

**QBE Surveyors
Professional Liability
Combined Policy**



QBE

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1 Our agreement in general

1.1 Parties to this agreement

This **policy** is between **you** and **us** as declared in the **schedule**. This document, together with its **schedule** and any attached endorsements is the **policy** which sets out this insurance. It is a legal contract so please read all of it carefully.

1.2 Words in bold

Words in bold typeface used in this **policy** document, other than in the headings, have specific meanings attached to them as set out in the General definitions and interpretation.

1.3 Policy structure

- 1.3.1 Each **section** sets out the scope of the main coverage and the circumstances in which our liability to **you** is limited or may be excluded. Further, each **section** sets out other terms and conditions relevant to that **section**. The cover provided by each **section** is only operative if stated as 'insured' in the **schedule**. Where any schedule heading or sub-heading states 'n/a', 'not applicable' or 'not insured' then no cover applies for that item.
- 1.3.2 Additional clauses set out terms, exclusions or limitations that may apply to more than one **section**.
- 1.3.3 The following general terms apply to all **sections**, clauses and endorsements:
 - a) Duties in event of a claim or potential claim;
 - b) General terms and conditions;
 - c) General definitions and interpretation; and
 - d) Complaints

1.4 Policy period and premium

- 1.4.1 **We** will, in consideration of the payment of the premium and for the **period of insurance**, provide insurance in accordance with the **sections** of the **policy** shown as 'operative' in the **schedule**, subject to the conditions, exceptions and endorsements of the **policy**.
- 1.4.2 If any instalment of premium is not paid and accepted by **us** on or before its payment date shown in the **schedule**, **we** can give written notice to **you** at the address shown on the **schedule** cancelling the **policy** with effect from the seventh (7th) day after the notice has been served, but that cancellation will be prevented from taking effect and the **policy** will continue if the late premium instalment and any other remaining premium instalments are paid and accepted before the cancellation takes effect. Without prejudice to other forms of service, notice of cancellation is deemed to be served on the third (3rd) day after being posted if sent by pre-paid letter post properly addressed.
- 1.4.3 The annual premium remains due in full if during the current **period of insurance**:
 - a) a **claim** has been made for which we have made payment;
 - b) a **claim** has been made which is still under consideration;
 - c) an incident has happened which is likely to lead to a claim but is yet to be reported to us.Where the annual premium is not paid in full we will deduct any outstanding amounts from any claim payment.

1.5 Security of premises

The **policy** contains a minimum security protections condition. Please refer to Minimum standards of security clause under the General condition **section** for full details. It is important that **you** do not alter door or window or other security devices unless allowed for within this condition.

1.6 Claims notification

In the event of an incident resulting in a **claim** or one that may result in a **claim**, please read the claims procedure to this **policy**.

- 1.6.1 For **claims** under the **sections** – Professional liability, Directors' and officers' liability, Crime, Corporate legal liability, Pension trustees liability, Cyber liability, please contact:
DAC Beachcroft,
Specialist Claims Services,
Portwall Place,
Portwall Lane,
Bristol,
BS99 7UD.
DX7846, Bristol.
Email details to QBE@dacbeachcroft.com
- 1.6.2 For **claims** under the **section** – Cyber liability. Please contact: Telephone Resecure on: **+44(0)203 060 6800**
- 1.6.3 For **claims** under the **sections** – Contents, Buildings, Business Interruption and Terrorism, please:
Telephone us on 0800 085 3187
Email details to newclaim.property@uk.qbe.com
- 1.6.4 For **claims** under the **sections** – Employers liability and **section** - Public and products liability, please:
Telephone **us** on **0113 2906600**; or
Email details to ukadminnewclaims@uk.qbe.com
- 1.6.5 For **claims** under 'Legal expenses' **section**,
Please do not ask for help from a lawyer, accountant or anyone else before **ARAG** have agreed that the **person insured** should do so. If they do, **ARAG** will not pay the costs involved even if **ARAG** accept the claim.

To report a claim visit claims.araginsurance.co.uk - have **your ARAG** reference number ready – TS5/6695190. Alternatively, call **ARAG** on **0344 893 0859**, available 24 hours a day, 7 days a week. **ARAG** will ask the **person insured** about their claim.

ARAG will assess the claim to check the claim is covered by the policy. If it is, **ARAG** will send it to a lawyer who specialises in the **person insured's** type of claim.

The lawyer will assess the case and tell the **person insured** how likely it is they will win.

If they are more likely than not to win, the lawyer will manage the case from start to finish.

Please note this is an overview of the claims process for guidance purposes only. Please visit claims.araginsurance.co.uk for more details on how to claim.

2 Helplines

You can contact **ARAG**'s UK-based call centre 24 hours a day, seven days a week during the **period of insurance**. However, **ARAG** may need to arrange to call **you** back depending on the enquiry. To help **ARAG** check and improve their service standards **ARAG** may record all calls. When phoning, please quote **your** policy number **TS5/6695190** and the name of the insurance provider who sold **you** the policy.

ARAG will not accept responsibility if the Helpline Services fail for reasons they cannot control. Please do not telephone to report a general insurance claim.

2.1 Legal advice service Call 0344 893 0859

Advice can be provided on any commercial legal problem affecting **your business** under the laws of the United Kingdom of Great Britain and Northern Ireland, any European Union country, the Isle of Man, the Channel Islands, Switzerland and Norway.

Wherever possible the Legal Advice helpline aims to provide immediate advice from a qualified legal adviser. However, if this is not possible they will arrange to call **you** back at a time to suit **you**.

Advice on the laws of England and Wales can be provided 24 hours a day, 365 days a year. Beyond this jurisdiction, or for very specialist legal matters, **ARAG** will refer **you** to one of their specialist advisers.

