or any other similar entity.

## Financial loss

- a) Damages, judgments, awards or settlements in respect of any **wrongful act** that **you** or an **insured person** become legally liable to pay
- b) **defence costs**
- c) **investigation costs**
- d) reasonable legal fees, costs and expenses necessarily incurred by an **insured person** with **our** prior written consent to obtain legal advice or to bring or defend proceedings including by way of judicial review or by way of other challenge to the political executives decision to order an **insured person's** extradition and to pursue appeals including appeals to the European Court of Human Rights.
- e) **prosecution costs**
- f) the reasonable premium but not collateral for a bond or other financial instrument to guarantee for up to 12 months an **insured person's** contingent obligation for a specific amount required by a court hearing a **claim**
- g) punitive, exemplary, aggravated and multiple damages imposed upon **you** or an **insured person** if and only to the extent that such damages are insurable under the internal laws of the jurisdiction in which such damages are awarded.

Provided that financial loss will not include:

- i) taxes
- ii) employee compensation
- iii) social security contributions
- iv) fines or penalties imposed by law other than fines or penalties specified in Section A Additional covers 2 and 4
- v) damages that are uninsurable under the law pursuant to which this policy will be construed
- vi) **benefits**
- vii) the costs to comply with any injunctive, interim or other non-monetary relief or any agreement to provide such relief
- viii) expenses including but not limited to legal and professional fees incurred in testing for, monitoring, cleaning up, removing, containing, treating, neutralising, detoxifying or assessing the effects of **pollutants**.

## Greenhouse gases

Carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulphur hexafluoride (SF<sub>6</sub>), or any other emission or substance defined by applicable law as a greenhouse gas.



### Indemnifiable financial loss

**Financial loss** of the **insured person** which **you** have indemnified or are permitted, required or entitled to indemnify or are not prohibited from indemnifying unless **you** fail or refuse to indemnify the **insured person** due to **your** status resulting from the appointment by any governmental or provincial, agency or court of any receiver, conservator, liquidator, trustee, rehabilitator or similar official to take control of, supervise, manage or liquidate **you**.

### Insured

- a) An **insured person**
- b) **you**

### Insured person

Any natural person who is:

- a) a **director or officer**
- b) an **outside entity executive**
- d) an **employee** who is **your** risk manager or equivalent position
- e) an **employee** while acting in a managerial or supervisory capacity for **you**
- f) an **employee** who has a **claim** made against them where such **claim** is also made and is continuously maintained against a **director or officer**
- g) acting as **your**
  - i) Compliance Officer for Legal Practice or Head of Legal Practice
  - ii) Compliance Officer for Finance and Administration or Head of Finance and Administration
  - iii) Money Laundering Reporting Officer

Provided that insured person will not include any pension trustee, consultant, external auditor, or liquidator, administrator or receiver of **you**.

### Investigation

An official examination, enquiry, investigation or other proceeding into **your** affairs ordered or commissioned by an **official body**.

Provided that an **investigation** by the Solicitors Regulation Authority means and is limited to an investigation by the Forensic Investigation Unit of the Solicitors Regulation Authority or any department replacing the same.

### Investigation costs

Reasonable costs or expenses necessarily incurred by an **insured person** with **our** written consent for representation at an **investigation** when such **insured person** has been legally required in writing to attend.

Provided that investigation costs will not include:

- a) fines or penalties levied or imposed in connection with the **investigation**
- b) remuneration payable to any **insured person** or **employee** of **you**, cost of their time or **your** costs or overheads.

### Law Society

- a) The Law Society of England and Wales including the Solicitors Regulation Authority; and/or
- b) The Law Society of Scotland; and/or
- c) The Law Society of Northern Ireland; and/or
- d) The Isle of Man Law Society

and any body or person which succeeds in whole or in part to the functions of such organisation and any delegate of such organisation or any such body or person.

### Licensed body

A body licensed by the Solicitors Regulatory Authority under Part 5 of the Legal Services Act.

### Limit of indemnity

**Our** maximum liability in the aggregate payable under each section of this policy. The limit of indemnity applies over and above any **excess**.

### Limited Liability Partnership

a limited liability partnership incorporated under the Limited Liability Partnership Act 2007.

### Non-executive director

Any natural person serving as a **director or officer** at the inception of the period of insurance who is not also an **employee** including any natural person who begins serving as a non-executive director or **officer** of **you** during the period of insurance.

### Official body

Any regulator, government body, government agency or official trade body or the enforcement arm of such body that is empowered by statute or statutory regulation to investigate the affairs of **you**, an **outside entity** or an **insured person**.

### Outside entity

Any not-for-profit entity

### Outside entity executive

Any **director or officer** or any **employee** while serving or acting in the capacity of a director or officer of an outside entity at **your** specific direction and request.

### Partner

Any person who is or is held out to be a partner in a **partnership**.

### Partnership

an unincorporated firm in which natural persons and/or incorporated bodies are or are held out as **partners** but not including any firm incorporated as a **limited liability partnership**.

### Pollutants

Any solid, liquid, gaseous irritant or contaminant, including smoke, vapour, soot, fumes, acids, alkalis, chemicals, toxic mould or any thermal irritant or contaminant, ionising radiation or radioactivity from any nuclear fuel and waste including but not limited to nuclear waste or materials which are intended to be or have been recycled, reconditioned or reclaimed and any other similar substance of any kind or nature whatsoever including electromagnetic fields, asbestos, asbestos products and any noise.



## Pollution

- a) The actual, alleged or threatened generation, transportation, discharge, emission, dispersal, release, escape, treatment, storage or disposal of **pollutants**
- b) any governmental regulation, order, direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralise **pollutants**
- c) any action taken in contemplation or anticipation of any such regulation, order, direction or request, or any voluntary decision to do so.

## Principal

- a) Where **you** are or were:
  - (i) a sole practitioner – that practitioner
  - (ii) a **partnership** – each **partner**;
  - (iii) a company with a share capital – each director of that company and any person who:
    - (1) is held out as a director; or
    - (2) beneficially owns the whole or any part of a share in the company; or
    - (3) is the ultimate beneficial owner of the whole or any part of a share in the company.
  - (iv) a company without a share capital – each director of that company and any person who:
    - (1) is held out as a director; or
    - (2) is a member of the company; or
    - (3) is the ultimate owner of the whole or any part of a body corporate or other legal person which is a member of the company;
  - (v) a **limited liability partnership** – each member of that **limited liability partnership**, and any person who is the ultimate owner of the whole or any part of a body corporate or other legal person which is a member of the **limited liability partnership**.
- b) where a body corporate or other legal person is a **partner** in **you**, any person who is within paragraph a) (iii) of this definition (including sub paragraphs (1) and (3) thereof), paragraph a)(iv) of this definition (including sub paragraphs (1) and (3) thereof), or paragraph a)(v) of this definition

## Proposal

Any information, statements or materials supplied to **us** by **you**.

