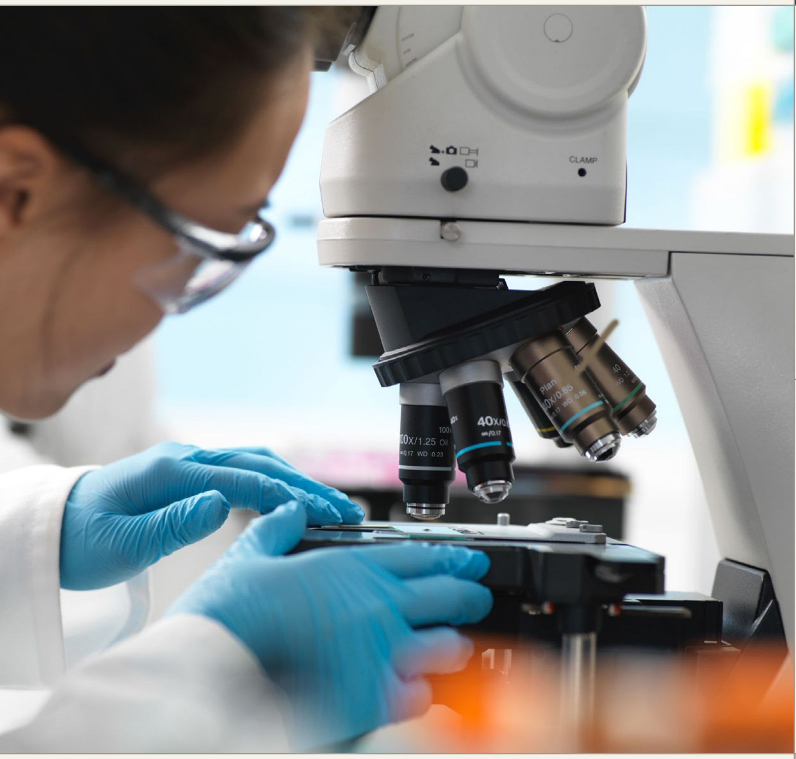
Management Liability Package

Insurance policy



MARKEL

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Management Liability Package

Insurance policy

Contents

Policyholder benefits

As a Markel policyholder, you're entitled to a number of benefits to support you in running your business:

Activate your benefits now

Business Hub

Complimentary access to an online library of business templates, policies, contracts, and guidance documents covering areas such as employment, health and safety, commercial contracts, and data protection.

Business and legal helpline

24/7 complimentary access to our legal helpline, run by Markel's award-winning in-house solicitors who can assist with everyday legal issues.

PR crisis management

Access to specialist crisis communications support following a major incident, designed to help manage media and stakeholder communications and protect corporate reputation.

24/7 cyber incident response

Round the clock access to a team of cyber specialists to support with incident response, containment, and recovery following a cyber event if cyber cover is purchased with the policy.

To activate your benefits, go to managementrisks.uk.markel.com/activate

Welcome

Welcome and thank you for choosing to buy your management liability package policy from Markel.

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

– this document,

– the schedule, and

– any endorsements that apply

The insurance contract

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

The cover provided

The cover provided depends on which sections of cover you have chosen. It is important that:

– **you** check that the sections you have requested are included in the schedule

– **you** check that the information **you** have given **us** is accurate - see 'our reliance on the information provided to us' in the 'important information' section

– **you** notify **your** broker as soon as practicable of any inaccuracies in the information **you** have given **us**

– **you** comply with **your** duties under each section of cover and under this policy as a whole.

Exclusions

Your policy is subject to exclusions and these tell you what is not covered. You will find these in each section of cover.

Conditions

Your policy is subject to certain conditions that apply. You will find these in the relevant section of cover that they apply to.

The meaning of highlighted words

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

Some of these words have the same meaning throughout this policy, these will be found under the section 'words with special meaning that apply throughout this policy (general definitions)'.

Other words only have a special meaning that is used in a specific section of cover or the meaning may vary from one section to another. The meaning of these words are found in the list of 'words with special meaning (definitions)' in each section of cover.

Important information

How to make a claim (excluding the legal expenses section of cover)

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

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

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

If you want to discuss a claim under **your** policy phone our claims team on 0345 355 2227.

If you purchase section of cover 'cyber and data risks' and have suffered a cyber attack or alleged cyber attack you can contact the emergency cyber response service outside normal business hours by

- phoning 0800 368 3966
- emailing markelcyber@cyberclan.com

How to make a claim under the legal expenses section of cover

If you want to make a claim under the legal expenses section of cover contact us by phoning our advice line

Legal helpline

This provides access to a dedicated team of specialist solicitors for guidance and support on legal matters relating to **your** business activities, including health and safety, starting up a business, legal structures, client contracts and more.

How to access the legal helpline

Telephone: 0333 2342 046 (available 24 hours a day, seven days a week)

Information required:

- policyholder name
- policy number
- contact details
- brief details as to the nature of the problem or the advice being sought.

Things you must do

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

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

Fraudulent claim

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

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

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

- **we** will not be liable to **you** in respect of any relevant event occurring after the time of the fraudulent act. A relevant event is whatever gives rise to **our** liability under this policy (such as a loss, the making of a claim, or the notification of a potential claim), and
- **we** need not return any of the premium paid.

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

In respect of any fraudulent claim under the directors and officers liability section of cover, **we** will not exercise **our**

right to treat this policy as having been terminated.

Our reliance on the information provided to us

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

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

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

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

and

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

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

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

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

How to cancel this policy

You can cancel this insurance (other than the directors and officers liability section of cover) at any time by writing to

your broker.

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

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

Cooling-off period

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

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

Refund of premium

If **we** pay (or have agreed to pay) any claim, in whole or in part, then no refund of premium will be allowed. If **we** haven't paid (or agreed to pay) any claim, in whole or in part, then:

– if **we** cancel this policy **you** will be entitled to a refund of any premium paid, subject to a deduction for any time for which **you** have been covered. This will be calculated on a proportional basis. For example, if **you** have been covered for 6 months and the period of insurance shown in the policy schedule is for 12 months, the deduction for the time **you** have been covered will be half the annual premium.

– if **you** cancel this policy within the cooling-off period **we** will return to **you** all of the premium paid without any deduction.

– if **you** cancel this policy outside the cooling-off period **you** will be entitled to a refund of any premium paid, subject to a deduction for any time for which **you** have been covered. This will be calculated on a proportional basis.

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

How to make a complaint

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

by telephone: +44 (0)20 7953 6020

by email: complaints@markel.com

by writing to: Compliance

Markel International Insurance Company Limited, 20 Fenchurch Street, London England EC3M 3AZ

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

- A complaint received by Markel International Insurance Company Limited (whether by letter, , e-mail, telephone conversation or other oral representation) will be allocated to an appropriate person to carry out an independent review of the justification of the complaint.

– Complaints will be acknowledged promptly, We endeavour to acknowledge the complaint in writing within seven business days after receipt. That acknowledgement will include the name of the person who will be reviewing the complaint and a copy of this Complaint Procedure.

– We will try to resolve a complaint within four weeks and give a written final response, or send an interim response explaining why we are not yet in a position to resolve matters.

– By the end of eight weeks following receipt of a complaint, a final response will be issued or a further interim response giving an indication as to when a final response can be expected.

- The Financial Ombudsman Service (FOS)operates a dispute resolution facility for consumers, micro-enterprises (small businesses), small charities and trustees. An eligible complainant has up to six months to register a complaint with the FOS if the outcome was not to their satisfaction. If you do not refer your complaint in time, the Ombudsman may not have our permission to consider the complaint and will only be able to do so in very limited circumstances. For example if the Ombudsman believes that the delay was as a result of exceptional circumstances. You can find further information on the FOS at www.financial-ombudsman.or.uk

Complaints about the Markel legal expenses legal advice line

The legal advice line is provided by Markel Law LLP which is authorised and regulated by the Law Society and is part of the Markel Group of companies.

If you have a complaint regarding the legal advice line, please contact the Compliance Officer who will be responsible for dealing with client care issues. You can contact them by post at Markel Law LLP, 11th Floor, 82 King St, Manchester, M2 4WQ, via email at Michael.Black@markel.com or by telephone on 0345 351 0025. We will deal with the complaint in accordance with our complaints procedure, a copy of which is available on request.

Once we have exhausted our internal procedure, if you are not satisfied with our handling of your complaint or the outcome, you may contact The Legal Ombudsman Service by post at PO Box 6167, Slough, SL1 0EH, by email at enquiries@legalombudsman.org.uk or by telephone on 0300 555 0333 and ask them to consider the matter.

Details of the Financial Services Compensation Scheme

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

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

Language

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

Regulatory authorities

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

Data protection

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

Rights of third parties

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

Sanctions limitation

We will not provide any benefit under this contract of insurance to the extent of providing cover, payment of any claim or the provision of any benefit where doing so would expose **us** to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanction, laws or regulations of the European Union, United Kingdom or United States of America.

Brexit

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

Choice of law

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

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

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

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

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

When these words appear in ‘Claims conditions that apply to this policy as a whole (claims conditions) or ‘Other conditions that apply to this policy as a whole (general conditions), then they shall have the meaning which is given in the relevant section of cover.

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

Computer equipment means any

- computer
- electronic data processing device, equipment or

system and includes any

- hardware
- software program instruction
- data
- component

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

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

Contamination means the

- contamination
- poisoning
- prevention or limitation of use

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

Costs and expenses means legal costs and expenses incurred

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

but does not include

- damages and costs awarded against **you**

- any kind of payment for work or service due to **you**.

Cyber incident means any

- incident, or
- series of incidents, or
- threat,
- or hoax

involving

- the use or operation of any **computer equipment**, or
- the access to, processing, transmission, storage or use of any **electronic data**
- hoax

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

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

of cover can be reported to **us**.

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

Mould event means any actual, alleged or threat of:

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

mould.

Our, us, we means

- in respect of the legal expenses section of cover, Markel International Insurance Company Limited trading as Markel Legal Expenses Insurance, 20 Fenchurch Street, London EC3M 3AZ. Claims will be handled by Markel Protection Limited which is a separate legal entity to Markel International Insurance Company Limited.

- In respect of all other sections of cover, Markel International Insurance Company Limited.

Pollution means the

- discharge
- dispersal
- release, or
- escape

of any irritant or contaminant.

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

Terrorism means any act of terrorism (including the use or threat of violence) of any person or group of persons whether acting alone or on behalf of or in connection with any organisation or government committed for:

- political
- religious
- ideological
- or similar purposes including the intention to influence or overthrow any government (whether by right or not) and/or
- putting the public or any section of the public in fear.