Specialist advice is provided 9am - 5pm, Monday to Friday, excluding public and bank holidays. If calls are received outside of these times, ARAG will arrange to call you back.

2.2 Tax advice service Call 0344 893 0859

Advice can be provided on any tax matters affecting the **business**, under the laws of the **United Kingdom**

Tax advice is provided 9am – 5pm, Monday to Friday, excluding public and bank holidays. If calls are received outside of these times, ARAG will arrange to call you back.

2.3 Counselling service Call 0344 893 0859

ARAG will provide the **insured person** (including any members of their immediate family who permanently live with them) with a confidential counselling service over the telephone if they are aged 18 or over (or aged between 16 and 18 and in full-time employment). This includes, where appropriate, onward referral to relevant voluntary and/or professional services. Any costs arising from the use of these referral services will not be paid by **ARAG**.

The counselling service helpline is open 24 hours a day, seven days a week.

2.4 Employment manual www.arag.co.uk/customer/business-legal-expenses-insurance/employment-manual/

The **ARAG** Employment Manual offers comprehensive, up to date guidance on rapidly changing employment law. To view it, please visit www.arag.co.uk/customer/business-legal-expenses-insurance/employment-manual/.

If **you**'d like notifications of when updates are made to the Employment Manual, please email **ARAG** at employmentmanual@arag.co.uk quoting **your** policy number **TS5/6695190**

2.5 ARAG Businesslaw

www.aragbusinesslaw.co.uk

What is ARAG Businesslaw?

ARAG Businesslaw contains a range of regularly updated business and legal guides, document builders, interactive checklists and videos that can help **you** with the day-to-day running of **your business**, as well as helping **you** to manage its exposure to legal risk.

ARAG Businesslaw's document builders can help **you** quickly create documents such as:

- HR policies
- T&C documentation
- Privacy statements
- Copyright and trademark licences
- Data protection policy
- Employee contracts
- Debt recovery letters.

In addition, ARAG Businesslaw contains hundreds of regularly updated expert guides and videos on topics such as branding, crowdfunding, financial and tax planning, and marketing strategy to help build and grow **your business**.

How do I get started?

1. Visit www.aragbusinesslaw.co.uk;
2. Enter **DASBQBE100** into the 'voucher code' text box and press Validate Voucher;
3. Fill out **your** name and email address, create a password, and specify what type of **business you** have;
4. Validate **your** email address by pressing the link in the confirmation email that **you** receive.

3 Section – Professional liability

3.1 Professional liability cover

3.1.1 Civil liability

We agree to indemnify **you** and pay compensatory damages, including any related injunction or restraining order costs and claimant costs recoverable from **you**, from any **claim** first made against **you** and arising out of **your** or **your sub-contractors'** performance of **business services** and **multimedia activities**, during the **period of insurance**, and where the **claim** arises out of any actual or alleged:

- a) defamation or other tort related to disparagement of character, reputation or feelings of any person or organisation, including libel, slander, product disparagement, trade libel, infliction of emotional distress, malicious falsehood, outrage or outrageous conduct;
- b) any form of invasion, infringement or interference with rights of privacy or publicity, including false light, public disclosure of private facts, intrusion, breach of confidence and commercial appropriation of name or likeness;
- c) infringement of intellectual property rights including but not limited to copyright, design (including in respect of semiconductor topographies), title, slogan, trade secret, trademark, trade name, trade dress, service mark, service name, domain name or metatag, breach of moral rights, passing off, plagiarism, piracy or misappropriation of ideas under implied contract, including a breach of a hold harmless or indemnity agreement specified in a written contract for the supply of **business services** or **matter**;
- d) misuse of any information which is either confidential or subject to statutory restrictions on its use and for the loss, damage, distortion, erasure or destruction of any **documents**, digitised data, microcode or information stored in written, machine- readable or any other form;
- e) breach of professional duty, negligent act, negligent error, negligent omission, negligent misstatement or negligent misrepresentation;
- f) civil liability not included above.

3.1.2 Limit of indemnity

Our liability under this **section** in respect of any one claim or **series of claims** shall not exceed the amount stated as the **limit of indemnity** in the **schedule** exclusive of **defence costs** that will be payable in addition to the **limit of indemnity** unless such **defence costs** are expressly stated in any clause as included within the **limit of indemnity**.

Where provided, the **limit of indemnity** in respect of **North America** will always be in the aggregate inclusive of **defence costs** and the limit granted is deemed to be part of and not in addition to the overall **policy limit of indemnity** specified in the **schedule**.

3.1.3 Arbitration and adjudication

The indemnity provided by the 'Civil liability' clause above includes liability which **you** may incur in respect of any **claim** (including claimants' legal costs and expenses) first made against **you** during the **period of insurance**, as a result of:

- a) any decision by an adjudicator appointed to resolve a dispute in accordance with the Scheme for Construction Contracts, as contained in the Local Democracy, Economic Development and Construction Act 2009 (formerly Housing Grants, Construction and Regeneration Act 1996) or an adjudication clause or rules contained in a contract; or
- b) any award by an arbitrator or tribunal of arbitrators (whether under the Surveyors and Valuers Arbitration Scheme 1998 or otherwise).

3.2 Additional professional liability costs and expenses

3.2.1 Court attendance compensation

We will pay compensation to **you**, with **our** prior written consent (such consent not to be unreasonably withheld), in the event that the legal advisers acting on **your** behalf require any **insured**, any **employee** or any other relevant party (not including expert witnesses), to

attend court or any arbitration or adjudication hearing as a witness of fact in connection with a **claim** made against **you** for which cover is afforded under this **section**, at the following rates for each day or part thereof on which attendance is required:

- a) any principal partner, **member** or director of the **insured** £500;
- b) any **employee** £250;
- c) other relevant party up to £200.