## Prosecution costs

Reasonable fees, costs, charges or expenses necessarily incurred by an **insured person** with **our** prior written consent as part of a covered **claim** in bringing a proceeding for a declaration and/or injunction to oppose an **official body** seeking:

- a) a confiscation, assumption of ownership and control, suspension or freezing of rights of ownership of real property or personal assets of such **insured person**
- b) a charge over real property or personal assets of such **insured person**

- c) a temporary or permanent prohibition on such **insured person** from holding the office of or performing the function of a director or officer or equivalent of any entity
- d) a restriction of such **insured person's** liberty to a specified domestic residence or an official detention
- e) deportation of such **insured person** following revocation of otherwise proper, current and valid immigration status for any reason other than such **insured persons** conviction of a crime.

## Recognised body

A body for the time being recognised by the Solicitors Regulation Authority under section 9 of the Administration of Justice Act 1985.

## Securities

Any bond, debenture, note, share, stock or other equity or security for debt, and will include any certificate of interest or participation in, receipt for, warrant or other right to subscribe to or to purchase, voting trust certificate relating to, or other interest in any of the foregoing items representing money or property.

## Subsidiary company

Any entity which is not named in the schedule in which **you** directly or indirectly:

- a) hold more than 50% of the voting rights
- b) appoint a majority of the board of directors
- c) have the right to appoint a majority of the board of directors subject to a written agreement with other shareholders.

## Third party

Any person or entity other than the **insured** or **outside entity**.

## We, us, our

Zurich Insurance plc.

## Wrongful act

Any actual, alleged or attempted breach of duty, breach of trust, breach of warranty of authority, neglect, error, misstatement, misleading statement, libel, slander or defamation or any other wrongful act or omission committed or attempted by or allegedly committed or attempted by:

- a) any **insured person** while acting in their capacity on behalf of **you** or any matter claimed against such **insured person** solely by reason of their status as such
- b) any **insured person** while acting in the capacity as a director or officer of an **outside entity** at **your** specific direction or request
- c) **you** but solely with respect to sections B, and C

## You, your, yours, yourselves

The sole practice, **partnership**, **recognised body**, **licensed body** or other legal entity named in the schedule as the policyholder or as an additional insured and their predecessors.

# Section A – Directors’ and officers’ liability

## Cover

The following insurance covers are afforded for **claims** first made against **you** or an **insured person** during the period of insurance or during an extended reporting period and notified to **us** as required by this policy.

## Insured person

We will pay on behalf of any **insured person** the **financial loss** that arises from a **claim** made against such **insured person** other than to the extent that such **insured person** is indemnified by **you**.

## Company reimbursement

We will pay your **financial loss** that arises from a **claim** made against an **insured person** but only to the extent that **you** have indemnified such **insured person**.

## Additional cover and extensions applicable to Section A

### 1. Bilateral extended reporting period

In the event that either **we** do not renew or **you** do not renew or replace this section **you** have the right to extend the period of insurance:

- a) automatically for 30 days at no additional premium
- b) for 12 months subject to payment of an additional premium of 100% of the last annual premium stated in the schedule only in respect of any **wrongful act** committed prior to the effective date of such non-renewal.

**You** must give **us** written notice of **your** intention to purchase the extended reporting period within 30 days of the effective date of non-renewal of this section and pay the relevant premium promptly after electing this extension. In the event of **change of control** the extended reporting period will not be available.

### 2. Civil fines and penalties

We will pay civil fines and penalties of a **director or officer** and an **outside entity executive** that arise from a **claim** made against such **insured person** but only to the extent that such **civil fines and penalties** are **indemnifiable financial loss** and have not otherwise been indemnified.

Provided always that this extension will not apply in respect of any **claim** arising from the provision of any legal advice, legal services or other professional services to a **third party**.

**Our** liability will not exceed 10% of the applicable **limit of indemnity** in the aggregate during the period of insurance and this limit will form part of and not be in addition to the **limit of indemnity** stated in the schedule.

### 3. Company investigations

We will pay on behalf of any **insured person** such **investigation costs** as arise from or are a consequence of an **investigation** commenced or brought by an **official body** once an **insured person** is legally required to attend including any formal or official request or demand from an **official body**:

- a) to interview or depose an **insured person**
- b) for the production of documents from an **insured person** in connection with such **investigation**.

An **investigation** will be deemed to be first made when the **insured person** is first so required in writing to attend such **investigation**.

### 4. Disciplinary proceedings

We will pay on behalf of any **insured person** the **financial loss** arising directly from disciplinary proceedings in respect of any act or omission committed or alleged to have been committed whilst acting as **your**:

- i) Compliance Officer for Legal Practice or Head of Legal Practice
- ii) Compliance Officer for Finance and Administration or Head of Finance and Administration
- iii) Money Laundering Reporting Officer

**Our** liability will not exceed £250,000 in the aggregate during the period of insurance and this limit will form part of and not be in addition to the **limit of indemnity** shown in the schedule.

### 5. Emergency costs

If **our** written consent cannot reasonably be obtained before **defence costs** are incurred with respect to any covered **claim** **we** will give retrospective approval for such **defence costs**.

**Our** liability will not exceed 10% of the applicable **limit of indemnity** in the aggregate during the period of insurance and this limit will form part of and not be in addition to the **limit of indemnity** stated in the schedule.

### 6. Estates, heirs or legal representatives

We will pay on behalf of any estates, heirs or legal representatives of any **insured person** such **financial loss** as arises from or in consequence of any **claim** arising from any **wrongful act** by such **insured person** committed prior to the death, incapacity, insolvency or bankruptcy of the **insured person** provided that such estates, heirs or legal representatives observe and will be subject to the terms and conditions of this policy in so far as they can apply.

### 7. Marital estates

We will pay **financial loss** arising from or in consequence of any **claim** first made against the lawful spouse or domestic partner of any **insured person** during the period of insurance arising solely out of their capacity as the spouse or domestic partner of any **insured person**. The cover provided by this extension is limited to **financial loss** arising from actions or proceedings for the enforcement of judgments or damages against an **insured person** resulting from a

claim against that **insured person** covered under this section where such enforcement relates to the ownership of property including marital community property jointly held by the **insured person** and their spouse or domestic partner. This clause will not cover any **claim** arising out of any **wrongful act** of the spouse or domestic partner.

#### 8. **Non-executive director**

We will pay the **financial loss** of each and every **non-executive director** of you when the following have been exhausted:

- a) the **limit of indemnity** applicable to this section; and
- b) all other applicable Directors' and Officers' Liability insurance whether specifically written as excess over the **limit of indemnity** of this section or otherwise; and
- c) all other indemnification for loss available to any **non-executive director**.

Our liability will not exceed £250,000 in the aggregate during the period of insurance and this limit will be in addition to the **limit of indemnity** stated in the schedule.

#### 9. **Outside entity executive**

We will pay on behalf of the **outside entity executive** the **financial loss** of such **outside entity executive** in respect of any **claim** made against such **outside entity executive** but only excess of any indemnification provided by an **outside entity** and excess of any Directors' and Officers' Liability insurance coverage afforded to an **outside entity** or its directors or officers.

#### 10. **Reputational recovery costs**

We will pay on behalf of an **insured person** the reasonable fees and expenses payable to outside public relations professionals incurred by such **insured person** with our prior written consent in order to mitigate damage to their reputation due to a covered **claim** as objectively established by media reports or other publicly available third-party data provided that such **claim** is first made against an **insured person** during the period of insurance and notified to us in accordance with the **claim** notification condition on this policy.