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

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

War means

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

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

1 Notification of claims

You must notify **us** as soon as possible in writing of

- any claim made against **you** or a **director or officer**
- the receipt of any communication of an intention to make a claim against **you** or a **director or officer**
- the discovery of any act of fraud or dishonesty by any **employee** or any reasonable cause for suspicion of fraud or dishonesty by an **employee**
- any circumstance of which **you** or a **director or officer** shall become aware which is likely to give rise to
  - a claim against **you** or a **director or officer**, or
  - the instigation of **disqualification proceedings**, **investigation**, **environmental proceedings**, **tax investigation, asset and liberty proceedings** or **extradition proceedings**, or
  - **you** or a **director or officer** seeking payment under this policy

you must give **us**

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

Your notification to us must be within the period of insurance shown in the policy schedule. If you comply with the above then any subsequent

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

you comply with the above then any subsequent

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

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

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

1 General claims handling

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

and, in respect of subsection l (public relations crisis management) of the directors and officers liability section of cover and subsection a (public relations crisis management) of the entity defence section of cover

- **you** must comply with **our** recommendations or the recommendations of **our** public relations specialist as directed

- take all reasonable and practicable measures to avoid or reduce costs relating to the **crisis**.

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

2 Defence of claims

- **we** are entitled to take over the defence or settlement of any claim in **your** name

- under the employment law protection section of cover, **you** will not be required to contest any legal proceedings unless a mutually agreed counsel advises that the proceedings should be contested.

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

- in respect of the directors and officers liability section of cover,

  - **you** or the **director or officer** have a duty to defend any claim, **disqualification proceedings**, **investigation**, **asset and liberty proceedings, extradition proceedings** or **environmental proceedings**.

  - **we** have the right, but not the obligation, to actively associate with **you** or the **director or officer** in the settlement or handling of any claim, **disqualification proceedings**, **investigation, asset and liberty proceedings, extradition proceedings or environmental proceedings.**

  - **you** have the right, subject to **our** written consent, to appoint any appropriately qualified legal representative to deal with any claim notified to **us** in accordance with claims condition 1(notification of claims).

3 Payment of indemnity limit

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

- the **limit** (or as much of it as remains available), or

- any lesser sum for which any claim can be settled.

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

4 Legal expenses

We will only cover claims under the legal expenses section of cover where **you** have obtained **our** written consent to incur **costs and expenses**. **We** will give **our** consent for **you** to incur **costs and expenses** provided that **you** can satisfy **us** throughout **your** claim that

- it is reasonable and proportionate (in relation to **your** claim) to incur **costs and expenses**

- other than under the following sections of cover there are **reasonable prospects of success,**

  - legal expenses,b1,criminal defence - interview under caution

  - legal expenses ,e, court attendance costs

If during the course of **your** claim **you** no longer satisfy **us** of the above, cover under this **policy** for **costs and expenses** will be withdrawn and any **costs and expenses** incurred or awarded on or after the date of withdrawal will not be covered whether **we** previously agreed to them or not.

We will only pay **costs and expenses** which are directly relevant to **your** claim.

We may also require **you** to obtain a legal opinion from counsel at **your** expense to satisfy **us** that there are **reasonable prospects of success** and it is proportionate (in relation to **your claim**) to incur **costs and expenses**.

If based on Counsel's opinion **we** are satisfied in respect of the above the **costs and expenses** of obtaining that opinion will be paid by **us**. **We** will not pay the **excess**. This must be paid by **you**. The **excess** applies to each claim or series of claims arising from the same original cause.

If **we** reject **your** claim solely due to a lack of **reasonable prospects of success**, **we** will pay **costs and expenses** that are proportionate to the legal and/or financial remedy achieved, subject to the terms and conditions of this policy if:

- **you** proceeded with the legal action which formed **your** claim to its conclusion with a court, tribunal or equivalent having issued a successful judgment in **your** favour (excluding any settlement, mediation, alternative dispute resolution or equivalent resolution process)

- **you** were defending the judgment and were found not at fault

- **you** were pursuing the judgment and were awarded the remedy **you** were seeking at the time **we** rejected **your claim**

- **you** tell **us** about it as soon as possible

You must inform us as soon as an offer of settlement is received and **you** must obtain **our** consent before **you** make or respond to any offer of settlement.

In any settlement **you** must:

- take into account the prospects of the case and likely future **costs and expenses**

- try to recover as much **costs and expenses** as possible

If **you** reject an offer of settlement which **we** recommend acceptance of or make an offer which **we** do not agree with, no further cover will be provided and **we** may seek to recover from **you costs and expenses we** have paid.

At **our** discretion, instead of paying **you** for **costs and expenses**, **we** can choose to pay:

- the damages **you** are likely to be awarded by a Court or Tribunal, or

- the amount of money being claimed against **you** or the amount of money the other party will settle for, whichever is the least

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

Under sections of cover

- legal expenses,d5, data protection defence,

- legal expenses, d6, data protection compensation

if **we** have agreed to cover the amount as **costs and expenses** or **compensation we** can require **you** to offer to pay an amount of money to the person you are in dispute with.

You must co-operate with **us** and **your representative** at all times during the course of **your** claim this includes

- allowing **us** and **your representative** to communicate directly with each other about **your** case

- providing a full and truthful account of **your** case and with all necessary documentation or evidence

- attending any meetings as required

- instructing **your representative** to provide **us** with information, documentation or evidence **we** require (even if privileged) and regular updates including when anything negatively affects the factors we took into account in accepting **your** claim.

If the outcome of **your** case is that another party is found responsible for reimbursing **you** for some or all of **your costs and expenses**, **you** and **your representative** must make every effort to fully recover those **costs and expenses** which **you** must re-pay to **us**.

If the legal case was settled and the terms of the settlement do not specify the split between damages and **costs and expenses** then a fair and reasonable proportion of that settlement will be treated as **costs and expenses** and paid to **us**.

If any money is recovered from the other party then that money will be treated as **costs and expenses** and repaid to **us** first until all **costs and expenses** have been repaid to **us**.

A copy of all invoices for **costs and expenses you** receive from **your representative** should be forwarded to **us** within 30 days of the date the invoice was issued. If **we** require, **you** must ask **your representative** to send the costs for assessment by a court or tribunal or to a costs lawyer of **our** choice.

You are responsible for the payment of all **costs and expenses**. **We** will reimburse **you** for the **costs and expenses** covered under **your policy. We** may settle these **costs and expenses** directly if **we** choose to do so.

If **you** wish to appeal against the judgment or decision of a court or tribunal or if there is an appeal against a judgment that is in **your** favour, **we** will consider providing further cover if

- **we** covered the initial legal proceedings that are being appealed as a claim and cover was not withdrawn

- the grounds for the appeal were submitted to **us** as soon as possible and before any deadline set by the Court or Tribunal

If **we** require, **you** must co-operate in an appeal against the judgment or decision of a Court or Tribunal.

In all cases **your representative** will be appointed in **your** name and on **your** behalf.

We will choose a **representative** to act on **your** behalf other than at the point of an inquiry or legal proceedings where **you** will have freedom to choose **your representative** subject to **us** approving **your** choice.

You will also have freedom to choose **your representative** if there is a legal conflict of interest between **you** and **us** subject to **us** approving **your** choice.

When selecting **your representative**, **you** must have regard to **your** duty to minimise the cost of any **claim**.

The name and address of **your** chosen **representative** must be notified to **us** in writing. **We** will accept **your** choice if

- **we** are satisfied that **your** chosen **representative** will co-operate with **us** and enable **you** to comply with the terms and conditions of **your policy**

- the **representative** has the necessary experience to deal with the dispute

- the **representative's** charging rates are fair and reasonable in regard to the dispute

A dispute arising from **your** choice of **representative** may be referred to arbitration in accordance with the information provided at the beginning of this document 'how to make a complaint'

You must not enter into any agreement with **your representative** as to the basis of calculation of **costs and expenses** without **our** written consent.

If in any **claim your representative** wishes to instruct counsel or an expert the following must be submitted to **us** for **our** approval

- the expert's or Counsel's name

- details of their expertise

- charging rates and estimated cost
- an explanation of the need for the instruction

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

1 Subrogation

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

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

We agree, under all section of covers apart from

- the directors and officers liability section of cover, and
- the employment law protection section of cover

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

2 Premium payment

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

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

3 Notice

Any notice under this policy will be regarded as given

- to **us** if sent by first class prepaid post to Markel (UK) Limited, City Square House, 11 Wellington Street, Leeds, LS1 4DL
- to **you** or the **director or officer** if sent by post to **your** last known address.

4 Multiple insureds

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

5 Non-aggregation

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

6 Breach of terms not relevant to the actual loss

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

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

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

7 Breach of the duty of fair presentation

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

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

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

(b) breach of duty prior to entering into a variation of this contract of insurance

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

- if the breach of the duty of fair presentation is deliberate or reckless:
  - **we** may treat this policy as having been terminated from the time when the variation was concluded, and
  - **we** need not return any of the premium paid
- if the breach of the duty of fair presentation is not deliberate or reckless, **our** remedy will depend upon what **we** would have done if **you** or the **director or officer** had complied with the duty of fair presentation
  - if **we** would not have agreed to the variation at all **we** may treat the contract as if the variation was never made and will return any extra premium paid
  - if **we** would have agreed to the variation but on different terms (other than terms relating to the premium), the variation will be treated as if it had been entered into

on those different terms from the outset

in addition, if either

- **we** would have increased the premium by more than **we** did or at all, or
- **we** would not have reduced the premium as much as **we** did or at all, then

we may proportionally reduce the amount to be paid under this policy arising out of events after the variation.

Please check **your** policy schedule to see if this section of cover is in force

Directors and Officers liability

What is covered

a **Directors and officers liability**

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

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

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

In addition, **we** will pay

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

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

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

b **Outside board cover**

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

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

Related, continuous or repeated wrongful acts, or wrongful acts that are connected by the same cause, shall constitute a single wrongful act. In addition **we** will pay

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

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

c **Disqualification proceedings**

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

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

d **Investigation costs**

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

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

e **Environmental proceedings**

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

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

f **Extradition proceedings**

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

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

g **Manslaughter claims cover**

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

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

h **Asset and liberty proceedings**

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

In addition **we** will pay the premium paid by the **director or officer** for instruments or bonds to secure bail in the event of the official detention of the **director or officer**.