Provided that for all claims under items a) b) and c) **our** liability shall not exceed the sub-limit of indemnity of £10,000 in the aggregate for the **period of insurance**.

3.2.2 Defence costs

Following any event which is or may be the subject of indemnity under this **section** **we** agree to pay, with **our** prior written consent (such consent not to be unreasonably withheld), **defence costs** provided that if the **limit of indemnity** under this **section** is exhausted by the payment or settlement of any **claim** or loss **our** liability to pay **defence costs** in respect of that **claim** or loss shall be limited to such proportion of those **defence costs** as the **limit of indemnity** available for payment or settlement of that **claim** or loss bears to the total payment (including where applicable claimants' costs) required to dispose of that **claim** or loss.

3.2.3 Statutory liabilities

We agree to indemnify **you** for up to eighty percent (80%) of any reasonable costs and expenses incurred with the **our** prior written consent, for the defence of any proceedings first brought against **you** and notified to **us** during the **period of insurance**, under the:

- a) Property Misdescriptions Act 1991; or
 - b) Estate Agents Act 1979; or
 - c) the Health and Safety at Work etc Act 1974; or
 - d) the Health and Safety at Work (Northern Ireland) Order 1978; or
 - e) the Construction (Design and Management) Regulations 2007; or
 - f) The Corporate Manslaughter and Corporate Homicide Act 2007 and/or
 - g) The Bribery Act 2010; and/or
 - h) The Data Protection Act 1998 or any subsequent amending or replacement legislation; and/or
 - i) similar or successor legislation to that detailed in a) to h) above;
- provided that:

- i) such indemnity is only payable where in our reasonable opinion, defending such proceedings could protect **you** against any claim or potential claim arising from the **business services** undertaken by **you**; and
- ii) our liability to provide indemnity under this clause shall not exceed the sub- limit of indemnity of £100,000, which shall be the amount inclusive of all **defence costs**, that is the maximum payable any one claim and in the aggregate during the **period of insurance**.

3.2.4 Legal representation costs

We agree to indemnify **you** for up to eighty percent (80%) of any reasonable costs and expenses:

- a) which are incurred by **you** with **our** prior written consent (such consent not to be unreasonably withheld), for representation at properly constituted hearings, tribunals or proceedings arising out of any;
 - i) **claim** first made; and/or
 - ii) **circumstance** which **you** shall first notify;

during the **period of insurance**, in respect of the conduct of the **business services** by the **insured**, which may be or may become the subject of indemnity under this **policy**, provided that:

- a) such costs and expenses are not indemnified as **defence costs**, pursuant to the 'Court attendance compensation' clause above; and
- b) **our** liability to provide indemnity under this clause shall not exceed the sub-limit of indemnity of £100,000, which shall be the amount inclusive of all **defence costs**, that is the maximum payable any one **claim** and in the aggregate during the **period of insurance**.

3.3 Professional liability extensions

3.3.1 Awards by ombudsmen

Notwithstanding the 'Ombudsman's' exclusion **we** agree to indemnify **you** against any award made by an ombudsman in respect of any case accepted by the ombudsman for review in his position as ombudsman under any recognised scheme where the **claim**:

- a) is first made against **you**; and/or
- b) arises out of any **circumstance**, which **you** shall first notify, during the **period of insurance**.

Provided that:

- c) the ombudsman has operated within any terms of reference or rules applicable to their appointment;
- d) **our** liability shall not exceed the sub-limit of indemnity of any ombudsman award to the extent to which we are obliged to indemnify you under this **policy**;
- e) where an ombudsman makes an award which is rejected by the claimant who then pursues the matter through the courts, both the complaint to the ombudsman and all subsequent court proceedings shall be treated as a single **claim** made at the date of the first **claim** against **you**.

3.3.2 Dishonesty of employees

We will indemnify **you** for liability as result of any **claim** against **you** during the **period of insurance** when alleged in conjunction with a **claim** covered under the 'Civil liability' clause arising directly or indirectly from any dishonest, fraudulent, malicious or criminal act or omission of any of **your employees** excluding partners, directors or principals, but the insurance by this **policy** excludes any indemnity to **your employees** committing or colluding in the dishonest act, fraud, malicious or illegal act or omission.

3.3.3 Fraudulent use of information

We will indemnify **you** against all sums which **you** shall become legally liable to pay above the **excess** as a result of any **claim** against **you** during the **period of insurance** as a result of a **third party's** good faith reliance on a **hackers** fraudulent use of **your information and communication assets** where there was a clear intention to cause **you** loss or obtain a personal gain for the **hacker**.

Our maximum liability shall not exceed the sub-limit of indemnity of £100,000 which amount is the maximum payable any one **claim** and in the aggregate during the **period of insurance**.

3.3.4 Public relations and crisis management services

Following a **claim** under this **section**, **we** will pay all reasonable costs which **you** incur with **our prior** written consent (such consent not to be unreasonably withheld) for a public relations and/or crisis management consultant to avert or mitigate any material damage to any of **your** brands and business operations; provided that:

- a) our maximum liability not exceed the sub-limit of indemnity of £50,000 which amount is the maximum payable any one **claim** and in the aggregate during the **period of insurance**;
- b) the public relations and/or crisis management consultants shall be chosen by **us** who shall take into account the nature of the **claim** or loss and the cost and quality of the services that they can deliver, unless **you** have reasonable cause to request a different public relations consultancy and **we** agree to **your** request.