Our liability will not exceed £100,000 in the aggregate during the period of insurance and this limit will form part of and not be in addition to the **limit of indemnity** stated in the schedule.

#### 11. **Retired and resigned directors and officers**

If this policy is not renewed or replaced or where such renewal or replacement does not specifically provide cover for such **directors or officers** we will provide an unlimited extended reporting period under this policy for any **director or officer** who has resigned or retired all of their position(s) as **director or officer** with you during:

- a) the period of insurance of this policy
- b) the period of insurance of any other directors and officers insurance policy issued by us to you of which this policy is a continuous renewal.

This cover will not apply to **indemnifiable financial loss** or to any **directors or officers** who resigned or retired their positions with you by reason of, in connection with or after a **change of control**.

### **Exclusions applicable to Section A**

This section does not cover **financial loss**:

#### 1. **Bodily injury and property damage**

in respect of any **claim** for:

- a) bodily injury, sickness, disease or death of any person and any consequential loss directly resulting therefrom
- b) any damage to or destruction of any tangible property including loss of use thereof and any consequential loss directly resulting therefrom other than loss, damage or destruction of documents or records.

Provided that this exclusion will not apply to:

- i) **defence costs**
- ii) **financial loss** other than **defence costs** which is not **indemnifiable financial loss**

#### 2. **Conduct**

arising from, based upon, attributable to or as a consequence of:

- a) any **insured** having gained any profit or advantage to which they had or have no legal entitlement
- b) any intentionally dishonest or intentionally fraudulent act or omission committed by any **insured**.

in the event that either of a) or b) is determined or established by:

- i) a written admission by such **insured**
- ii) a judgment or other final, non-appealable adjudication or proceeding adverse to such **insured**;

until such determination **defence costs** will be advanced by us

#### 3. **Debts and trading liabilities**

in respect of or arising from or in consequence of any trading or personal debt of any **insured**

#### 4. **Employment claim**

in respect of any **employment claim**

#### 5. **Insured versus insured**

in respect of any **claim** brought or maintained in whole or in part by or on behalf of you or any **insured person**.

Provided always that this exclusion shall not apply to:

- a) any **claim** which you are ordered to bring by a legally empowered **official body**

- b) any **claim** brought in **your** name by one or more persons who are not **insured persons** and who bring and maintain the **claim** without the solicitation, assistance or active participation of **you** or any **insured person**
- c) any **claim** brought by or at the instigation of any **insured person** if such **claim** results from a covered claim brought by any **third party** and the **third party** could have brought the **claim** directly against an **insured person** not named in the independent **claim**
- d) any **claim** brought by any former **insured person**
- e) **defence costs** incurred up to the sub-limit of liability of £1,000,000 in the aggregate or the limit of liability applicable to this coverage section whichever is the lower. This sub-limit of liability will form part of and not be in addition to the **limit of indemnity** stated in the schedule

## 6. Prior circumstances and claims

in respect of any **claim**:

- a) arising from or in consequence of any circumstance, fact, matter or occurrence that might give rise to any **claim** that was reported under any other insurance policy prior to inception of this policy or that was disclosed on **your** latest **proposal** to **us**; or
- b) alleging or deriving from the same or similar facts or that has the same originating source or cause as the matters alleged in any **claim** made against **you** or an **insured person** prior to inception of this policy

## 7. Professional or legal services

in respect of the rendering of or the failure to render legal advice, legal services or other professional services to a **third party**

## 8. Related entities

in respect of any **claim** brought or maintained in whole or in part by or on behalf of

- a) any **third party** which directly or indirectly:
  - i) holds more than 25% of the voting rights in **you**
  - ii) appoints a majority of **your** board of directors
  - iii) has the right to appoint a majority of **your** board of directors subject to a written agreement with other shareholders; or
- b) any **subsidiary company**

## 9. Wrongful acts of subsidiaries

in respect of any **claim** arising from or in consequence of any actual or alleged **wrongful act** of any **insured person** whilst acting on behalf of a **subsidiary company**.

# Section B – Corporate liability

## Cover

**We** will pay on **your** behalf **your financial loss** in respect of any **claim** made against **you** including but not limited to any **claim** in respect of criminal proceedings brought in respect of a charge or **investigation** connected with a charge of corporate manslaughter or corporate homicide under the Corporate Manslaughter and Corporate Homicide Act 2007.

## Additional cover and extensions applicable to Section B

### 1. Bilateral extended reporting period

In the event that either **we** do not renew or **you** do not renew or replace this section **you** have the right to extend the period of insurance:

- a) automatically for 30 days at no additional premium
- b) for 12 months subject to payment of an additional premium of 100% of the last annual premium stated in the schedule only in respect of any **wrongful act** committed prior to the effective date of such non-renewal.

**You** must give **us** written notice of **your** intention to purchase the extended reporting period within 30 days of the effective date of non-renewal of this section and pay the relevant premium promptly after electing this extension. In the event of **change of control** the extended reporting period will not be available.

### 2. Emergency costs

If **our** written consent cannot reasonably be obtained before **defence costs** are incurred with respect to any covered **claim** **we** will give retrospective approval for such **defence costs**.

**Our** liability will not exceed 10% of the applicable **limit of indemnity** in the aggregate during the period of insurance and this limit will form part of and not be in addition to the **limit of indemnity** stated in the schedule.

### 3. Reputational recovery costs

**We** will pay on behalf of **you** the reasonable fees and expenses payable to outside public relations professionals incurred by **you** with **our** prior written consent in order to mitigate damage to **your** reputation due to a covered **claim** as objectively established by media reports or other publicly available third-party data provided that such **claim** is first made against **you** during the period of insurance and notified to **us** in accordance with the **claim** notification condition on this policy.

**Our** liability will not exceed £100,000 in the aggregate during the period of insurance and this limit will form part of and not be in addition to the **limit of indemnity** stated in the schedule.



## Exclusions applicable to Section B

This section does not cover **financial loss**:

### 1. Bodily injury and property damage

in respect of any **claim** for:

- a) bodily injury, sickness, disease or death of any person and any consequential loss directly resulting there from
- b) any damage to or destruction of any tangible property including loss of use thereof and any consequential loss directly resulting there from other than loss, damage or destruction of documents or records.

Provided that this exclusion will not apply to **defence costs**

### 2. Conduct

arising from, based upon, attributable to or as a consequence of:

- a) any **insured** having gained any profit or advantage to which they had or have no legal entitlement
- b) any intentionally dishonest or intentionally fraudulent act or omission committed by an **insured**;

in the event that either of a) or b) is determined or established by:

- i) a written admission by such **insured**
- ii) a judgment or other final, non-appealable adjudication or proceeding adverse to such **insured**;

until such determination **defence costs** will be advanced by **us**

### 3. Employment benefits

in respect of any **claim** arising from or in consequence of any violation or infringements of any responsibilities, obligations or duties imposed by statute, common law, rule or regulation in respect of employers liability, disability benefits, working time regulations, redundancy pay, benefits, unemployment benefits, social security, retirement benefits, disability benefits, health and safety or any similar law, rule or statute or portion of any law, rule or statute.