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

i **Company reimbursement**

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

- a (directors and officers liability)
- c (disqualification proceedings)
- d (investigation costs)
- e (environmental proceedings)
- f (extradition proceedings)
- g (manslaughter claims cover)
- h (asset and liberty proceedings)

then **we** will reimburse **you** for that payment.

j **Discovery period**

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

- non-payment of premium, or

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

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

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

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

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

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

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

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

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

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

k Retired directors or officers

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

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

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

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

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

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

l Public relations crisis management

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

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

m Non-executive directors

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

n Emergency costs and expenses

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

o Compensation for court attendance

If at **our** request

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

attends a court as a witness in connection with a claim **we** will pay **you** £500 for any director or partner, or any **employee**, for each day on which attendance is required

p Appointments undertaken on a personal basis

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

- school
- educational establishment
- charity
- not for profit organisation

when they hold the position at the request of this organisation in a personal capacity including

- breach of any duty including fiduciary or statutory duty
- breach of trust

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

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

In addition **we** will pay

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

q Management buy out

If **you** are bought out by **directors or officers** who were **directors or officers** of **yours** prior to the buy-out then **we** will pay their legal liability for damages and costs awarded against them arising from any claim first made against them and reported to **us** during the period of insurance shown in the policy schedule which arises from any actual or alleged wrongful act, error or omission committed or attempted by a **director or officer** during

the performance of their duties as a **director or officer** of the post takeover company

However, the wrongful act, error or omission must take place within 30 days of the date of the management buy-out.

r Deprivation of assets

If the **director or officers** personal assets are suspended or confiscated by an interim or interlocutory order and prior to this order they have entered into an agreement to pay the following

- school fees
- gas, water, electricity utility charges
- mortgage for the primary United Kingdom residence
- personal motor and household insurances

we shall pay the provider of these services directly for a maximum period of 12

months provided that

- prior to any payment being made by **us** any personal allowance allowed by the interim or interlocutory order to the director or officer must have remained exhausted for a consecutive period of 30 days
- the interim or interlocutory order is served against the **director or officer** and first reported to **us** during the period of insurance shown in the policy schedule

s Loss of documents

We will pay **you** the amount of money spent by you in replacing or restoring any **document** which, during the period of insurance shown in the policy schedule, has been either

- physically destroyed or damaged, or

- lost or mislaid and which cannot be found after

careful search and which is reported to **us** during that same

period of insurance.

t Pension fund

We will pay **you** for **your** legal liability for damages and costs awarded against **you** arising from decisions made as a **director or officer** of the company regarding the provision of any pension, retirement or superannuation scheme or program created for the benefit of a **director or officer** or **employee**.

u Mitigation costs

We will pay **you** for **your costs and expenses** that are necessary to mitigate a claim or potential claim that would otherwise be covered under this section of cover.

However, **you** must

- be able to demonstrate that it is reasonable to presume that the **costs and expenses** will mitigate a claim or potential claim
- obtain **our** prior written agreement to incur the **costs and expenses**

If **our** prior consent cannot be reasonably obtained the most **we** will pay in the period of insurance shown in the policy schedule is £10,000.

What we will pay

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

- any claim or series of claims, plus
- **costs and expenses**, plus
- punitive or exemplary damages, plus
- premiums for insurance or bonds required to begin an appeal,

arising from the same original cause is the **limit**.

The most **we** will pay in the period of insurance shown in the policy schedule for costs resulting from the use of the **crisis response service** is £50,000. This amount is in addition to the **limit**.

The most **we** will pay in the period of insurance shown in the policy schedule for **costs and expenses** arising from **environmental proceedings** is £1,000,000. This amount is not in addition to the **limit**.

The most **we** will pay in the period of insurance shown in the policy schedule for **costs and expenses** arising from **asset and liberty proceedings** plus premiums for instruments or bonds to secure bail is 20% of the **limit**. This amount is not in addition to the **limit**.

Under subsection of cover i (company reimbursement) **we** will not pay the **excess** where:

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

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

Under subsection of cover o (appointments undertaken on a personal basis) the most **we** will pay for any claim or series of claims, plus

- **costs and expenses**, plus
- punitive or exemplary damages, plus
- premiums for insurance or bonds required to begin an appeal, arising from the same original cause is the **limit**.

Under subsection of cover q (management buy-out) the most **we** will pay for any claim or series of claims, plus

- **costs and expenses**, plus
- punitive or exemplary damages, plus
- premiums for insurance or bonds required to begin an appeal, arising from the same original cause is the

  limit.

The most **we** will pay in the period of insurance shown in the schedule under subsection of cover (deprivation of assets) is 20% of the **limit**. This amount is not in addition to the **limit**.

Under subsection of cover s (loss of documents) the most **we** will pay during the period of insurance shown in the policy schedule is £100,000.

We will not pay **you** if the destruction, damage, loss or mislaying of the **document** arises in any way from the

- failure, or
- the failure to produce the desired or intended result

of any program, instruction or data for use in any computer or other electronic data processing device, equipment or system occasioned other than through its physical destruction or damage

What is not covered (exclusions)

1 Fines and penalties

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

2 Radioactive contaminations and sonic bangs etc

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

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

supersonic speeds and in Northern Ireland and the Republic of Ireland only

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

3 War risks and terrorism

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

- **war** and/or **terrorism**
- any action taken in controlling, preventing or suppressing **war** and/or **terrorism**

- any unlawful or malicious act committed maliciously by a person or persons acting on behalf of or in connection with any **unlawful association**

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

- **contamination** due to **terrorism**

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

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

4 Mould

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

5 Other insurance

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

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

6 Legal action

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

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

7 Employment

disputes If

- **you** are an unincorporated body, or
- if the employment law protection section of cover has been

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

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

8 Dishonest and malicious acts

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

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

9 Remuneration

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

director or officer or **employee**.

10 Prior and pending litigation

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

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

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

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

11 Pollution

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

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

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

12 Injury or property damage

We will not cover any claim for

- **injury** to any person
- loss, damage, destruction or loss of use of property.

This exclusion does not apply to emotional distress arising from

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

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

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

13 Pension funds

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

14 Takeover or merger

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

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

15 Professional duties to third parties

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

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

16 Claims made by any outside company

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

This exclusion does not apply to

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

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

17 Punitive and exemplary damages (employment)

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

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

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

18 'Insured v. insured' (USA)

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

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

- any **outside company**

where the claim is brought

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

This exclusion shall not apply to:

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

19 United States of America

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

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

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

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

20 Cyber Liability

We will not pay **you** for any actual or alleged loss or legal liability arising in any way from any actual or alleged

- **cyber incident**
- the transmission of a **computer virus**
- recovering or reconstituting data

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

Conditions that apply to this section of cover

1 Unintentional non-disclosure

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

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

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

  unless either:

  - **we** reasonably believe the misrepresentation or non-disclosure was deliberate or reckless; or

  - **we** would not have underwritten this section of cover on any terms if the facts or circumstances had been disclosed or not misrepresented

  and provided that

  - where **you** or the **director or officer** should have notified **us** during a preceding period of insurance to that shown in the policy schedule of a claim or the instigation of **disqualification proceedings**, **investigation**, **environmental proceedings, extradition proceedings** or **asset and liberty proceedings** and the cover to which **you** or the **director or officer** would have been entitled was in any way more restrictive than that provided at the date of notification **we** will only be liable to the extent available during that preceding period of insurance.

  - where **you** or the **director or officer** have prejudiced the handling or settlement of any claim, **disqualification proceedings**, **investigation**, **environmental proceedings, extradition proceedings** or **asset and liberty proceedings**, the amount **we** will pay **you** will be reduced to the amount which, in **our** opinion, would have been payable in the absence of the prejudice.

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

  - reduce proportionately the amount paid or payable on any claim by reference to the ratio which the premium actually charged bears to the premium which **we** would have charged had **you** or the **director or officer** told **us** about a material fact or circumstance. The same reduction will be applied to any claims which have already been paid and any overpayment of claims by **us** will be repaid by **you** or the **director or officer**; and/or

  - treat this section of cover as if it had included such additional terms (other than terms relating to premium) as **we** would have imposed had **you** or the **director or officer** told **us** about a material fact of circumstance. These additional terms will apply equally to existing, past and future claims.

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

2 Cancellation

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

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

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

3 Offering

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

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

4 Severability

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

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

Words with special meanings (definitions)

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

Asset and liberty proceedings means any official investigation, examination, inquiry or other proceedings instigated against the **director or officer** by any official body or institution seeking to

- confiscate, assume ownership of, control, suspend or freeze personal assets of a **director or officer**
- take a charge over assets or property of a **director or officer**
- restrict a **director or officer's** liberty to a specified domestic residence or place of official detention
- deport a **director or officer** following revocation of otherwise current and valid immigration status for any reason other than conviction or allegation of a criminal offence.

Crisis means

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

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

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

Director or officer means

- any person who was, is, or during the period of insurance shown in the policy schedule becomes a director, trustee, partner, member or officer of **yours**.

- any natural person acting in the capacity as a director of **yours** (not including any administrator, liquidator, receiver or auditor).

- any shadow director as defined under United Kingdom law or similar legislation in any other country.

- any **employee** of **yours**.

- the lawful husband, wife or civil partner of any of the above, only because of their relationship, following a claim against the above.

- the estates, heirs or legal representatives of any of the above who has died or become incapacitated, insolvent or bankrupt but only in relation to a claim against the above.

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

Document means

- all documents other than

    - stamps
    - currency
    - coins
    - bank notes and bullion
    - travellers cheques
    - cheques
    - postal orders
    - money orders
    - securities
    - negotiable instruments

    and documents of the same kind.

- Separable program, instruction or data for physical incorporation into any computer system

that belong to **you** or for which **you** are legally responsible

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

- under a contract of service or apprenticeship with **you**, or

- under a work experience or similar scheme, or

- supplied to or hired in or borrowed by **you**

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

Employment wrongful act means any actual or alleged

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

- **retaliatory treatment**

committed or allegedly committed by **you**.

Environmental proceedings means any

- prosecution

- official investigation

- examination
- inquiry, or
- other proceedings

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

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

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

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

including any appeal relating to those proceedings.

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

Investigation means any

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

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

outside company.

But, **investigation** does not include **environmental proceedings** or **asset and liberty proceedings.**

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

Outside company means

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

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

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

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

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

Subsidiary company means any company where **you**

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

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

- wrongful acts covered under subsection of cover a (directors and officers liability)
- **disqualification proceedings**
- **investigations**
- **environmental proceedings**
- **extradition proceedings**
- **asset and liberty proceedings**
- proceedings brought under the Corporate Manslaughter and Corporate Homicide Act 2007

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

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

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

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

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

You/your/yours shall mean

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

Please check **your** policy schedule to see if this section of cover is in force

Entity defence

What is covered

a **Public relations crisis management**

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

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

b **Identity fraud**

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

c **Investigations**

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

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

d **Corporate manslaughter**

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

e **Breach of contract**

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

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

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

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

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

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

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

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

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

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

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

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

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

f **Pollution**

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

which results in **pollution**.

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

g **Taxation**

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

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

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

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

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

h **Data protection**

We will pay **you** for **costs and expenses** in defending a claim (and in an **appeal**) first made against **you** and reported to **us** during the period of insurance shown in the policy schedule for a breach or alleged breach of the Data Protection Act 1998 (or any legislation amending or re-enacting the Act, for example General Data Protection Regulation) in connection with **your business**.

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

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

i **Discovery period**

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

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

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

The **discovery period** shall only apply to

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

during the period of insurance shown in the policy schedule.