3.4 Professional liability limitations and exclusions

This **section** excludes and does not cover:

3.4.1 Aircraft, watercraft, vehicles or buildings

any **claim**, liability, loss or **defence costs** arising directly or indirectly from:

- a) the ownership, possession or use by or on **your** behalf of any aircraft, watercraft or mechanically propelled vehicle;
- b) the ownership or possession by or on **your** behalf of any buildings, structures, premises, land or property (mobile or immobile) or that part of any building **you** lease, occupy or rented.

3.4.2 Adjudication or arbitration

any **claim**, liability, loss or **defence costs** arising from:

- a) a decision made against **you** by an adjudicator who was not independent of the parties to the dispute; or
- b) a **claim** arising out of or related to any adjudication arising from an adjudication clause in a contract, which contains timetable provisions for adjudication which are more onerous to **you** than those contained in the Scheme for Construction Contracts referred to in the Housing Grants Construction and Regeneration Act 1996; or
- c) any adjudication where **you** serves any notice of intention to adjudicate, notice of adjudication, referral notice or any adjudication notice pursuant to contract without the prior written consent (such consent not to be unreasonably withheld) of the **insurer**, except that this exclusion will not apply where in the **insured's** reasonable opinion, service of such a notice will not give rise to a **claim**; or
- d) any arbitration award (whether made under the Surveyors' and Valuers' Arbitration Scheme 1998 or otherwise) made in respect of any **claim** or counterclaim where the seat of the arbitration was located outside England, Wales, Scotland or Northern Ireland, unless that seat was agreed to by **us**;
- e) unless such liability attaches by way of the indemnity granted by the 'Adjudication or arbitration' clause.

3.4.3 Asbestos

any **claim** or alleged **claim** or **defence costs** directly or indirectly resulting from the presence or release or possible presence or possible release of asbestos or asbestos containing materials in whatever form or quantity. Subject to the provisos below, this exclusion shall not apply to any **claim** caused by a negligent act, negligent error or negligent omission in the conduct of the practice, provided always that:

- a) such **claim** is:
 - i) first made against **you**; and/or
 - ii) arises out of any **circumstance** which **you** shall first notify;during the **period of insurance**.
- b) **we** shall not be liable for any **claim**:
 - i) directly or indirectly resulting from **asbestos surveys** carried out by **you**; or
 - ii) arising out of or in any way involving any **bodily injury** or fear of suffering **bodily injury**.
- c) **our** liability shall not exceed the sub-limit of indemnity of £250,000 for each **claim** and the aggregate inclusive of **defence costs** for the **period of insurance**.

3.4.4 Associated company

any **claim**, liability, loss or **defence costs** brought or maintained by or on behalf of:

- a) any **insured** or any **parent** of the **insured** or any **subsidiary company**; or
- b) any firm, partnership or entity in which the **insured** or any director or partner of the **insured** has a financial or executive interest;

- c) any person who, at the time of the act, error or omission giving rise to the **claim**, is a family member unless such a person is acting without any prior or indirect solicitation or co-operation of any **insured** (family member means any spouse, domestic partner, parent, parent of a spouse or domestic partner, sibling or child);

provided that this exclusion shall not apply to such **claims** originating from an independent third party.

3.4.5 **Assumed duty or obligation**

any **claim**, liability, loss or **defence costs** directly or indirectly arising out of, or in any way involving any liability, duty or obligation incurred or assumed by **you** which is not incurred or assumed in the normal conduct of **your business services**.

3.4.6 **Bodily injury and property damage**

any **claim**, liability, loss or **defence costs** arising directly or indirectly out of, or in any way involving:

- a) **bodily injury**, to or of any **employee** whilst in the course of their employment for or on **your** behalf;
- b) **bodily injury** to any person, other than an **employee**, or **damage** to or destruction of any property (not otherwise insured under item e) under the 'Civil liability' clause including loss of use thereof, provided that this exclusion shall not apply to **claims** arising from breach of professional duty in the conduct of **your business services**.

3.4.7 **Fire Safety Exclusion**

We shall not be liable under this policy for any **claim** or **claims** arising directly out of the combustibility or fire safety defects of any external cladding systems; including but not limited to; glazing, doors, external wall system and / or internal wall system (including insulation and fire breaks) of any building or structure which do not comply, or are alleged not to comply, with The Building Regulations for England & Wales 2010, Building (Scotland) Regulations 2004 or The Building Regulations (Northern Ireland) 2012 or any re-enactment thereof.

This exclusion shall not apply in respect of any **claim** or **claims** made against the **insured** by any natural person acting for purposes outside his trade, business or profession the maximum amount payable in the aggregate in the **period of insurance** by **insurers** in respect of any such **claims** or **claims**, any claimant's costs and any **defence costs** shall not exceed **limit of indemnity** stated in the **schedule**.

3.4.8 **Contractual liability**

any **claim**, liability, loss or **defence costs** directly or indirectly arising from:

- a) Any contractual liability incurred where the **Insured** has relied upon the EWS 1 form (or as revised) and the valuation report does not exclude liability to the lender or any person deriving title to the mortgage for any losses or potential losses arising directly and solely from the valuation being provided in reliance upon the EWS 1 form. This sub-clause is only applicable to all valuations undertaken on or after 1 May 2020.
- b) any contractual liability incurred by **you** in the conduct of **business services** such as:
- i) **your** acceptance of an obligation, or the guarantee of fitness for purpose where this appears as an express term; or
- ii) any express guarantee given by **you**, including any relating to the period of a project; or
- iii) any express penalty contained in a contract between **you** and a third party; or
- iv) any express acceptance by **you** of liability for liquidated damages.
- c) any liability that arises in consequence of any assignment of a **collateral warranty or duty of care agreement** to more than one party, except in the case of a **collateral warranty or duty of care agreement** given to a financier or funding party (not a purchaser or tenant) where a total of two assignments is permissible. This sub-clause is only applicable to contractual liabilities entered into on or after 1 October 2001.

but this exclusion shall not apply:

i) if liability would have attached to **you** in the absence of any such express agreement; or
or
ii) if **we** have expressly approved the contractual terms giving rise to the said liability; or
in the case of a **collateral warranty or duty of care agreement** where the British Property Federation or Construction Industry Council's current or former standard collateral warranty wording is used.