Provided that this exclusion will not apply to any allegation of retaliation or retaliatory treatment of the claimant by **you** on account of the claimants exercising their rights pursuant to any such statute, law, rule or regulation

### 4. Employment claim

in respect of any **employment claim**

### 5. Insured versus insured

in respect of any **claim** brought or maintained in whole or in part by or on behalf of any **insured person**.

Provided always that this exclusion shall not apply to:

- a) any **claim** brought by or at the instigation of any **insured person** if such **claim** results from a covered **claim** brought by any **third party** and the **third party** could have brought the **claim** directly against an **insured person** not named in the independent **claim**
- b) any **claim** brought by any former **insured person** who is not a former **principal**
- c) **defence costs** incurred up to the sub-limit of liability of £1,000,000 in the aggregate or the limit of liability applicable to this coverage section whichever is the lower. This sub-limit of liability will form part of and not be in addition to the **limit of indemnity** stated in the schedule

### 6. Intellectual property

In respect of any form of invasion of privacy, plagiarism or breach of copyright or trademark, patents, database right, registered design or design right

### 7. Libel or slander

in respect of any libel or slander

### 8. Monopolies

in respect of any actual or alleged violation of any law, whether statutory, regulatory or common law, relating to anti-trust, business competition, unfair trade practices or tortious interference in another's business or contractual relationships

### 9. Oral or written contracts

in respect of any breach of any oral or written contract or agreement except to the extent that **you** would have been liable in the absence of the contract or agreement

### 10. Pension scheme

in respect of performance of or attempted performance by any **insured** of any duties or responsibilities in relation to any **pension scheme**

### 11. Pollution

in respect of any **claim** alleging, arising from, based upon, attributable to or as a consequence of **pollution**

### 12. Principal

in respect of any **claim** brought or maintained in whole or in part by or on behalf of any **principal** or former **principal**

# Section C – Entity employment practice liability

## Cover

We will pay on behalf of any insured the financial loss of the insured in respect of any employment claim made against an insured.

## Additional cover and extensions applicable to Section C

### 1. Bilateral extended reporting period

In the event that either we do not renew or you do not renew or replace this section you have the right to extend the period of insurance:

- a) automatically for 30 days at no additional premium
- b) for 12 months subject to payment of an additional premium of 100% of the last annual premium stated in the schedule only in respect of any employment wrongful act committed prior to the effective date of such non-renewal.

You must give us written notice of your intention to purchase the extended reporting period within 30 days of the effective date of non-renewal of this section and pay the relevant premium promptly after electing this extension. In the event of change of control the extended reporting period will not be available.

### 2. Emergency costs

If our written consent cannot reasonably be obtained before defence costs are incurred with respect to any covered claim we will give retrospective approval for such defence costs.

Our liability will not exceed 10% of the applicable limit of indemnity in the aggregate during the period of insurance and this limit will form part of and not be in addition to the limit of indemnity stated in the schedule.

### 3. Loss of employee data

We will pay for all reasonable costs necessarily incurred by you for the hiring of a security consultant to review and revise existing data protection policies or develop an internal incident response plan in connection with a covered claim in case of a loss of or failure to secure your employee data.

Our liability will not exceed 10% of the applicable limit of indemnity in the aggregate during the period of insurance and this limit will form part of and not be in addition to the limit of indemnity stated in the schedule.

## 13. Prior circumstances and claims

in respect of:

- a) any claim arising from or in consequence of any circumstance, fact, matter or occurrence that might give rise to any claim that was reported under any other insurance policy prior to inception of this policy or that was disclosed on your latest proposal to us; or
- b) any claim alleging or deriving from the same or similar facts or that has the same originating source or cause as the matters alleged in any claim made against you prior to inception of this policy

## 14. Professional services

in respect of the rendering of or the failure to render legal advice, legal services or other professional services to a third party

## 15. Related entities

in respect of any claim brought or maintained in whole or in part by or on behalf of

- a) any third party which directly or indirectly:
  - i) holds more than 25% of the voting rights in you
  - ii) appoints a majority of your board of directors
  - iii) has the right to appoint a majority of your board of directors subject to a written agreement with other shareholders; or
- b) any subsidiary company

## 16. Securities offering

in respect of any public or private offering of securities made by you during the period of insurance

## 17. Wrongful acts of subsidiaries

in respect of any claim arising from or in consequence of any actual or alleged wrongful act of any subsidiary company.

#### 4. Reputational recovery costs

We will pay on behalf of an **insured** the reasonable fees and expenses payable to outside public relations professionals incurred by an **insured** with our prior written consent in order to mitigate damage to the reputation of an **insured** due to a covered **claim** as objectively established by media reports or other publicly available third-party data provided that such **claim** is first made against an **insured** during the period of insurance and notified to **us** in accordance with the **claim** notification condition on this policy.

Our liability will not exceed £100,000 in the aggregate during the period of insurance and this limit will form part of and not be in addition to the **limit of indemnity** stated in the schedule.

#### 5. Training and programme costs

This section provides cover for all reasonable costs necessarily incurred by **you** for educational, sensitivity or diversity training or minority development programmes in connection with a covered **claim** and required under the terms of a judgment or final consent decree.

Our liability will not exceed 10% of the applicable **limit of indemnity** in the aggregate during the period of insurance and this limit will form part of and not be in addition to the **limit of indemnity** stated in the schedule.

### Exclusions applicable to Section C

This section does not cover **financial loss**:

#### 1. Assumed liability

in respect of any **claim** arising from, based upon or attributable to the liability of others assumed by an **insured** under any contract or agreement either oral or written.

Provided that this exclusion will not apply to the extent the **insured** would be liable for such **financial loss** in the absence of such contract or agreement

#### 2. Bodily injury and property damage

in respect of any **claim** for bodily injury, sickness, disease or death of any person and any consequential loss directly resulting therefrom.

Provided that this exclusion will not apply to mental or emotional distress in connection with an **employment claim**

#### 3. Conduct

arising from, based upon, attributable to or as a consequence of:

- a) any **insured** having gained any profit or advantage to which they had or have no legal entitlement
- b) any intentionally dishonest or intentionally fraudulent act or omission committed by any **insured**;

in the event that either of a) or b) is determined or established by:

- i) a written admission by such **insured**
- ii) a judgment or other final, non-appealable adjudication or proceeding adverse to such **insured**; until such determination **defence costs** will be advanced by **us**

#### 4. Employment benefits

in respect of any **claim** arising from or in consequence of any violation or infringements of any responsibilities, obligations or duties imposed by statute, common law, rule or regulation in respect of employers liability, disability benefits, working time regulations, redundancy pay, holiday pay, notice pay, benefits, unemployment benefits, social security, retirement benefits, occupational pension scheme benefits, disability benefits, health and safety or any similar law, rule or statute or portion of any law, rule or statute.