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

j **Compensation for court attendance**

If at **our** request

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

attends a court as a witness **we** will pay you the following amounts:

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

per day for each day on which attendance is required.

k **Mitigation costs**

We will also pay **your costs and expenses** that are necessary to mitigate an **investigation** or **tax investigation** that would otherwise be covered under this section of cover. However, **you** must

- be able to demonstrate that it is reasonable to presume that the **costs and expenses** will mitigate a claim or potential claim

- obtain **our** prior written agreement to incur the **costs and expenses**.

If **our** prior consent cannot be reasonably obtained the most **we** will pay in the period of insurance shown in the policy schedule is £10,000.

What we will pay

The most **we** will pay for any claim or series of claims arising from the same original cause for

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

is the **limit**.

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

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

What is not covered (exclusions)

1 Fines and penalties

We will not pay **you** for any

- fine or penalty
- non-compensatory damages.

2 Radioactive contaminations and sonic bangs etc

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

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

and in Northern Ireland and the Republic of Ireland only

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

3 War risks and terrorism

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

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

behalf of or in connection with any **unlawful association**

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

- **contamination** due to **terrorism**

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

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

4 Confiscation etc

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

5 Electronic data

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

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

6 Mould

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

7 Other insurance

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

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

8 Circumstances known at inception

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

9 Dishonest and malicious acts

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

10 Known acts

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

11 Disputes between insureds

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

12 Takeover or merger

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

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

after either

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

13 Legal action

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

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

14 Anti-competitive practice

We will not pay **you** where any claim, **crisis, identity fraud, investigation,** corporate manslaughter or corporate homicide proceedings, breach of contract, **environmental proceedings**, **tax investigation** or breach of the Data Protection Act resulting from any actual or alleged violation of any law or regulation designed to prevent any anti-trust or anti-competitive practices, cartel or price fixing activity or abuse of dominant position.

15 Cyber Liability

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

- **cyber incident**
- the transmission of a **computer virus**
- recovering or reconstituting data

Words with special meanings (definitions)

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

Appeal means

- in respect of a **tax investigation**
    - appeal proceedings in respect of a **full enquiry**, and/or

- appeal proceedings in a dispute concerning **your** compliance with Pay As You Earn or Social Security Regulations, and/or

- appeal proceedings following an assessment for Value Added Tax due.

- in respect of a breach or alleged breach of the Data Protection Act 1998, or any legislation amending or re-enacting the Act

  - an appeal against the refusal of **your** application for the alteration of registered particulars by the Data Protection Commissioner

  - an appeal against an enforcement notice

  - an appeal against a de-registration notice

  - an appeal against a transfer prohibition notice.

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

Crisis means

- allegations of fraud or corruption

- serious injury to **employees** or members of the public

- dismissal or resignation of members of **your** main board of directors

- investigation by any official body or institution that is empowered to investigate **your** affairs

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

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

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

- a director or officer of **yours**, or

- an **employee**, or

- a shadow director as defined under United Kingdom law.

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

- under a contract of service or apprenticeship with **you**, or

- under a work experience or similar scheme, or

- supplied to or hired in or borrowed by **you**

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

Environmental proceedings means any

- prosecution

- official investigation
- examination

- inquiry, or

- other proceedings

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

Excess means the first amount of any claim for which **you** are responsible. That amount is £1,000.

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

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

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

Instigated means

- in respect of a **full enquiry**, the date HM Revenue & Customs first notifies **you** in writing of their intention to make enquiries

- in respect of disputes concerning **your** compliance with Pay As You Earn or Social Security Regulations or **your** liability to pay Value Added Tax, the date when HM Revenue & Customs sends **you** an assessment or written decision.

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

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

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

- owns more than 50% of the share capital

- has a majority of the voting rights

- has the right to appoint or remove a majority of the company's board of directors

- controls a majority of the voting rights of the company under a written agreement with other shareholders or members.

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

- a **crisis** occurring, or

- **identity fraud** committed, or

- an **investigation, environmental proceedings** or **tax investigation** instigated, ordered or commissioned, or

- corporate manslaughter proceedings brought, or

- a breach of **contract** occurring, or

- a **wrongful act** committed, or

- a breach or alleged breach of the Data Protection Act 1998, or any legislation amending or re-enacting the Act, occurring

before it stopped being a subsidiary.

Tax investigation means

- a **full enquiry**, and/or

- a dispute concerning **your** compliance with Pay as You Earn or Social Security Regulations, and/or

- a dispute concerning **your** liability for Value Added Tax

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

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

Please check **your** policy schedule to see if this section of cover is in force

Employment law protection

What is covered

a **Employment disputes**

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

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

committed or allegedly committed by **you**.

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

b **Investigations**

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

- employment discrimination
- health and safety

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

c **Discovery period**

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

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

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

discovery period.

The **discovery period** shall only apply to

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

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

What we will pay

The most **we** will pay for any claim or series of claims arising from the same originating cause is the **limit**

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

What is not covered

1 Fines and penalties

We will not pay **you** for any

- fine or penalty
- non-compensatory damages.

2 Radioactive contaminations and sonic bangs etc

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

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

and in Northern Ireland and the Republic of Ireland only

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

3 War risks and terrorism

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

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

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

- **contamination** due to **terrorism**

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

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

4 Mould

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

5 Other insurance

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

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

6 Legal action

We will not pay **you**

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

7 Dishonest or fraudulent conduct

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

8 Deliberate acts

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

9 Voluntary assumption of liability

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

10 Circumstances known at inception

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

11 Injury/property damage

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

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

12 Takeover, merger or liquidation

We will not cover

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

instigated after

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

13 Failure to adapt premises or working methods

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

14 **Remuneration, redundancy and benefits**

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

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

15 **Non-pecuniary relief**

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

16 **Disputes between insureds**

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

17 **Cyber Liability**

We will not pay **you** for any loss or legal liability arising in any way from any actual or alleged

- **cyber incident**
- the transmission of a **computer virus**
- recovering or reconstituting data

Conditions that apply to this section of cover

1 **Severability**

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

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

2 **TUPE**

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

- Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE), or
- any legislation amending or re-enacting

the above apply.

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

3 **Subsidiary companies**

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

result of that acquisition or creation

you will

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

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

Words with special meanings (definitions)

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

Insured/you/your/yours means:

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

Benefit scheme means any

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

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

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

Employment wrongful act means any actual or alleged

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

committed or allegedly committed by **you**.

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

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

That amount is:

- in respect of any claim that arises in any way from

- Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE)
- any legislation amending or re-enacting the above

either £10,000 or the amount shown in the policy schedule for this section of cover, whichever is the most.

- in respect of any other claim, the amount shown in the policy schedule for this section of cover.

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

Investigation means any

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

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

- employment discrimination
- health and safety.

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

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

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

Subsidiary company means any company where **you**

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

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

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

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

Please check **your** policy schedule to see if this section of cover is in force

Fidelity

What is covered

a Employee dishonesty

We will pay **you** for loss of **money or goods**, which **you** first discover during the period of insurance shown in the policy schedule, as a result of any fraudulent or dishonest act committed by an **employee** (or **employees** acting in collusion together) with the intent to

- cause you to sustain loss of **money or goods**
- obtain personal gain for the **employee** or anyone else intended by the **employee** to benefit from their fraudulent or dishonest act

b Third party computer and funds transfer fraud

We will pay **you** for

- loss of property through **computer fraud**
- loss of funds from **your transfer account** at a **financial institution** through **fraudulent transfer instructions** communicated to the **financial institution**

(including the costs of reinstating electronic data destroyed, erased or stolen as a consequence of the above) by anyone other than **you** and/or any **employee**, and which **you** first discover **you** have sustained during the period of insurance shown in the policy schedule**.**

c Discovery period

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

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

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

The discovery period shall only apply to loss arising from a fraudulent or dishonest act committed during the **period of insurance**.

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

What we will pay

The most **we** will pay in the **period of insurance** is the **limit** shown in the policy schedule for this section of cover.

We will also pay up to £25,000 towards the costs of any professional audit incurred with our written consent solely to formulate the amount of **your** loss. This amount is not in addition to the **limit**.

We will not pay the **excess**. This must be paid by **you**. The **excess** applies to each claim or series of claims arising from the same original cause.

We will deduct from the amount **we** pay **you**

- any amount which would have been due to the **employee** had they not committed the fraudulent or dishonest act and which **you** have not paid them

- any amount which **you** have recovered from the **employee** committing the fraudulent or criminal act.

What is not covered (exclusions)

1 Fines and penalties

We will not pay **you** for any

- fine or penalty

- non-compensatory damages.

2 Radioactive contaminations and sonic bangs etc.

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

- ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel

- the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component

- pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds

and in Northern Ireland and the Republic of Ireland only

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

3 War risks and terrorism

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

- **war** and/or **terrorism**

- any action taken in controlling, preventing or suppressing **war** and/or **terrorism**

- any unlawful or malicious act committed maliciously by a person or persons acting on behalf of or in connection with any **unlawful association**

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

- **contamination** due to **terrorism**

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

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

4 Confiscation etc.

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

5 Electronic data

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

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

6 Mould

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

7 Unexplained shortages

We will not pay **you** for any loss caused by or consisting of a mysterious disappearance or unexplained shortage or shortages.

8 Dishonest and malicious acts

We will not pay **you** for loss which results from

- any fraudulent or dishonest act committed by an **employee** whose shareholding or financial interest exceeds 5% of **your** equity

- any fraudulent or dishonest act or omission committed by any person after the discovery of reasonable cause for suspicion of that person.

In addition:

- no one will be entitled to payment in respect of any legal liability and/or **costs and expenses** resulting from their dishonest, fraudulent, criminal or malicious act or omission or from condoning such an act or omission.

- **we** will deduct from any amount payable by **us**:

    - any amounts due from **you** to the person committing or condoning the dishonest, fraudulent, criminal or malicious act or omission

    - any amounts held by **you** and owed to the person committing or condoning the dishonest, fraudulent, criminal or malicious act or omission

    - any amount recovered following action in accordance with general condition 1 (subrogation) of this policy.

9 Circumstances known at inception

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

10 Territorial limits

We will not pay **you** for loss that arises outside the **United Kingdom**.

11 Takeover and merger

- **We** will not pay **you** for loss resulting from a fraudulent or dishonest act committed after

  the effective date of **your** takeover or merger by or with any person

- the appointment of a liquidator, trustee, receiver or any other similar officer.

12 Retroactive date

We will not pay **you** for any loss resulting from a fraudulent or dishonest act or **computer fraud** or **fraudulent transfer instructions** committed prior to the **retroactive date**.

13 Computer fraud and funds transfer fraud

Under subsection b (third party computer and funds transfer fraud) of this section of cover **we** will not pay you

- for loss of interest or loss of profits or any indirect loss

- for loss of computer time or use

- for loss arising from the voluntary giving or lending of property or its surrender in a franchise or exchange whether legitimate or fraudulent

- for loss arising from the fraudulent or dishonest act of an **employee** whether acting alone or **acting in collusion.**

14 Other insurance

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

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

Conditions that apply to this section of cover

1 Recovery

We will apply any recovery of loss under this section of cover in the following order

- any loss incurred by **you** over and above the **limit** which would otherwise have been insured by this section of cover

- the total loss paid by **us**

- the **excess** borne by **you**

The total amount recovered will be applied, as far as it will go and **you** and **we** will make whatever settlement is necessary between ourselves to reflect this.