3.4.9 Excess

the amount of the **excess** stated in the **schedule**.

3.4.10 Existing claims

any **claim**:

- a) made, threatened or intimated against the **insured** prior to the **period of insurance**;
- b) liability, loss or **defence costs** directly or indirectly arising out of, or in any way involving any fact or **circumstance**:
 - i) of which written notice has been given under any previous policy (whether insured by **us** or not); or
 - ii) of which **you** first became aware prior to the **period of insurance** and which **you** knew or ought reasonably to have known had the potential to give rise to a **claim** or loss.

3.4.11 Financial services

any **claim**, liability, loss or **defence costs** arising out of any regulated activities as defined in the Financial Services and Markets Act 2000, as amended from time to time. This exclusion will not apply to mortgage mediation activity and insurance mediation activity relating to general insurance contracts only, for which **you** have permission pursuant to Part IV of the Financial Services and Markets Act 2000.

3.4.12 Fines, penalties, punitive, multiple or exemplary damages

- a) any fines or penalties;
- b) any punitive, multiple or exemplary damages where such have been identified separately within any award of any court or tribunal.

3.4.13 Insolvency of the insured

any **claim**, liability, loss or **defence costs** arising out of or relating directly or indirectly to **your** insolvency.

3.4.14 Legislation and regulation

any **claim**, liability, loss or **defence costs** arising out of the **insureds** breach of any taxation, competition, restraint of trade or anti-trust legislation or regulation including but not limited to:

- a) the Employment Retirement Income Security Act 1974 and any amendment thereto, or any rules or regulations promulgated thereunder;
- b) any actual or alleged violations of the Racketeer Influenced and Corrupt Organisation Act 18 USC Sections 1961 et seq and any amendments thereto, or any rules or regulations promulgated thereunder;
- c) any actual or alleged violation of any of the provisions of the Securities Act of 1933, the Securities Exchange Act 1934 or any similar Federal or State law or any common law relating thereto.

3.4.15 Liability arising out of employment

arising from the liability to any **employee**, former **employee** or prospective **employee** in respect of employment-related libel, slander, humiliation or defamation, unfair or wrongful dismissal, repudiation or breach of any employment contract or arrangement, termination of a training contract or contract of apprenticeship, harassment, discrimination or like conduct.

3.4.16 Management liability

any **claim**, liability, loss or **defence costs** caused by or arising from any personal liability incurred by a **director or officer** of the **insured** when:

- a) acting in that capacity or managing the **insured's** business; or
- b) in breach of their fiduciary duty, other than when performing a business activity for a **client**; or
- c) making or issuing any statement, representation or information concerning the **insured** and the **business services** contained in any accounts, reports or financial statements.

3.4.17 Negotiable paper

any **claim**, liability, loss or **defence costs** arising directly or indirectly from the loss, **damage** or destruction of any bearer bonds, coupons, share certificates, stamps, money or other negotiable paper.

3.4.18 North American

any **claim**, loss, liability, expenses, costs or **defence costs**, in respect of any proceedings (including arbitration or regulatory proceedings), judgment, award, payment, **defence costs** or settlement delivered, made or incurred within countries which operate under the laws of **North America** (or to any order made anywhere in the world to enforce such judgment, award, payment, **defence costs** or settlement either in whole or in part).

3.4.19 Nuclear risks

- a) loss or destruction of or **damage** to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss;
- b) any legal liability of whatsoever nature;
- c) any sum which **you** become legally liable to pay or any loss or expense; directly or indirectly caused by or contributed to by or arising from or, in the case of (c) above, attributable to:
 - i) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
 - ii) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

3.4.20 Ombudsman

any **claim**, liability, loss or **defence costs** in respect of any ombudsman's award, except to the extent where covered is provided under the 'Awards by ombudsman' clause.

3.4.21 Other insurance

where **you** are entitled to indemnity under any other policy except in respect of any excess beyond the amount which would have been payable under such policy had this **policy** not been effected.

3.4.22 Patent and trade secret

any **claim**, liability, loss or **defence costs** arising out of the infringement of any patent or trade secret.

3.4.23 Pension, benefit, trust fund management

any **claim**, liability, loss or **defence costs** arising from the **insureds** operation or administration of any pension or employee benefit scheme or trust fund, or the sale or purchase of or dealing in any stocks, shares or securities or the misuse of any information relating to them, or the **insureds** breach of any legalisation or regulation related to these activities.