Provided that this exclusion will not apply to any allegation of retaliation or retaliatory treatment of the claimant by **you** on account of the claimants exercising their rights pursuant to any such statute, law, rule or regulation

#### 5. Principal

in respect of any **claim** brought or maintained in whole or in part by or on behalf of any **principal** or former **principal**

#### 6. Prior circumstances and claims

in respect of:

- a) any **claim** arising from or in consequence of any circumstance, fact, matter or occurrence that might give rise to any **claim** that was reported under any other insurance policy prior to inception of this policy or that was disclosed on **your** latest **proposal** to **us**; or
- b) any **claim** alleging or deriving from the same or similar facts or that has the same originating source or cause as the matters alleged in any **claim** made against **you** prior to inception of this policy

#### 7. T.U.P.E.

in respect of any **claim** alleging the failure by **you** to inform or consult any **employee** through representatives or any actual or alleged violation of the rights of **employees** to engage in or to refrain from engaging in union or other collective activities in accordance with:

- a) the Transfer of Undertakings (Protection of Employment) Regulations of 2006
- b) a protective award in the United Kingdom

#### 8. Trustee

in respect of any **claim** arising from or in consequence of infringement of obligations imposed by any statute, regulation or common law while acting in the capacity of **trustee** of any pension, superannuation scheme, profit sharing or other employee benefit scheme

#### 9. Union and collective bargaining

in respect of any **claim** arising from or in consequence of any actual or alleged violation of the responsibilities, obligations, or duties imposed by any statute, regulation or common law that governs the rights of employees to engage in or to refrain from engaging in union or other collective activities or the enforcement of any collective bargaining agreement including but not limited to grievance and arbitration proceedings.



# Section D – Employee dishonesty

## Special definitions

### **Act of fraud or dishonesty**

Any single, continuous or repeated act of fraud or dishonesty.

### **Discovery or Discovered**

The moment at which **you** or any **partner, director or officer**, departmental head or other senior manager or the equivalent thereof becomes aware of any fact or facts that give reasonable grounds to believe that loss as insured by this Section has been or may be incurred even though the exact amount or details of the loss may not then be known.

### **Employee**

Any natural person who is:

- a) under a contract of service or apprenticeship with **you**
- b) under a work experience or similar scheme
- c) a labour only subcontractor or person supplied by them
- d) seconded to **you** from another employer and working under **your** direct control or supervision in connection with **your** business.

However for the purposes of this Section, the following are excluded:

- i) any **partner** in **you**
- ii) any **employee** who at the time of committing any **act of fraud or dishonesty** controls more than five per cent of the issued share capital of **you**
- iii) any **director or officer** of **you** who is not also an employee or officer of **you** in some other capacity
- iv) any broker, factor commission merchant, consignee, contractor or other agent or representative of the same general character.

### **Forgery**

The signing by hand of another natural persons name, or the endorsing or amending by hand without authority of any cheque, draft, promissory note or bill of exchange given or received by **you** with the intent to deceive in consequence of which **you** have acted or transferred funds or goods.

### **Loss**

**Your** direct financial loss arising from the loss of **your property**, money or **securities** as a direct result of any **act of fraud or dishonesty**.

### **Property**

**Your** tangible property other than money or **securities**.

## Cover

We will indemnify **you** for **loss** committed by an **employee** acting alone or in collusion with others which is first **discovered** during the period of insurance or any extended reporting period and notified to **us** in accordance with claim condition 1 Section D.

## Additional cover and extensions applicable to Section D

### 1. Computer fraud

We will indemnify **you** for the theft of any of **your** money, securities or goods due to any fraudulent or dishonest misuse or manipulation by a **third party** of the computer systems and programs operated by **you**.

### 2. Employee benefit plans

We will indemnify the trustees of any pension scheme or other employee benefits scheme set up by **you** to provide benefit to **your employees** in respect of direct financial loss of any **property**, money or **securities** sustained by such trustees.

Provided that payment under this extension will not increase **our** maximum liability under this section.

### 3. Bilateral extended reporting period

In the event that either **we** do not renew or **you** do not renew or replace this section **you** have the right to extend the period of insurance:

- a) automatically for 30 days at no additional premium
- b) for 12 months subject to payment of an additional premium of 100% of the last annual premium stated in the schedule only in respect of any **act of fraud or dishonesty** committed prior to the effective date of such non-renewal.

**You** must give **us** written notice of **your** intention to purchase the extended reporting period within 30 days of the effective date of non-renewal of this section and pay the relevant premium promptly after electing this extension. In the event of **change of control** the extended reporting period will not be available.

### 4. Forgery

We will indemnify **you** for **loss** of **your** money or **securities** resulting from **forgery**.

### 5. Funds transfer fraud

We will indemnify **you** for the theft of any of **your** funds from an account maintained by **you** at a **financial institution** following fraudulent electronic, telegraphic, cable, teletype, telephone or written instructions to debit such account and to transfer, pay or deliver funds from such account and which instructions purport to have come from **you** but which are fraudulently transmitted or issued, are a forgery or fraudulently altered by another.

## 6. Investigation costs

We will indemnify **you** in respect of reasonable fees and costs other than remuneration payable to any **employee, partner, director or officer of you**, for the cost of their time or **your** costs or overheads necessarily incurred by **you** with **our** written consent to establish the amount of **loss** in connection with a **claim** covered under this section.

Provided that payment under this extension will not increase **our** maximum liability under this section.

## 7. Money orders

We will indemnify **you** for **your** direct financial loss arising from **your** acceptance in good faith in the regular course of business of a post office or express money order issued or purporting to have been issued by any post office or express office if such money order is not paid on presentation.

Provided always that this extension will not apply in respect of any loss arising from **your** acceptance of any post office or express money order on behalf of any client of **yours** or on behalf of any **third party**.

## 8. Paper currency

We will indemnify **you** for **your** direct financial loss arising from **your** acceptance in good faith in the regular course of business of counterfeit paper currency.

Provided always that this extension will not apply in respect of any loss arising from **your** acceptance of any counterfeit paper currency on behalf of any client of **yours** or on behalf of any **third party**

## 9. Reconstitution costs

We will indemnify **you** for the reasonable costs incurred in rewriting or amending the software programs or systems where such rewriting or amendment is necessary to correct the programs or amend the security codes following the fraudulent use of the computer hardware or software programs or systems operated by **you** and which was the subject of a claim under this section.

**Our** liability will not exceed £25,000 in the aggregate during the period of insurance and this limit will form part of and not be in addition to the **limit of indemnity** stated in the schedule.

## Exclusions applicable to Section D

This section does not cover:

- 1. Consequential loss**  
consequential or indirect loss of any description
- 2. Damages and fines**  
damages, fines, penalties or taxes of any description
- 3. Defence costs**  
the costs of defending any legal proceedings brought against **you** or the fees, costs or expenses incurred or paid by **you** in prosecuting or defending any legal proceedings whether or not such legal proceedings result or would result in a **loss** to **you** under this Section except as may be stated specifically elsewhere in this Section
- 4. Extortion kidnap and ransom**  
**loss** arising out of or in connection with extortion except by an **employee** kidnap, ransom or any threat thereof
- 5. Fees, costs or expenses**  
any fees, costs or expenses incurred by **you** in establishing the existence of or the amount of **loss** covered under this section except as provided for by the extension **investigation costs**
- 6. Fraudulent employee**  
**loss** caused by any **employee** whom **you** were aware had previously committed a criminal act before or after the date of commencement of employment with **you**
- 7. Inter insured**  
**loss** sustained by one part of **you** to the benefit of any other part of **you**
- 8. Proprietary information and trade secrets**  
loss of intangible property howsoever caused including but not limited to intellectual rights, trade secrets, proprietary information, patents, trademarks, copyrights, computer programs, confidential processing methods or other confidential information of any kind.