Words with special meanings (definitions)

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

form.

Acting in collusion means all circumstances where two or more employees are involved or implicated together or assist each other materially in committing acts of fraud or dishonesty.

Computer fraud means **theft** effected by means of accessing a computer system or by the introduction, alteration or deletion of any data, program or instruction in relation to a computer system.

Employee means any person (not being a director or former partner of **yours**) who was or is or may be in the future

- a governor, director, council member, officer or trustee of **yours**, or
- under a contract of service or apprenticeship with **you**, or
- under a work experience or similar scheme,

  or
- supplied to or hired in or borrowed by **you**,

  or
- volunteers

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

Excess means the first amount of any claim for which **you** are responsible. The amount in respect of this section of cover is £250.

Financial institution means

- a banking or saving institution, or
- a stockbroker or similar investment institution at which **you** maintain a **transfer account**.

Fraudulent transfer instructions means

- electronic, telegraphic, cable, teletype or telephone instructions to a **financial institution** to debit a **transfer account** and to transfer, pay or deliver funds from the account, which instructions purport to have been transmitted by **you** but which have been fraudulently transmitted by another, or
- written instructions to a financial institution to debit a transfer account and to transfer, pay or

deliver funds from the account through an electronic funds transfer system at specified or under specified conditions, which written instructions purport to have been duly issued by you but which have been fraudulently issued, forged or altered by another.

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

Limit means the amount stated in the policy schedule in respect of this section of cover.

Money or goods means stamps, currency, coins, bank notes and bullion, travellers cheques, cheques, postal orders, money orders, securities and the like and tangible property belonging to **you** or for which **you** are legally liable.

Period of insurance means the period stated in the policy schedule.

Retroactive date means either

- the date when this section of cover was first incepted, or
- where equivalent cover to that provided under this section of cover has been continuously maintained immediately prior to the inception of this section of cover, then it means the date that applied to that equivalent cover.

Subsidiary company means any company in respect of which **you** or any other subsidiary company of **yours** controls, at the date when this section of cover became operative owns

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

and any company which is subsequently acquired or created and included with **our** written consent.

Theft means

- the dishonest appropriation of property with the intention of permanently depriving **you** of it, or
- the taking of property without lawful authority.

Transfer accounts means an account, maintained by **you** with the **financial institution** to or from which **you** or **your** authorised representative may cause the transfer, payment or delivery of funds by means of

- electronic, telegraphic, cable, teletype or telephone instructions (whether communicated directly or through a cash management service or funds transfer system), or

- written instructions establishing the conditions under which the transfers are to be initiated by the financial institution through an electronic funds transfer system.

Cyber and data risks

What is covered

a **Data loss**

For 90 days immediately following **your** first discovery, during the period of insurance shown in the policy schedule, of a **data breach** in connection with **your business**, **we** will pay **your** costs, reasonably incurred with **our** written consent, of

- using the services of the cyber response service to
  - contain, recover and assess the data breach
  - comply with **United Kingdom** legal requirements to establish a credit monitoring, identity theft and / or similar mitigation service
- complying with **United Kingdom** legal requirements to notify third parties and/or **employees** of an actual or suspected **data breach**
- notifying third parties and/or **employees** of an actual or suspected **data breach** where there are no legal requirements to do so but where notification will effectively reduce or avoid a loss which otherwise **you** would have been entitled to payment under the subsection of cover b (data liability).

b **Data liability**

We will pay **you** for **your** legal liability for damages and costs awarded against **you** arising from any claim first made against **you** and reported to **us** during the period of insurance shown in the policy schedule which arises from a **data breach** in connection with **your business**.

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

c **Cyber loss**

We will pay **your** costs, incurred with **our** written consent,

- in restoring, replacing, rebuilding, replicating or reinstating **your computer equipment** that has been subjected to a **cyber attack**
- to contain, reduce and/or pay a ransom demand resulting from **data extortion**

first discovered by **you** and reported to **us** in the period of insurance shown in the policy schedule.

d Cyber liability

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

- **your** negligent transmission of a **computer virus** that has originated from or passed through **your computer equipment**
- a **cyber attack**
- an **e-media incident**

in connection with **your business**.

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

e Network interruption

If **your computer equipment** is subject to a **cyber attack**, first discovered and reported to **us** during the period of insurance shown in the policy schedule, and as a result **your business** is interrupted or interfered with then **we** will pay **you** the subsequent reduction in **your** net profit (before taxes) and/or increase in cost

of working.

The amount **we** will pay in respect of the reduction in **your** net profit will be determined by taking into account

- **your** net profit in the months preceding the **cyber attack**
- **your** probable net profit during the **cover period** had the **cyber attack** not occurred
- seasonal variations and influences
- changes in market and/or economic conditions

However, the amount **we** will pay will not include any increase in net profit **you** would likely have attained as a result of an increase in volume of business due to favourable business conditions caused by the impact of a similar event on other businesses.

The amount **we** will pay in respect of increase in cost of working shall be the additional amount of money, necessarily and reasonably spent, in order to avoid or reduce the reduction in **your** net profit which would have occurred during the **cover period** as a result of the **cyber attack** had that money not been spent.

If any of the charges or expenses of **your business** cease or are reduced as a result of the **cyber attack** the amount of those savings during the **cover period** shall be deducted from the amount **we** pay **you**.

We will not pay **you** where the interruption or interference to **your business** arises from or involves in any way a self-replicating or non-targeted **computer virus** or **hacking incident**.

f Cyber Crime

We will pay **you**

- the theft of **your** money or fund, and/or
- the cost of unintended or unauthorised call or bandwidth charges to **your** telephone systems

directly resulting from a **cyber attack** on **your** computers

However, **we** will not pay **you** where the theft of **your** money or funds

- arises from the fraudulent representation of **you** by one of **your** clients or customers
- is the result of a **cyber attack** against **your** customers or suppliers.

g Compensation for court attendance

If at **our** request

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

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

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

for each day on which attendance is required.

h Public relations crisis management

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

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

However, **you** must:

- immediately notify **us** of any event or circumstances which might result in **you** seeking payment under this section of cover and comply with **our** recommendations or the recommendations of the **crisis response service**

- take all reasonable and practical measures to avoid or reduce the costs of the **crisis**

i Regulatory investigations/fines

Despite exclusion 1 (fines and penalties) and exclusion 12 (contractual liability), **we** will pay **you**

- the cost of legal representation, that **we** agree to in writing, at any investigation or proceedings brought about by the United Kingdom Information Commissioner's Office in connection with any matter for which **you** might receive payment from **us** under this section of cover. Examples of investigations or proceedings are those brought under the Data Protection Act 1988 and/or the General Data Protection Regulation (GDPR).

- any **PCI fines**, penalty, fine or award made against **you** provided that it is legally permissible to insure against the payment of the penalty, fine or award.

j Emergency cyber response service

In the event of

- a **cyber attack**, or
- a suspected **cyber attack**

on **your computers** and **our** prior written consent cannot be reasonably obtained **we** will agree to pay **you** the resulting costs of the **cyber response service** until **we** are able to provide **our** written consent

However, **you** must:

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

What we will pay

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

- all costs in total, plus

- all claims in total, plus

- all **costs and expenses** in total, plus

- the reduction in **your** net profit and/or increase in cost of

working in total is the **limit**.

However,

- the most **we** will pay in total in the period of insurance shown in the policy schedule, under subsection of cover c (cyber loss) in respect of containing, reducing and/or paying a ransom demand resulting from **data extortion** is either £25,000 or the **limit**, whichever is the least.

- the most **we** will pay in total in the period of insurance shown in the policy schedule, under subsection of cover e (network interruption) is either £50,000 or the **limit**, whichever is the least.

- the most **we** will pay in total in the period of insurance shown in the policy schedule, under subsection of cover f (cyber crime) is either £25,000 or the limit, whichever is the least.

- the most **we** will pay in total in the period of insurance shown in the policy schedule, under subsection of cover h (public relations crisis management) is either £25,000 or the **limit**, whichever is the least.

- the most **we** will pay in total in the period of insurance shown in the policy schedule, under subsection of cover i (regulatory investigations/fines) is either £100,000 or the **limit**, whichever is the least.

- The most we will pay in total in the period of insurance shown in the policy schedule under subsection of cover j, (emergency cyber response service) is either £10,000 or the **limit** whichever is the least.

these amounts are included within and are not in addition of the **limit**

We will not pay the **excess**. This must be paid by **you**. The **excess** applies to every separate claim, **data breach, data extortion**, loss of money or funds and/or cost of unintended or unauthorized call or bandwidth charges under subsections of cover a (data loss), b (data liability), c (cyber loss), d (cyber liability) and f (cyber crime).

Under the subsection of cover e (network interruption) **we** will not pay for any reduction in **your** net profit occurring during the **time retention**. This must be paid by **you**.

What is not covered (exclusions)

1 Fines and penalties

We will not pay **you** for any

- fine or penalty

- non-compensatory damages

2 Radioactive contaminations and sonic bangs etc

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

- ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel

- the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component

- pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds

and in Northern Ireland and the Republic of Ireland only

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

3 War risks and terrorism

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

- **war** and/or **terrorism**

- any action taken in controlling, preventing or suppressing **war** and/or **terrorism**

- any unlawful or malicious act committed maliciously by a person or persons acting on behalf of or in connection with any **unlawful association**

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

- **contamination** due to **terrorism**

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

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

This exclusion does not apply in the context of a **hacking incident** or **computer virus** initiated for the sole purpose of exacting malice against **you** or commercial gain from **you**.

4 Confiscation etc

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

- confiscation, requisition, nationalisation, seizure, detention or destruction by any government, public, local or customs authority, and

- access by any government, public, local or customs authority or any order by the authority to take down, deactivate or block access to **your computer equipment**.

5 Mould

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

6 Other insurance

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

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

7 Betterment

We will not pay **you** to the extent that **your computer equipment** or **your** financial position are in a better or improved position compared to their position in the absence of the event giving rise to payment under this section of cover.

8 Legal action

We will not pay **you** under subsection of cover b (data liability) or subsection of cover d (cyber liability)

- where the claim is brought in a court of law outside the jurisdiction of the **United Kingdom**, and/or

- where action for damages is brought in a court within the **United Kingdom** to enforce a foreign judgment.

9 Geographical limits

We will not pay **you** for any legal liability or loss that **you** suffer that results from the conduct of **your business** outside of the **United Kingdom** other than whilst a director of **yours** or an **employee** is temporarily outside the **United Kingdom** in connection with **your business**.