3.4.24 Pollution

any **claim**, liability, loss or **defence costs** for:

- a) **bodily injury**, sickness, disease or death or loss, **damage** or loss of use of property directly or indirectly caused by seepage, **pollution** or contamination; and/or
- b) the cost of removing, nullifying or cleaning-up seeping, polluting or contaminating substances;

provided always that this exclusion shall not apply to any such claim caused by a negligent act, negligent error or negligent omission in the conduct of **business services** where such claim is:

- i) first made against **you**; and/or
 - ii) arises out of any **circumstance(s)** which **you** shall first notify during the **period of insurance**.
- c) for the purposes of this exclusion only asbestos is deemed not to be a contaminant or a **pollutant**;
- d) the cover granted by the rider to this clause:
- i) excludes and does not cover any such claim directly or indirectly resulting from **environmental audits you** carry out;
 - ii) shall be limited to that part of any **claim** which relates to the cost of re-designing, re-specifying, remedying and/or rectifying the defective structure but not the cost of remedying and/or rectifying any loss of or **damage** to the land and environment or any loss of value;

in the event **we** are liable to indemnify **you** under this clause the maximum amount payable including **defence costs** in respect of any one **claim** and in the aggregate during the **period of insurance** shall not exceed the **limit of indemnity** granted by this **policy**.

3.4.25 Products liability

any **claim**, liability, loss or **defence costs** directly or indirectly arising out of, or in any way involving goods or **products**, sold, supplied, recalled, repaired, altered, treated, manufactured, constructed, installed or maintained by the **insured** or by any consultant, **sub-contractor** or agent of the **insured**, but this exclusion shall not apply to project models or displays.

3.4.26 Reckless and malicious acts of defamation

any **claim**, liability, loss or **defence costs** directly or indirectly arising out of any defamatory statement that was made deliberately or recklessly by **you**.

3.4.27 Retroactive date

any **claim**, liability, loss or **defence costs** arising from any act committed, or alleged to have been committed, prior to the **retroactive date**.

3.4.28 Surveys and valuations (qualifications and experience)

any **claim**, liability, loss or **defence costs** arising out of a survey or valuation unless it was undertaken by:

- a) anyone who is:
 - i) A Fellow, a Professional Member, a Technical Member or an Associate Member
 - ii) of the Royal Institution of Chartered Surveyors (RICS); or
 - iii) A Fellow or Associate of the Incorporated Society of Valuers and Auctioneers (ISVA); or
 - iv) A Fellow or Associate of the Architects and Surveyors Institute (ASI); or
 - v) A Fellow or Associate of the Faculty of Architects and Surveyors (FFAS); or
 - vi) A Fellow or Associate of the Royal Institute of British Architects (RIBA); or
 - vii) A Fellow or Associate of the Royal Incorporation of Architects in Scotland (RIAS); or
- b) Anyone who has not less than five years' experience of such work; or
- c) Any other person delegated by **you** to execute such work subject always to:
 - i) supervision of such work by a person qualified in accordance with clause 3.4.30 a) or b) or above, or
 - ii) agreement in writing having been obtained **us** prior to cover being granted.
- d) a survey undertaken in connection with the production of an Energy Performance Certificate, unless it was undertaken by an energy assessor accredited by any

organisation approved by the Department for Communities and Local Government to provide such accreditation.

- e) a survey undertaken in connection with the production of a Home Condition report, unless it was undertaken by anyone who has a Diploma in Home Inspection from the Award Body of the Built Environment.
- f) a valuation produced prior to 30 April 2011, unless it was undertaken by a person qualified in accordance with items a), b) or c) above.
- g) a valuation produced after 30 April 2011:
 - i) unless it was undertaken or supervised by a RICS Registered Valuer and in accordance with RICS Valuation Standards PS 1; or
 - ii) where the RICS Valuation Standards do not apply, unless it was undertaken by a person qualified in accordance with items a), b) or c) above.

3.4.29 Territorial limits

any **claim**, liability, loss or **defence costs** arising from or alleged to have been caused by or sustained from an act committed outside the **territorial limits**.

3.4.30 Trading losses

any **claim**, loss, liability, expenses, costs or **defence costs** arising directly or indirectly from:

- a) **your** lost profit, mark-up or liability for VAT or its equivalent;
- b) **your** trading loss or trading liability including those arising from the loss of any **client**, account or **business**;
- c) **your** decision to notify individuals or procure credit monitoring services following any form of **data** breach.

3.4.31 War and terrorism

any **claim**, loss, liability, expenses, costs or **defence costs** of whatsoever nature directly or indirectly caused by, resulting from or in connection with **war** or **terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the **claim**.

This exclusion also excludes any **claim**, liability costs, **defence costs** or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any of the above.

3.4.32 Virus or similar mechanism

any **claim**, loss, liability, expenses, costs or **defence costs** directly or indirectly arising from any **virus or similar mechanism**.

3.5 Other Surveyors' terms and conditions

3.5.1 Accounts

The annual accounts of the **insured** shall be prepared and/or certified by an independent and properly qualified accountant or auditor in accordance with the RICS Rules of Conduct, and the client accounts of the **insured**, where applicable, have been kept in accordance with the RICS Rules of Conduct.

4 Section - Directors' and officers' liability

4.1 Directors' and officers' cover

4.1.1 Directors' and officers' liability

We agree, subject to the terms, conditions, limitations and exclusions of this **policy**, to pay on behalf of an **insured person** in respect of his liability for:

- a) compensatory damages and costs awarded against such **insured person** by a court or tribunal empowered to do so; or
- b) exemplary or aggravated damages for libel and slander awarded against such **insured person** by a court or tribunal empowered to do so; or
- c) multiple, exemplary or punitive damages (provided these are in addition to compensatory damages and not a form of tax, fine or similar penalty) awarded by a court or tribunal outside of **North America**, if indemnity for this is lawful under the laws of the territory of that court or tribunal; or
- d) settlements compromising any actual or anticipated legal proceedings made with **our** prior written consent (such consent not to be unreasonably withheld);

arising solely from a **claim** first made during the **period of insurance** and arising from a **wrongful act** undertaken anywhere in the world, except to the extent that the **company** has indemnified the **insured person** in respect of that **claim**.