# Conditions

## Claims conditions applicable to Sections A-C

### 1. Claims notification

Upon learning of any circumstance or receiving verbal or written notice of any **claim** you must tell us as soon as reasonably possible and in any event no later than 45 days after the expiry of the period of insurance of:

- a) any **claim**
- b) any **insured person** being required to attend an **investigation**.

If an **insured** becomes aware of any circumstances which may reasonably be expected to give rise to a **claim** being made against you or an **insured person** then you will have the right to give written notice to us of those circumstances within the period of insurance such notice to comprise the **wrongful act** allegations anticipated and the reasons for anticipating such a **claim**.

Written notice must include but is not limited to a description of the **claim**, **investigation** or circumstance as applicable, the nature of the alleged or potential damage, the names of the actual or potential claimants and the date and manner in which the **insured** first became aware of the **claim**, **investigation** or circumstance.

### 2. Claims series

Any **claim** or **investigation** whether made before, during or after the period of insurance or series of such **claims** or **investigations** which arise out of the same **wrongful act** or which have the same originating cause or are otherwise casually connected will constitute a single **claim** or **investigation** for the purposes of this policy.

All such **claims** and such **investigations** that constitute a single **claim** or **investigation** under this condition will be deemed to have been made during the period of insurance if either the first such **claim** or first such **investigation** was first made during the period of insurance. If however the first such **claim** or first such **investigation** was made prior to the period of insurance then all such **claims** and **investigations** will be deemed to have been made prior to the period of insurance and therefore excluded from cover.

### 3. Defence of claim

It is the duty of you or an **insured person** when receiving a **claim** to take all reasonable steps to defend such **claim** and not do anything which may prejudice our position.

We will have no duty to defend any **claim** made under this policy.

Provided that for any **claim** which may be covered under this policy we will have the right to be provided with all such information regarding the **claim** as we will reasonably require and we will be kept fully informed regarding all matters regarding the investigation, defence or settlement of any **claim** and will have the right to receive copies of all relevant documents.

In the event of any dispute between you and us regarding whether or not to contest any **claim** then the procedure described by the Arbitration condition in this policy will apply.

### 4. Fair allocation

If a **claim** made against any **insured** and any defendant not insured under this policy includes both financial loss which is covered under this policy and financial loss together with associated defence costs which are not covered then we and you will use all reasonable endeavours to determine a fair allocation between **financial loss** which is covered and financial loss which is not covered under this policy.

### 5. Payments

We will pay **defence costs** covered under this policy to you or an **insured person** as and when those **defence costs** fall due. If you or an **insured person** have no entitlement to payment for **financial loss** under the terms and conditions of this policy you or the **insured person** must repay us any payments of **defence costs** which have been made by us.

### 6. Payments on behalf of insured persons

If you fail for reasons other than insolvency to indemnify the **insured person** to the fullest extent permitted or required by law in respect of **financial loss** covered under this policy we will pay such **financial loss** on behalf of the **insured person**. We will then be entitled to obtain reimbursement from you for all payments made by us that would not have been made if the indemnity had been provided by you.

### 7. Written consent

Our written consent must be obtained before:

- a) any **defence costs** are incurred
- b) any legal representative is retained to defend any **insured** or to take any steps in connection with any legal proceedings that may potentially be covered under this policy
- c) any **claim** is settled.

Paragraphs a) and b) will not apply in the case of emergency costs.

## Claims conditions applicable to Section D

### 1. Claims notification

As soon as reasonably practicable upon the *discovery* of *loss* you will notify us by written notice but in all events no later than 45 days after the expiry of the period of insurance or the extended reporting period if applicable. Such notice will include but not be limited to a description of the circumstances leading to the *loss* and the names of the persons causing such *loss*.

### 2. Claims series

Where more than one *loss* arises from one *act of fraud or dishonesty* or from a series of *acts of fraud or dishonesty* which are connected causally with another or which are by any means inter-related or inter-connected they will be deemed to be a single *loss* notwithstanding the number of *loss* notifications that have been made and such single *loss* will be attributed solely to the period of insurance or the extended reporting period (if applicable) during which the first *loss* arising from such series of *acts of fraud or dishonesty* was discovered.

### 3. Limitation

Our aggregate liability for *loss* sustained by any or all of the persons, companies or other entities forming part of you will not exceed the amount for which we would be liable if all *losses* were sustained by any one of the persons, companies or other entities forming part of you.

### 4. Loss settlement

We may with your consent settle any demand for *loss* of *property* with the owner thereof.

Any *property* for which we have made indemnification will become our property. We may at our discretion pay such actual cash value or make such repairs or replacements. If we and you cannot agree upon such cash value or such cost of repairs or replacements such cash value or such cost will be determined by arbitration.

### 5. Submission of records

In the event of a *loss* you will immediately upon our request deliver to us all pertinent records, information, explanation and other evidence as may be reasonably required for the purposes of investigating or verifying the *loss* together with if required a statutory declaration of the truth of the *loss* and of any matters connected with it.

## Special conditions applicable to Section D

### 1. Cancellation on discovery

The insurance under this section in respect of any *employee* will be deemed to be cancelled immediately upon *discovery* by you or any *partner, director or officer, departmental head, senior manager* or the equivalent thereof not in collusion with such *employee* of any *act of fraud or dishonesty* committed by that *employee* and any further *acts of fraud or dishonesty* committed by that *employee* are not insured.

### 2. Dealing and trading

In respect of any *act of fraud or dishonesty* committed by any *employee* who is engaged in trading or dealing in stocks, shares, equities, bonds, *securities*, valuable papers, commodities, foreign exchange, derivatives, loans, transactions in the nature of a loan or other extension of credit and the like you will prove conclusively that such *acts of fraud or dishonesty* were committed by the *employee* with the clear intention of causing you to suffer such *loss* and to obtain and resulting in improper financial gain for that *employee* or any other person or entity intended by the *employee* to receive such gain. Salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions and other *benefits* will not constitute improper financial gain.

### 3. Joint insured

- a) If you comprise more than one party the person, company or entity set out as the policyholder in the schedule will act for itself and be deemed to act as the sole agent for you. All parties comprising you are deemed to have consented and agreed that rights of action under this policy are not assignable except with our prior written consent
- b) you have the sole right to file notice or proof of *loss*, adjust, receive or enforce payment of any *loss*
- c) payment of any *loss* will fully release us on account of such *loss*. If we agree to make payment to an entity other than you such payment will be deemed to have been made to you
- d) you have the sole right to bring legal proceedings arising under or in connection with this section.

### 4. Knowledge and reliance

Knowledge possessed or *discovery* made by any *insured* forming part of you or by any *partner, director or officer, departmental head* or other senior manager or the equivalent thereof will be deemed to constitute knowledge possessed or *discovery* made by all other persons, companies or entities forming part of you.