10 Employers liability

We will not pay **you** where **your** legal liability arises in any way from

- bodily injury, mental injury, emotional distress, shock, sickness, disease or death (other than emotional distress arising from a **data breach**) to any **employee** that results from their employment by **you**, or

- a breach of your responsibility as an employer to any **employee** or prospective **employee**.

11 Dishonest and malicious acts

We will not pay **you** where **your** legal liability or any loss that **you** suffer results from any

- dishonest
- fraudulent
- criminal
- malicious
- wilful, or
- reckless act or

omission of any

- board director
- trustee
- governor
- council member
- committee member
- partner, or member of **yours**
- **your** in-house lawyers
- risk managers
- chief operating officers
- chief technology officers
- chief information officers
- chief privacy officers
- self-employed persons working for **you**

- or any other person acting in a similar capacity

or any

- dishonest

- fraudulent

- criminal, or

- malicious

act or omission committed by any person after the discovery of reasonable cause for suspicion of that

person. In addition:

- no one will be entitled to payment in respect of any legal liability and/or **costs and expenses** resulting from their dishonest, fraudulent, criminal or malicious act or omission or from condoning such an act or omission.

- **we** will deduct from any amount payable by **us**:

    - any amounts due from **you** to the person committing or condoning the dishonest, fraudulent, criminal or malicious act or omission

    - any amounts held by **you** and owed to the person committing or condoning the dishonest, fraudulent, criminal or malicious act or omission

    - any amount recovered following action in accordance with general condition 1 (subrogation) of this policy.

12 Contractual liability

We will not pay **you** where **your** legal liability arises from any agreement **you** have entered if **your** liability is increased beyond that applicable in the absence of the agreement.

13 Joint ventures

If **you** are part of a joint venture or consortium **we** will only cover **you** for **your** legal liability arising from **your** own acts or omissions; **we** will not pay **you** where **your** legal liability arises from the acts or omissions of other members of the joint venture or consortium.

14 Circumstances known at inception

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

15 Retroactive date

We will not pay **you** where **your** legal liability arises from the carrying out of **your business** prior to the **retroactive date**.

16 Injury/property damage

We will not pay **you** where **your** legal liability arises from any claim

- for bodily injury, mental injury, emotional distress, shock, sickness, disease or death sustained by any person (other than emotional distress arising from a **data breach**), or.
- for any loss, damage or destruction of property including the loss of use of the property (other than in respect of **computer equipment**)

17 Insolvency/bankruptcy

We will not pay **you** where **your** legal liability or any loss that **you** suffer results in any way from **your** insolvency or bankruptcy, or the insolvency or bankruptcy of **your** suppliers, subcontractors or service providers.

18 Financial interest

We will not pay **you** for any claim made against **you** by

- any parent company, ultimate holding company or subsidiary company, or
- any person or entity having a financial, executive or controlling interest in **your** operation, or
- any company or entity in which **you** or any director, member or partner of **yours** has a financial, executive or controlling interest.

However, **we** will pay **you** if the claim is one for payment or contribution in respect of a claim made by an independent third party against the company, person or entity making the claim against **you**.

19 Trading losses

We will not pay **you** where **your** legal liability or any loss that **you** suffer arises in any way from any

- trading losses, or
- trading liabilities, or
- any debts incurred

by any business managed by or carried on by **you**.

This exclusion shall not apply to the subsection of cover e (network interruption).

20 Patents

We will not pay **you** where **your** legal liability or any loss that **you** suffer arises in any way from any actual or alleged infringement of any patent.

21 Directors and officers

We will not pay **you** where **your** legal liability or any loss that **you** suffer arises in any way from or is in connection with the performance or non-performance by **you**, any director or member of **yours**, or any **employee**, of any duties as a director or officer of any company.

22 Taxation, competition, restraint of trade and anti-trust

We will not pay **you** where **your** legal liability or any loss that **you** suffer arises in any way from a breach of any regulation or legislation governing taxation, competition, restraint of trade or anti-trust provisions.

23 Electromagnetic or electrical disturbances

We will not pay **you** where **your** legal liability or any loss that **you** suffer arises from

- electromagnetic fields, electromagnetic radiation, electromagnetic pulses, electromagnetism, solar flares and storms, or any other type of radiation

- any alleged or actual electrical or mechanical failures and/or interruption including electrical disturbance, surge or spike.

24 Infrastructure failures

We will not pay **you** where **your** legal liability or any loss that **you** suffer arises from any failure of the provision of **your** infrastructure and utilities including the provision of gas, water, electricity, telecommunications or internet services.

25 Data extortion

We will not pay **you** for any loss that **you** suffer arising from **data extortion** by an **employee** or a self-employed person working for **you** or anyone acting in collusion with them.

Conditions that apply to this section of cover

1 Data extortion

You must not disclose the existence of the cover provided in respect of **data extortion** to anyone.

You must advise, or allow **us** to advise the police of any **data extortion**.

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

Words with special meanings (definitions)

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

Insured, you, your, yours means

- the person or persons, and/or
- the firm and all partners and former partners in the firm, and/or
- the limited liability partnership, and/or
- the trust, and/or
- the company

named as the policyholder in the policy schedule.

In the event of the death, incompetency, incapacity, bankruptcy or insolvency of any natural person named as the policyholder or partner or former partner of the policyholder then it also means

- the estate, and/or
- the heirs, and/or
- the legal representatives (including anyone to whom their rights or liabilities have been legally transferred or anyone appointed to act for them)

of the person or partner concerned.

In addition, if **you** request **us** to, **we** will pay the following persons in the same way that **we** would pay **you** provided that they observe, fulfil and are subject to the terms, conditions and exclusions of this policy as **you** are:

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

Cover period means the period starting immediately following the expiry of the **time retention** and ending not later than 720 hours afterwards.

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

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

Cyber attack means either

- a **hacking incident**, or
- a **denial of service attack**.

Cyber response service means the IT security specialist services provided by **us** or on **our** behalf.

Data breach means

- when used under subsection of cover a (data loss), the
  - loss of, and/or
  - unlawful or unauthorised alteration of, and/or
  - inappropriate publication of, and/or
  - theft of

  data kept on **your computer equipment** or held by **you** in non-electronic format

- when used elsewhere in this section of cover, the
  - loss of, and/or
  - unlawful or unauthorised alteration of, and/or
  - inappropriate publication of, and/or
  - theft of

either electronic or non-electronic data.

Data extortion means a demand made against **you** by someone who threatens to introduce, start or continue a **data breach** which could result in **you** suffering a financial loss if the demand is not met.

Denial of service attack means an unlawful or unauthorised attempt by someone, that is specifically targeted at **you** alone and not at anyone else, to overload, hinder, interrupt or suspend service to **your computer equipment**, via the internet.

E-media incident means

- libel, slander or defamation, or
- unintentional infringement of intellectual property rights or any unintentional act of

passing off solely occasioned through

- **your** website content,
- **your** social media presence (including comments made by others for which **you** may be held legally responsible), or
- **your** other online mediums.

Employee means anyone (other than a director of **yours**) who was, or is or may become

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

who work for **you** in connection with **your business** and are under **your** direct control and who are normally resident in the **United Kingdom.**

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

Hacking incident means an electronic attack of a malicious or unauthorised nature, by someone (including an **employee**) with the intention of damaging, destroying, altering, encrypting, overloading or interfering with **your** computer systems or records.

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

PCI fines means those fines imposed against **you** due to a breach of the PCI Data Security Standard, but only as a result of a **data breach**.

Retroactive date means either

- the date when this section of cover was first incepted, or

- where equivalent cover to that provided under this section of cover has been continuously maintained immediately prior to the inception of this section of cover, then it means the date that applied to that equivalent cover.

Time retention means 24 hours starting from the time of **your** first discovery of a **cyber attack**.

Legal expenses

What is covered

a Property and landlord and tenant disputes

a.1 Property disputes

We will pay **your costs and expenses** to obtain damages or other legal remedy for property disputes where:

- **your property** is trespassed upon
- **your property** is subject to public or private Nuisance by another party
- **you** pursue someone for material damage to **your property** and **you** are unable to recover this elsewhere

in connection with **your business** and this is first known to **you** and reported to **us** during the period of insurance shown in the policy schedule.

We will not pay **you** to pursue **your** claim if the other party owns some or all of the **property** or they allege they do

We will not pay **you** to defend or pursue **your** claim if the dispute is a contractual dispute (other than title documents)

We will not pay **you** to defend or pursue **your** claim if there is a dispute over rights to or over another's property which is alleged to have arisen through **your** use or occupation over a period of time.

a.2 Disputes with your landlord

We will pay **your costs and expenses** to obtain damages or other legal remedy for disputes with

your landlord where:

- **your** landlord doesn't maintain or repair **your property** as required by the written terms of **your** lease, or licence, or tenancy agreement
- **your** landlord alleges that **you** failed to maintain or repair the **property** as required by **your** lease, or licence, or tenancy agreement

- **you** defend a demand for dilapidations at the expiry of **your** lease, or licence, or tenancy
- **your** landlord seeks to end **your** lease, or licence, or tenancy earlier than stated in **your** written tenancy agreement or they seek to remove **you** from the **property**

in connection with **your business** and this is first known to **you** and reported to **us** during the period of insurance shown in the policy schedule.

We will not pay **you** if **you** have not paid money to **your** landlord as stated in **your** written tenancy agreement or **your** landlord alleges that **you** haven't paid this money. However, **we** will pay **you** if **you** have withheld payment required by **your** written tenancy agreement because **your** landlord has failed to maintain or repair **your property**

a.3 Disputes with your tenant

We will pay **your costs and expenses** to obtain damages or another legal remedy for disputes with

your tenant where:

- **your** tenant fails to maintain or repair **your property** as required by the written lease, or licence, or tenancy agreement
- **your** tenant alleges that **you** failed to maintain or repair property as required by the written lease, or licence, or tenancy agreement
- **you** pursue **your** tenant for disputed dilapidations at the end of **your** lease, or licence, or tenancy agreement

in connection with **your business** and this is first known to **you** and reported to **us** during the period of insurance shown in the policy schedule.

We will only pay **you** for dilapidations where **you** have served a notice of dilapidations upon **your** tenant and **you** have obtained at **your** own expense an independent expert valuation of the dilapidations.

b Criminal defence

b.1. Interview under caution

We will pay **your costs and expenses** where **you** require representation at an interview under caution by the police or another prosecuting authority in connection with **your business** during the period of insurance shown in the policy schedule.