4.1.2 Company reimbursement

We agree, subject to the terms, conditions, limitations and exclusions of this **policy**, to indemnify the **company**, to the extent it has lawfully indemnified an **insured person** for a **claim** otherwise insured under this **section**.

4.1.3 Limit of indemnity

Our liability under this **section** in respect of any one **claim** or **series of claims** and in the aggregate during any one **period of insurance** shall not exceed the amount stated as the **limit of indemnity** in the **schedule** inclusive of **defence costs**.

4.2 Defence costs

4.2.1 Defence costs

In respect of **claims** covered by this **section we** agree, subject to **our** prior written consent (such consent not to be unreasonably withheld) to pay **defence costs** which are incurred by an **insured person** in the defence, negotiation and settlement of any **claim**.

4.2.2 Advancement of defence costs and expenses

In respect of **claims** covered by this **section we** will advance **defence costs** prior to the final settlement of a **claim**. Such advance payments of **defence costs** shall be:

- a) subject to the application of the **excess**, if any;
- b) part of and not exceed the **limit of indemnity**; and
- c) repayable to **us** by the **insured persons** or the **company** severally according to their respective interests in the event and to the extent that it is determined that they were not entitled under this **section** to payment of such **defence costs**.

4.3 Directors' and officers' exclusions and limitations

This **section** excludes and does not cover **claims**:

4.3.1 Bodily injury or property damage

for actual or alleged bodily or psychological injury, sickness, disease or death of any person or **damage** to or destruction of any tangible property, including loss of use thereof, except that this exclusion does not apply to emotional distress or mental anguish brought as part of a **claim** arising out of any **employment practice**;

- 4.3.2 Dishonesty**
directly or indirectly arising out of any actual dishonest, fraudulent, or malicious act of any **insured person** except that this exclusion only applies if it is established through a final adjudication or admission that the relevant conduct did in fact occur;
- 4.3.3 Excess**
the amount of the **excess** stated in the **schedule** but only in respect of any **claim** made by the **company**.
- 4.3.4 Non-covered acts**
directly or indirectly arising out of **wrongful acts** committed (or alleged to have been committed) or conduct (as described in item 5 within the 'Claims' definition):
- a) after the date of commencement of the winding up of, or the appointment of a receiver, administrative receiver, liquidator or administrator to the **company**;
 - b) after the date of a **take-over or merger**; or
 - c) prior to the date of acquisition by the **company** of a **subsidiary company**;
- but only as regards acts committed in the capacity as a **director** or **officer** of such **company** unless otherwise agreed by **us**;
- 4.3.5 North American jurisdiction**
for loss, liability, expenses, costs or **defence costs**, in respect of any proceedings (including arbitration or regulatory proceedings), judgment, award, payment, **defence costs** or settlement delivered, made or incurred within countries which operate under the laws of **North America** (or to any order made anywhere in the world to enforce such judgment, award, payment, **defence costs** or settlement either in whole or in part).
- 4.3.6 Pension schemes**
for any actual or alleged breach of duty by any **insured person** as a **trustee** of any pension or superannuation scheme, health and welfare plan, share option scheme or **plan**, or other employee benefit programme, social benefits system or trust programme established or maintained for the benefit of the **company's employees** including, for the avoidance of any doubt, any claims under the UK Pensions Act 1995, or similar legislative, common or civil law provisions in the same or other jurisdictions;
- 4.3.7 Personal profit**
directly or indirectly arising out of any **insured person** gaining any actual profit or advantage or receiving any remuneration to which they are not legally entitled except that this exclusion only applies if it is established through a final adjudication or admission that the relevant conduct did in fact occur;
- 4.3.8 Pollution**
directly or indirectly arising out of any **pollution** except that this exclusion does not apply to:
- a) any **claim** brought by the **company's** shareholders (without any procurement or instigation by any **insured person** or agent of the **company**) on the basis solely that **pollution** has caused a loss in the value of the share capital of the **company**; or
 - b) **defence costs** incurred in defending a **claim** brought in a member state of the European Union up to the sub-limit of indemnity of £50,000
- 4.3.9 Prior / pending litigation**
directly or indirectly arising out of the **circumstances** underlying any **claim** or any legal, administrative or regulatory proceedings against the **insured person** or the **company** first made or commenced prior to the **retroactive date**;
- 4.3.10 Professional services**
for any actual or alleged breach of any **business services** and **multimedia activities** by any **insured person**;

4.3.11 Stock offerings during period of insurance

- a) directly or indirectly arising out of a **stock offering** during the **period of insurance** unless otherwise agreed by **us**;
- b) brought by or on behalf of any shareholder who owns directly or beneficially more than fifteen percent (15%) of the issued share capital of the **company** except that this exclusion shall only apply to **claims** where such shareholder or shareholder's representative directly or indirectly has participated in or ratified the alleged **wrongful act** being the subject to the **claim**.

4.4 Directors' and officers' other terms and conditions

4.4.1 Excess

- a) Where a claim is made under this **section** by the **company**, **we** shall only indemnify the **company** for payments over and above the amount stated in the **schedule** as the **excess**. The **excess** shall be applied once to each and every **claim**.
- b) Where a claim is made under this **section** by an **insured person** but the **company** could have indemnified the **insured person** under the applicable general law, but does not do so, the **company** shall reimburse **us** for any indemnity **we** paid up to the amount of the **excess** stated in the **schedule**. However, the **company** shall have no such obligation where its failure to indemnify the **insured person** is due solely to its insolvency.