### 5. Non-identification

If a *loss* is alleged to have been caused by an *act of fraud or dishonesty* by any *employee* and you are unable to discover the identity of the actual *employee* we will indemnify you provided that the evidence submitted proves beyond reasonable doubt that the *loss* was caused by the fraudulent or dishonest acts of one or more *employee*.

### 6. Prosecution

You will if and when required by us but at our expense if a conviction is obtained use all diligence in prosecuting to conviction any person by whose dishonesty a claim will have been made under this section.



## 7. Valuation

### a) Securities

In no event will **we** be liable as respects **securities** for more than the actual cash value thereof at the close of business on the business day preceding the day on which the **loss** was *discovered*

### b) Books of accounts and records

In the case of **loss** of or damage to **property** consisting of books of accounts or other records other than electronic data used by **you** in the conduct of **your** business **we** will be liable under this Section only if such books or records are actually reproduced and then for not more than the cost of blank books, blank pages or other materials plus the cost of labour and computer time for the actual transcription or copying of data which will have been furnished by **you** in order to reproduce such books and other records

### c) Electronic data

In the event that a **loss** as covered under this section results in the destruction, erasure or theft of electronic data used by **you** while such data is stored within **your** computer systems **we** will be liable under this section if such data is actually reproduced and cover hereunder will only apply to the cost of labour for the actual transcription or copying of data, which will have been furnished by **you** in order to reproduce such electronic data

### d) Damage to premises

In the case of damage to the premises **we** will not be liable for more than the actual cost of repairing such premises with material of like quality and value

### e) Foreign currency

If a foreign currency being a currency other than the currency in which this section is written is involved in a **loss** sustained by **you** under this section then for the purpose of any calculation required in the settlement of a **loss** the rate of exchange will be the rate as offered by **our** London Clearing Bank on the date of such settlement

### f) Other property

In no event will **we** be liable as respects other **property** not included in the above for more than the actual cash value thereof at the time of **loss** or for more than the actual cost of repairing such other **property** or of replacing same with **property** or material of like quality and value provided however the actual cash value of such other **property** held by **you** as a pledge, or as collateral for an advance or a loan will be deemed not to exceed the value of the **property** as determined and recorded by **you** when making the advance or loan nor in the absence of such record the unpaid portion of the advance or loan plus accrued interest thereon at legal rates.

# General conditions

For the purposes of these general conditions 'claim' will mean **claim, employment claim, financial loss or loss**

## 1. Arbitration

All disputes and differences arising under or in connection with this contract will be referred to arbitration under ARIAS Arbitration Rules.

The Arbitration Tribunal will consist of three arbitrators, one to be appointed by the claimant, one to be appointed by the respondent and the third to be appointed by the two appointed arbitrators. The third member of the Tribunal will be appointed as soon as practicable and no later than 28 days after the appointment of the two party-appointed arbitrators. The Tribunal will be constituted upon the appointment of the third arbitrator.

The arbitrators will be persons including those who have retired with not less than 10 years' experience of insurance or reinsurance within the industry or as lawyers or other professional advisers serving the industry. Where a party fails to appoint an arbitrator within 14 days of being called upon to do so or where the two party-appointed arbitrators fail to appoint a third within 28 days of their appointment, then upon application ARIAS (UK) will appoint an arbitrator to fill the vacancy. At any time prior to their appointment by ARIAS (UK) the party or arbitrators in default may make such appointment. The Tribunal may in its sole discretion make such orders and directions as it considers necessary for the final determination of the matters in dispute. The Tribunal will have the widest discretion permitted under the law governing the arbitral procedure when making such orders or directions.

## 2. Cancellation Notice

In the event of non payment of premium **we** have the right to cancel this policy or any section or part of it by giving 14 days notice in writing by special delivery mail to **your** last known address.

## 3. Change of control

If there is a **change of control** during the period of insurance then the cover provided by this policy only applies in respect of **wrongful acts** occurring prior to the effective date of that **change of control**. **You** must give written notice to **us** of the **change of control** as soon as reasonably practicable.

## 4. Change in circumstances

**You** must notify **us** as soon as possible during the period of insurance if there is any change in circumstances or to the material facts previously disclosed by **you** to **us** or stated as material facts by **us** to **you** which increases the risk of accident, injury, loss, damage or liability.

Upon notification of any such change **we** will be entitled to vary the premium and terms for the rest of the period of insurance. If the changes make the risk unacceptable to **us** then **we** are under no obligation to agree to make them and may no longer be able to provide **you** with cover.

If **you** do not notify **us** of any such change **we** may exercise one or more of the options described in clauses c) i), ii) and iii) of general condition 9 – Fair presentation of the risk but only with effect from the date of the change in circumstances or material facts.

#### 5. **Contracts (Rights of Third Parties) Act 1999**

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

#### 6. **Contractual right of renewal (tacit)**

If **you** pay the premium to **us** using **our** Direct Debit instalment scheme **we** will have the right which **we** may choose not to exercise to renew the policy each year and continue to collect premiums using this method. **We** may vary the terms of this policy including the premium at renewal. If **you** decide that **you** do not want **us** to renew this policy provided **you** tell **us** or **your** insurance intermediary before the next renewal date **we** will not renew it.

#### 7. **Contribution**

If a **claim** under this policy would but for the existence of this policy be insured by any other valid and collectable:

- a) Directors' and Officers' Liability or Management Liability policy or indemnity
- b) Employment Practices Liability insurance policy
- c) General Liability insurance policy
- d) Pollution Liability insurance policy
- e) any other insurance which has a duty to defend such **claim**

**we** will only be liable for any amount above that collectable under such other policy.

In the event of a **claim** made against an **outside entity executive** coverage as is afforded by this policy will be specifically excess of:

- a) any indemnification provided by an **outside entity**; and
- b) any insurance coverage afforded to an **outside entity** or its directors or officers or equivalent executive or management position.

In the event such other Directors' and Officers' or Management Liability insurance coverage afforded to the **outside entity** or any of its directors or officers is provided by **us** or Zurich Insurance Group or would be provided but for the application of the retention amount, exhaustion of the **limit of indemnity** or failure to submit a notice of a **claim** as required, then **our** maximum aggregate **limit of indemnity** for all

**financial loss** under this policy as respects such cover will be reduced by the amount of the **limit of indemnity** as set forth on the schedule of the other Zurich Insurance Group insurance provided to such **outside entity**.

#### 8. **Excess**

**We** will only pay that amount of **financial loss** or **loss** in respect of each claim that is in excess of the applicable **excess** in the schedule. The **excess** is not part of **our limit of indemnity** and is to be borne by **you** and will remain uninsured.