We will not pay **you** where **you** are required by the police to immediately attend an interview under caution at a police station.

b.2. Prosecution defence

We will pay **your costs and expenses** for **your** defence of a criminal prosecution accusing **you** of

a criminal offence when **you** receive a summons in connection with **your business** and report it to

us during the period of insurance shown in the policy schedule,

We will not defend **you** where the allegations

- are concerning a motoring offence
- involve fraud, dishonesty or criminal damage
- are tax related or an application is made under the Proceeds of Crime Act
- involve assault or a sexual offence if **you** do not maintain a not guilty plea

We will not defend **you** if it is alleged that **you** are responsible for damage or loss caused by seepage, pollution or contamination of any kind

We will not cover **claims** for **your employee**, director or a partner of **your** business if **you** are charged under the Corporate Manslaughter or Corporate Homicide Act 2007.

b.3. Motor Offences

We will pay **your costs and expenses** for **your** defence of a criminal prosecution first made and reported to **us** during the period of insurance shown in the policy schedule where the conviction would result in the loss of a driving licence and the driving licence is required by **your** director or business partner of **your** business to carry out **your business**

We will pay **your costs and expenses** for **your** defence of a criminal prosecution for tachograph or weight offences

We will not pay **you** where there is an allegation of driving under the influence of drugs/alcohol or the use of handheld electronic equipment

c Tax protection

c.1. Request for information

We will pay **your costs and expenses** in representing **you** before HM Revenue & Customs (HMRC) following a written request by HMRC under Schedule 36 Finance Act 2008 to inspect **your** business records, assets or premises

c.2. Aspect enquiry

We will pay **your costs and expenses** in representing **you** before HM Revenue & Customs (HMRC) when HM Revenue & Customs issues a formal notice

- to **you**,
- to **your** director, or
- to **your** business partner

to carry out an aspect enquiry in connection with **your business** into a part or parts of **your** income or corporation tax self-assessment return and this is first known to **you** and reported to **us** during the period of insurance shown in the policy schedule

c.3. Full enquiry

We will pay **your costs and expenses** in representing **you** before HM Revenue & Customs (HMRC) when HM Revenue & Customs issues a formal notice

- to **you**,
- to **your** director, or
- to **your** business partner

to examine all of **your** financial records income or corporation tax in connection with **your business** which is first ordered or commissioned, first known to **you** and reported this to **us** during the period of insurance shown in the policy schedule

c.4. National insurance and PAYE disputes

We will pay **your costs and expenses** in representing **you** before HM Revenue & Customs (HMRC) when HM Revenue & Customs expresses dissatisfaction with **your**

- p11ds, or
- p9ds, or
- **your** pay as you earn PAYE, and/or
- national insurance contributions, NIC

and this is first known to **you** and reported this to **us** during the period of insurance shown in the policy schedule

c.5. VAT disputes

We will pay **your costs and expenses** in representing **you** before HM Revenue & Customs (HMRC) over an alleged failure to pay VAT after a VAT compliance check. The allegations must be first known to **you** and reported to **us** during the period of insurance shown in the policy schedule.

d Regulatory compliance

d.1. Health and safety executive enforcement notices

We will pay **your costs and expenses** in undertaking an appeal against an improvement or prohibition notice issued by the Health and Safety Executive (HSE) which is first known to **you** and reported to **us** during the period of insurance shown in the policy schedule.

d.2. Abatement notice appeals

We will pay **your costs and expenses** in undertaking an appeal against an abatement notice for a statutory nuisance issued by a local authority in connection with **your business** and which is first known to **you** and reported to **us** during the period of insurance shown in the policy schedule.

However, **we** will not pay **your costs and expenses** for more than one appeal in any one period of insurance as stated in the schedule of this policy.

We will not pay **your costs and expenses** for an appeal involving or arising from planning applications, decisions or disputes

d.3. Licence appeals

We will pay **your costs and expenses** for an appeal against a decision taken by a statutory body to suspend, revoke, alter or not renew an existing statutory licence **you** need to carry out **your business** which is first known to **you** and reported to **us** during the period of insurance shown in the policy schedule.

We will not pay **your costs and expenses** for appeals arising from or connected to a change in the law or regulations

We will not pay **you** for complying with a notice or order

We will not pay **you** for appeals involving driving or property licences

We will not pay you where **you** have failed to comply with recommendations or warnings from **your** regulator or a statutory body

d.4. Disciplinary hearings

We will pay **your costs and expenses** for representing **your** director or a business partner at a disciplinary hearing held by a professional or regulatory body where a loss of registration or accreditation would stop **you** carrying out **your business**. **Your** director or business partner must first know about the hearing and the claim must be reported to **us** during the period of insurance shown in the policy schedule.

We will not pay **your costs and expenses** of representation for healthcare, medical or alternative therapy registrations or accreditations

d.5. Data protection defence

We will pay **your costs and expenses** for **your** defence under the Data Protection Act 2018 (Articles 168 and 169) and the General Data Protection Regulation (Section 82), in connection with **your business** when the breach is first known to **you** and is reported to **us** during the period of insurance shown in the policy schedule.

d.6. Data protection compensation

If **you** have a claim accepted under section of cover 'f,5' legal expenses, regulatory compliance, (data protection defence) **we** will also pay **your** legal liability to pay **compensation** as a result of

- holding**,** or
- losing, or
- unauthorised disclosing

data in connection with **your business** and which **you** are responsible for

We will only pay **compensation** which **you** are legally responsible for if the party **you** are in dispute with is alleging that they have suffered a specific financial loss

e Court attendance costs

e.1. Jury service

If

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

attends jury service at a court during the period of insurance shown in the policy schedule, **we** will reimburse **you** the amount of wages or salary **you** pay them per day.

However, **we** will subtract from any payment due to **you** the amount **you** recover, or are permitted to recover, from the court

e.2. Witness attendance allowance

If **your representative** requests that

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

attends a court as a witness in connection with an accepted claim under this section of cover (legal expenses) **we** will pay their attendance costs.

We will not pay costs incurred when attending court as an expert witness,

We will not pay any remuneration of any kind which is due to the director, partner or employee

We will not pay any costs which it is possible to reclaim from a prosecuting authority

f Employee extra protection

f.1. Pension trustee defence

We will pay **you** for **costs and expenses** in defending **your** directors or partners in **your business** where civil proceedings are brought against them resulting from their conduct as a trustee or administrator of a pension, retirement or superannuation scheme or programme created for the benefit of **your** director, partner or **employee** when the claim is first made and reported to **us** during the period of insurance shown in the policy schedule.

f.2. Wrongful arrest

If

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

is alleged to have detained a natural person against their will during the period of insurance shown in the policy schedule, **we** will pay their **costs and expenses** of defending the allegation.

We will not pay if the allegation is made by an **employee** or former **employee** of **yours**

f.3. Personal injury

We will pay **costs and expenses** for **your employee**, directors and/or partners to pursue a claim for damages for **injury** suffered by them during the period of insurance shown in the policy schedule when carrying out **your business** if the injury was caused by an actual or alleged act or omission of another party

We will not pay **costs and expenses** where the legal case is or may be against **you** **We** will

not pay **costs and expenses** when the injury takes place on **your property**

f.4. Discrimination defence

We will pay **costs and expenses** for **your employee**, directors and/or partners to defend an allegation of discrimination arising from **your employee's** conduct in carrying out **your business** when the claim is first made and reported to **us** during the period of insurance shown in the policy schedule.

We will not pay **you** where the discrimination involves a potential, former or current **employee**

g **Restrictive covenant cover**

We agree to pay **your costs and expenses** to pursue **your employee** or ex-**employee** for their breach of a restrictive covenant which is causing or will cause **you** financial loss if the breach is first known to **you** and reported to **us** during the period of insurance shown in the policy schedule.

We will only pay **you** when the restrictive covenant is twelve calendar months or shorter

We will not pay **you** if the restrictive covenant does not form part of the **employee** or former **employee's**

written contract of employment with **you**

h **Negotiation cover**

If **you** notify a claim under section of cover (legal expenses ,a, property and landlord and tenant disputes) and solely due to a lack of **reasonable prospects of success**

- **we** do not cover **your** claim, or
- **we** withdraw cover

we will pay **your costs and expenses** in order to reach a settlement of **your** dispute

We will not pay **your costs and expenses** under this section of cover if the incident notified under section of cover (legal expenses ,a, property and landlord and tenant disputes) first started prior to the date that these sections of cover came into force.

What we will pay

The most **we** will pay for any claim or series of claims arising from the same original cause in the period of insurance shown in the policy schedule is:

£100,000 in respect of section of cover 'a' property and landlord and tenant disputes. This amount is inclusive of and not in addition to the **limit**.

We will not pay the **excess** this must be paid by **you**. The **excess** applies to **your costs and expenses** in respect of each claim or series of claims arising from the same original cause. The amount in respect of section of cover 'a' property and landlord and tenant disputes if **you** exercise **your** freedom to choose **your representative** as described under Claims Condition: Legal expenses is £1,000.

£100,000 in respect of section of cover 'b' criminal defence. This amount is inclusive of and not in addition to the

limit.

We will not pay the **excess** this must be paid by **you**. The **excess** applies to **your costs and expenses** in respect of each claim or series of claims arising from the same original cause. The amount in respect of section of cover 'b' criminal defence if **you** exercise **your** freedom to choose **your representative** as described under Claims Condition: Legal expenses is £1,000.

However, the most **we** will pay under section of cover 'b1' interview under caution is £2,500

£100,000 in respect of section of cover 'c' tax protection. This amount is inclusive of and not in addition to the **limit**.

We will not pay the **excess** this must be paid by **you**. The **excess** applies to **your costs and expenses** in respect of each claim or series of claims arising from the same original cause. The amount in respect of section of cover 'e' tax protection if **you** use **our** choice of **representative** is £1,000.

£100,000 in respect of section of cover 'd' regulatory compliance. This amount is inclusive of and not in addition to the **limit**.

We will not pay the **excess** this must be paid by **you**. The **excess** applies to **your costs and expenses** or **compensation** in respect of each claim or series of claims arising from the same original cause. The amount in respect of section of cover 'd' regulatory compliance if **you** exercise **your** freedom to choose **your representative** as described under Claims Condition: Legal expenses is £1,000.

£1,000 in respect of section of cover 'e' court attendance costs. This amount is inclusive of and not in addition to the

limit.

£100,000 in respect of section of cover 'f' employee extra protection. This amount is inclusive of and not in addition to the **limit**.

We will not pay the **excess** this must be paid by **you**. The **excess** applies to **your costs and expenses** in respect of each claim or series of claims arising from the same original cause. The amount in respect of section of cover 'f' employee extra protection if **you** exercise **your** freedom to choose **your representative** as described under Claims Condition: Legal expenses is £1,000.

£100,000 in respect of section of cover 'g' restrictive covenant. This amount is inclusive of and not in addition to the

limit.

We will not pay the **excess** this must be paid by **you**. The **excess** applies to **your costs and expenses** in respect of each claim or series of claims arising from the same original cause. The amount in respect of section of cover 'g' restrictive covenant if **you** exercise **your** freedom to choose **your representative** as described under Claims Condition: Legal expenses is £1,000.

£5,000 in respect of section of cover 'h' negotiation. This amount is inclusive of and not in addition to the **limit**.

We will not pay the **excess** this must be paid by **you**. The **excess** applies to **your costs and expenses** in respect of each claim or series of claims arising from the same original cause.

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

- all **costs and expenses**
- all **compensation**
- all reimbursement
- all attendance

costs is the **limit**

What is not covered (exclusions)

1 Fines and penalties

We will not pay **you** for any

- fine or penalty
- tax, duty, interest or penalty imposed by HM Revenue and Customs

2 Radioactive contaminations and sonic bangs etc.

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

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

Northern Ireland and the Republic of Ireland only

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

3 War risks and terrorism

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

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

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

- **contamination** due to **terrorism**

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

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

4 Mould

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

5 Other insurance

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

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

6 Legal action

We will not pay **you**

- where the claim is brought in a court of law outside England, Scotland, Wales or Northern Ireland,

and/or

- where action for damages is brought in a court within England, Scotland, Wales or Northern Ireland,

to enforce a foreign judgment.

7 Deliberate acts

We will not pay **you** in respect of any claim that results from **your** willful, reckless or unintentional disregard for **your** actions and their consequences or **your** errors, omissions or intentional wrongdoing.

8 Circumstances known at inception

If **you** knew or ought to have known of any circumstances that existed prior to the date that this section of cover started then **we** will not pay **you** any **costs and expenses** that arise from such circumstances

9 Injury, property damage, professional duty to third parties

We will not cover any claim involving the defence of

- injury to any person
- loss, damage, destruction or loss of use of property.
- any breach of any professional duty owed to a third party.

10 Financial interest

We will not pay **you** for any disputes or legal proceedings between

- any parent company, ultimate holding company or subsidiary company, or
- any person or entity having a financial, executive or controlling interest in **your** operation, or
- any company or entity in which you or any director, member or partner of **yours** has a financial, executive or controlling interest
- **your representative**, any party involved in arranging this section of cover, or **us**

11 Legal aid

We will not cover any dispute or legal proceedings which, in the absence of this section of cover (legal expenses), **you** would be entitled to payment under a legal aid certificate or representation order

12 Intellectual property rights and Judicial Review

We will not pay **you** for any disputes or legal proceedings involving or arising out of breach of confidentiality (other than under section of cover 'legal expenses ,g, restrictive covenant')

- passing off
- defamation or malicious falsehood
- the ownership or existence of any kind of intellectual property rights (other than under under section of cover 'legal expenses ,g, restrictive covenant')
- Judicial Review

13 Costs

We will not pay **you** any amount which **you** would have been obliged to pay in the absence of a dispute

14 Value Added Tax

We will not pay **you** the value added tax (VAT) proportion of **your** claim if **you** are VAT registered

15 Cyber

We will not pay **you** any legal costs or expenses for, or incurred as a direct result of, a **cyber act** or **cyber incident** (other than under d5. Data protection defence and d6. Data protection compensation). However, **costs**/**compensation** incurred indirectly from or arising out of a **cyber act** or **cyber incident** are payable but only to the extent that coverage is provided for by this section of cover.

16 Property and landlord and tenant disputes

Under section of cover (legal expenses, a property and landlord and tenant disputes)

We will not cover **claims** where there has been damage to or loss or destruction of **property** which is covered by any other insurance policy **you** hold or are required to hold

We will not pay **you** to defend or pursue **your** claim if there is a dispute over a contract which is not a tenancy, licence or leasehold agreement

We will not pay **you** to defend or pursue **your** claim if the dispute will not lead **you** to suffer a financial loss or the value of **your property** will not fall in value

We will not pay **you** to defend or pursue **your** claim if **you** haven't claimed under **your** buildings, contents or business interruption insurance policy covering the property if damage or nuisance has affected **your property**

We will not pay **you** to defend or pursue **your** claim if there is a dispute regarding planning, building regulations or decisions or compulsory purchase orders or any actual planned or proposed works by or under the order of any statutory body

We will not pay **you** to defend or pursue **your** claim if there is a dispute in connection with the negotiation or renewal of a tenancy or leasehold agreement or purchase or property

We will not pay **you** to defend or pursue **your** claim if **you** have failed to maintain buildings or contents insurance which is suitable for **your** needs

We will not pay **you** to defend or pursue **your** claim if it is alleged that **you** are responsible for damage caused by seepage, pollution or contamination of any kind

17 Criminal defence

Under section of cover (legal expenses, b, Criminal defence)

We will not cover **claims** where there has been death, or disease, or injury including psychiatric injury or stress which is covered by any other insurance policy **you** hold or are required to hold

18 Tax protection

Under section of cover (legal expenses, c, tax protection)

We will not cover claims if **we** believe there is not a reasonable prospect of reducing the liabilities alleged by HM Revenue and Customs

We will not cover claims when tax returns are more than 90 days late

We will not cover claims where **you** have not notified chargeability to tax within the time limits

We will not cover claims involving tax returns where wholly provisional figures are used

We will not cover claims where is an allegation of fraud or an investigation by

- HM Revenue and Custom's Fraud Investigation Service,
- HM Revenue and Custom's Counter Avoidance Office, or
- the defence of a criminal prosecution

We will not cover claims involving a dispute or enquiry relating to the National Minimum Wage or Living Wage

We will not cover claims involving an allegation of tax avoidance

We will not cover claims or costs associated with 'nudge letters' from HMRC

19 Alteration

We will not make any payment under this policy, if after the start of the period of insurance shown in the policy schedule, there is any alteration which results in

- a change in ownership of **your business**
- **your** business is involved in a merger or acquires another business
- **your business** changes

unless **we** have been notified of and agree to the alteration

20 Liquidation

In the event **you** are

- placed in liquidation, receivership administration or bankruptcy, or
- if **you** enter into a voluntary arrangement or deed of arrangement, or
- if any application is made to the Court or if a meeting for any of the reasons above is held.

this policy will automatically terminate.

In addition, in the event of any of the above

- cover under this policy for all **costs and expenses** and/or **compensation** with be automatically withdrawn
- any **costs and expenses** incurred and/or **compensation** awarded on or after the date of withdrawal will not be covered whether **we** previously agreed to them or not.

Conditions that apply to this section of cover

1 Prospects of success

We will make **our** decision on whether to cover **your** claim based on a legal opinion from **your representative** (and any professional advice we regard necessary) on whether **your** claim has at least a 51% chance of:

- successfully pursuing **your** case and securing a legal and/or financial remedy
- not being found liable in a civil (rather than criminal) case against **you**
- being found not guilty in the defence of a criminal prosecution
- securing a significant reduction of **your** punishment or fine if pleading guilty in a criminal prosecution
- successfully appealing the decision of the relevant authority
- **your** not being suspended and of **your** retaining **your** registration or accreditation If

there is 50% or less chance of the above **we** will not provide cover.

2 Use of representatives

In all cases **your representative** will be appointed in **your** name and on **your** behalf.

Freedom to choose your representative

You will have freedom to choose **your representative** if:

there is a legal conflict of interest between **you** and **us** and at the point of legal proceedings or an inquiry

subject to **us** approving **your** choice, in these circumstances, see **your** policy schedule for details.

In a tax enquiry or any claim where **we** may be liable to pay **compensation we** will choose a **representative** to act on **your** behalf.

In all other circumstances, **we** will choose a **representative** to act on **your** behalf.

When selecting **your representative, you** must have regard to **your** duty to minimise the cost of any **claim**.

The name and address of **your** chosen **representative** must be notified to **us** in writing. **We** will accept **your** choice if:

- **we** are satisfied that **your** chosen **representative** will co-operate with **us** and enable **you** to comply with the terms and conditions of **your** policy
- the **representative** has the necessary experience to deal with the dispute
- the **representative's** charging rates are fair and reasonable in regard to the dispute

A dispute arising from **your** choice of **representative** may be referred to arbitration in accordance with Important information – How to make a complaint.

You must not enter into any agreement with **your representative** as to the basis of calculation of **costs and expenses** without **our** written consent.

If in any **claim your representative** wishes to instruct counsel or an expert the following must be submitted to **us** for **our** approval:

- the expert's or counsel's name
- details of their expertise
- charging rates and estimated cost
- an explanation of the need for such instruction

Words with special meanings (definitions)

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

Benefit scheme means any

- superannuation or pension scheme, programme or plan

- profit sharing, share option or share purchase scheme

- health and welfare or other **employee** benefit plan or trust

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

Compensation means in respect of section of cover 'd' data protection compensation the amount **you** have been ordered to pay under the Data Protection Act 2018 (Articles 168 and 169) and the General Data Protection Regulation (Section 82)

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

Costs and expenses means

- the legal or professional costs (including any disbursements such as counsel's or expert's fees) reasonably charged to **you** by **your representative** (provided that **we** have agreed with **you** in writing that you may incur these costs and expenses)

- the legal costs incurred in civil proceedings by the party **you** are in dispute with that a court or tribunal orders **you** to pay (provided that **we** have agreed with **you** in writing that you may incur these costs and expenses), or that **you**, agree to pay under the terms of a settlement.

but does not include any costs **you** are responsible for paying under the terms of a contract.

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

Employee means any person under a contract of service with **you** in connection with **your business**

Excess means the first amount of a claim for which **you** are responsible.

Limit means £1,000,000

Property means the land (including walls) or buildings owned or occupied by **you** for which **you** are legally responsible

Reasonable prospects of success means **we** will make **our** decision on whether to cover **your claim** based on a legal opinion from **your representative** (and any professional advice **we** regard necessary) on whether **your claim** has at least a 51% chance of:

- successfully pursuing **your** case and securing a legal and/or financial remedy

- not being found liable in a civil case (i.e. not an enquiry, investigation or a criminal case) against **you**
- an acquittal in the defence of a criminal prosecution
- securing a significant reduction of **your** punishment or fine in a criminal prosecution
- successfully appealing the decision of the relevant authority under sections of cover (Legal expenses,d2,regulatory compliance - abatement notice appeals,d3, regulatory compliance - licence appeals)
- **you** not being suspended and of **you** retaining **your** registration or accreditation under section of cover (Legal expenses,d4, regulatory compliance – disciplinary hearings)

If there is 50% or less chance of the above **we** will not provide cover.

Representative means a

- solicitor,
- barrister,
- accountant, or
- other appropriately qualified person

appointed to act for **you** and who agrees to comply with the terms of this policy, but does not include a natural person who is employed by **you**.

You/Your/Yours means

- the person or persons, and/or
- the firm
- the limited liability partnership, and/or
- the trust, and/or
- the company

named as the policyholder in the policy schedule

In addition, if **you** request **us** to, **we** will pay under sections of cover (legal expenses ,b, criminal defence) or (legal expenses, f, employee extra protection) or (legal expenses,d3, licence appeals) **your employee**, or a director or a partner of **your business.**

However, under section of cover (legal expenses ,b, criminal defence) **we will** only pay **your employee** or a director or a partner of **your business** if the same **representative** acts for all parties.