#### 9. **Fair presentation of the risk**

- a) At inception and renewal of this policy and also whenever changes are made to it at **your** request **you** must:
  - i) disclose to **us** all material facts in a clear and accessible manner; and
  - ii) not misrepresent any material facts.
- b) If **you** do not comply with clause a) of this condition **we** may:
  - i) avoid this policy which means that **we** will treat it as if it had never existed and refuse all claims where any non-disclosure or misrepresentation by **you** is proven by **us** to be deliberate or reckless in which case **we** will not return the premium paid by **you**; and
  - ii) recover from **you** any amount **we** have already paid for any claims including costs or expenses **we** have incurred.
- c) If **you** do not comply with clause a) of this condition and the non-disclosure or misrepresentation is not deliberate or reckless this policy may be affected in one or more of the following ways depending on what **we** would have done if **we** had known about the facts which **you** failed to disclose or misrepresented:
  - i) if **we** would not have provided **you** with any cover **we** will have the option to:
    - 1) avoid the policy which means that **we** will treat it as if it had never existed and repay the premium paid; and
    - 2) recover from **you** any amount **we** have already paid for any claims including costs or expenses **we** have incurred
  - ii) if **we** would have applied different terms to the cover **we** will have the option to treat this policy as if those different terms apply. **We** may recover any payments made by **us** on claims which have already been paid to the extent that such claims would not have been payable had such additional terms been applied
  - iii) if **we** would have charged **you** a higher premium for providing the cover **we** will charge **you** the additional premium which **you** must pay in full.

## 10. Fraudulent claims

If **you** or anyone acting on **your** behalf:

- a) makes a fraudulent or exaggerated claim under this policy; or
- b) uses fraudulent means or devices including the submission of false or forged documents in support of a claim whether or not the claim is itself genuine; or
- c) makes a false statement in support of a claim whether or not the claim is itself genuine; or
- d) submits a claim under this policy for loss or damage which **you** or anyone acting on **your** behalf or in connivance with **you** deliberately caused; or
- e) realises after submitting what **you** reasonably believed was a genuine claim under this policy and then fails to tell **us** that **you** have not suffered any loss or damage; or
- f) suppresses information which **you** know would otherwise enable **us** to refuse to pay a claim under this policy

**we** will be entitled to refuse to pay the whole of the claim and recover any sums that **we** have already paid in respect of the claim.

**We** may also notify **you** that **we** will be treating this policy as having terminated with effect from the date of any of the acts or omissions set out in clauses a) to f) of this condition.

If **we** terminate this policy under this condition **you** will have no cover under this policy from the date of termination and not be entitled to any refund of premium.

If any fraud is perpetrated by or on behalf of an **insured person** and not on behalf of **you** this condition should be read as if it applies only to that **insured person's** claim and references to this policy should be read as if they were references to the cover effected for that person alone and not to the policy as a whole.

## 11. Limit of indemnity

The **limit of indemnity** is the total aggregate amount payable by **us** under each section of this policy for all **financial loss** and/or **loss**, irrespective of the number of **claims** or the number of **insureds** who may claim under this policy and irrespective of the amounts of any such **claims** or when they are made.

## 12. Payment by instalments

Reference to the payment of premium includes payment by monthly instalments. If **you** pay by this method this policy remains an annual contract and the date of the payment and the amount of instalments are governed by the terms of the credit agreement. If an instalment is not received by the due date then subject to the Consumer Credit Act 1974 if applicable the credit agreement and this policy will be cancelled immediately.

## 13. Representations and severability

Not applicable to Section D.

The **proposal** will be construed as a separate **proposal** for coverage by each **insured**. No statement in the **proposal** or knowledge possessed by **you** will be imputed to any **insured person** for the purpose of determining if coverage is available. The declarations, representations and warranties in the **proposal** and knowledge possessed by any past, present or future Chief Executive Officer, Chief Financial Officer, Director of Human Resources and/or in-house General Counsel or equivalent position of **you** will be imputed to **you** for determining if coverage is available with respect to **claims** against such party under the applicable section of the policy.

## 14. Sanctions

Notwithstanding any other terms of this policy **we** will be deemed not to provide cover nor will **we** make any payment or provide any service or benefit to **you** or any other party to the extent that such cover, payment, service or benefit would violate any applicable trade or economic sanctions law or regulation.

## 15. Subrogation

Upon any payment made or to be made under any section of this policy **we** will be entitled to assume conduct of all rights of recovery available to **you** and all reasonable assistance will be rendered to the **us** in the prosecution of such rights by **you** including but not limited to trying to recover from **you** any deductible paid by **us**. **You** will execute all papers reasonably required and will take all reasonable action that may be necessary to secure any and all subrogation rights of **us**. With respect to Section A only, in no event will **we** exercise **our** rights of subrogation against an **insured person** under this policy unless it is determined by a written admission, a final judgment or other adjudication in the underlying action or in a separate action or proceeding that such **insured person** had obtained an illegal profit or advantage or committed an intentionally dishonest act or omission or intentionally fraudulent act or omission.

## 16. Territorial limits

Coverage under this policy will apply to:

- a) in respect of Section A, B and C **financial loss** incurred resulting from **claims** made and **wrongful acts**
- b) in respect of Section D **loss** arising from **acts of fraud or dishonesty**

occurring anywhere in the world except the United States of America.



# Our complaints procedure

## **Our commitment to customer service**

We are committed to providing a high level of customer service. If you feel we have not delivered this, we would welcome the opportunity to put things right for you.

## **Who to contact in the first instance**

Many concerns can be resolved straight away. Therefore in the first instance, please get in touch with your usual contact at Zurich or your broker or insurance intermediary, as they will generally be able to provide you with a prompt response to your satisfaction.

Contact details will be provided on correspondence that we or our representatives have sent you.

## **Many complaints can be resolved within a few days of receipt**

If we can resolve your complaint to your satisfaction within the first few days of receipt, we will do so. Otherwise, we will keep you updated with progress and will provide you with our decision as quickly as possible.

## **Next steps if you are still unhappy**

If you are not happy with the outcome of your complaint, you may be able to ask the Financial Ombudsman Service to review your case.

We will let you know if we believe the ombudsman service can consider your complaint when we provide you with our decision. The service they provide is free and impartial, but you would need to contact them within 6 months of the date of our decision.

More information about the ombudsman and the type of complaints they can review is available via their website [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

You can also contact them as follows:

**Post:** Financial Ombudsman Service,  
Exchange Tower, London, E14 9SR

**Telephone:** 08000 234567  
(free on mobile phones and landlines)

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

If the Financial Ombudsman Service is unable to consider your complaint, you may wish to obtain advice from the Citizens Advice Bureau or seek legal advice.

## **The Financial Services Compensation Scheme (FSCS)**

We are covered by the Financial Services Compensation Scheme (FSCS) which means that you may be entitled to compensation if we are unable to meet our obligations to you. Further information is available on [www.fscs.org.uk](http://www.fscs.org.uk) or by contacting the FSCS directly on 0800 678 1100.

## **Zurich Insurance plc**

A public limited company incorporated in Ireland. Registration No. 13460.

Registered Office: Zurich House, Ballsbridge Park, Dublin 4, Ireland. UK Branch registered in England and Wales Registration No. BR7985. UK Branch Head Office: The Zurich Centre, 3000 Parkway, Whiteley, Fareham, Hampshire PO15 7JZ.

Zurich Insurance plc is authorised by the Central Bank of Ireland and authorised and subject to limited regulation by the Financial Conduct Authority. Details about the extent of our authorisation by the Financial Conduct Authority are available from us on request. Our FCA Firm Reference Number is 203093.

Communications may be monitored or recorded to improve our service and for security and regulatory purposes.

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