5 Section - Crime

5.1 Crime loss cover

We agree, to indemnify an **insured person** in respect of **loss**, first **discovered** during the **period of insurance** or **extended reporting period**, which arises directly from:

5.1.1 Theft of insured's money, securities, funds or property

theft, criminal damage or, where applicable, **forgery of money, tangible securities, funds** or **your property** by any **employee**, or by any **employee** acting in collusion with any third party or any other **employee**;

5.1.2 Theft of client's money, securities, funds or property

theft of the **money, tangible securities, funds** or **property** of any **client**, for which **you** are legally liable, by any **employee** or by any third party (save that such third party must not include such **client's** employees), or by any **employee** acting in collusion with any third party or any other **employee**;

5.1.3 Theft by a third party

- a) **forgery, tangible securities** fraud, **corporate card fraud, counterfeit** of money orders or current paper currency, **computer fraud** or **funds transfer fraud** by a third party;
- b) **theft** or criminal damage of **money, tangible securities**, as a direct result of **robbery** or **safe burglary**;
- c) **theft of property** as a direct result of **robbery** or **safe burglary**.

5.1.4 Limit of indemnity

Our liability under this **section** in respect of any one **loss** and in the aggregate during any one **period of insurance** shall not exceed the amount stated as the **limit of indemnity** in the **schedule** inclusive of **defence costs**.

5.2 Crime costs

In respect of **loss** covered by this **section** and provided such a **loss** exceeds the **excess** stated in the **schedule**, **we** also agree to pay, with **our** prior written consent (such consent not to be unreasonably withheld), costs incurred by **you** in:

5.2.1 Liability costs

defending a claim first brought against **you** during the **period of insurance** by a **client** to establish liability for a **loss** covered by this **policy**;

5.2.2 Vault costs

repairing or replacing a safe or vault damaged as a result of a **theft** or **safe burglary** giving rise to a **loss** covered by this **section**;

5.2.3 Data costs

reconstituting **data** lost as a result of a **theft, computer fraud** or **computer violation** giving rise to a **loss** covered by this **section**;

5.2.4 Extent of loss costs

establishing the extent of a **loss**, provided the **loss** to which such costs relate is covered under this **section**;

5.2.5 Property damage costs

replacement or repair cost to **property** as a direct result of **robbery** or **safe burglary** giving rise to a **loss** covered by this **section**.

5.3 Exclusions and limitations

This **section** excludes and does not cover any:

5.3.1 Consequential loss

consequential or indirect loss of any kind, including but not limited to any loss of dividends, income or profit not realised by **you** or any other individual or organisation because of a **loss** covered under this **section** but this exclusion shall not apply to **interest** that forms an integral part of **your** costs covered under this **section**;

5.3.2 Data

costs or expenses incurred:

- a) to update, improve or redesign the programmes or software of **your computer system**;
- b) relating to **data** reconstitution if **you** use programmes or software without the required licenses or authorisation;
- c) relating to the reconstitution of **data** recorded on magnetic or optical media, unless there are analysis files, specifications and backups of software and **data** held at premises other than at **your premises**;
- d) to enable **data** to be used by a replacement **computer system**;
- e) by an **employee plan** or **client** relating to **data** reconstitution;

5.3.3 Fines and penalties

finer, penalties, exemplary or punitive damages or the multiplied portion of any damages;

5.3.4 Kidnap ransom and extortion

loss arising from kidnap or **ransom** or from extortion (unless the extortion is committed by an **employee**);

5.3.5 Loss benefiting another insured

loss sustained by one **insured** to the benefit of another **insured**;

5.3.6 Loss sustained after knowledge

loss caused by an **employee** from the time any **insured** or any of the directors, partners, **trustees**, officers, or equivalent of any **insured** (not in collusion with such **employee**) has knowledge or information that such **employee** has committed any act or acts of fraud, dishonesty, criminal damage or **theft**:

- a) whilst such **employee** is in any **insured's** service; or
- b) during the term of such **employee's** employment with any **insured**; or
- c) prior to an **employee** being employed by any **insured**, provided the act or acts involved **money, tangible securities, funds** or **property** valued at £15,000 or more;

5.3.7 Loss by fire or explosion

loss or damage caused to **premises** caused by fire or explosion;

5.3.8 Loss in the postal service

loss of **money** or **tangible securities** whilst in the care of the postal service;

5.3.9 Major shareholder 20%

loss involving any person participating in the **theft** who, at the time of committing an act which results in a **loss** covered by this **section**, owns or controls more than twenty percent (20%) of the issued share capital of any **insured**;

5.3.10 Non-covered acts

loss caused by an act committed, unless otherwise agreed by **us**:

- a) after the date of commencement of the winding up of the **insured** or the appointment of a receiver, administrative receiver, liquidator or administrator to the **insured**; or
- b) after the date of a **take-over or merger**; or
- c) prior to the date of acquisition of a **subsidiary company** as regards **loss** suffered by such **subsidiary company**, or
- d) after the date of awareness or **discovery** of dishonesty on the part of an **employee** participating in the **loss**;

5.3.11 Nuclear hazards

arising directly or indirectly from **nuclear hazards**;

5.3.12 Profit and loss / inventory calculation

loss, the proof of which is dependent solely upon a:

- a) profit and loss computation or comparison; or
- b) comparison of inventory records with an actual physical count.

However, where **you** can prove independently of such comparisons that a **loss** has occurred for which an identified **employee** was responsible, inventory records and actual physical count of inventory can be submitted as supporting the documentation of such a **loss**;

5.3.13 Proprietary information

loss arising directly or indirectly from the obtaining of any confidential information, including but not limited to computer programmes, copyright, customer information, patents, trademarks or trade secrets;

5.3.14 Retroactive date

loss caused by an act committed, or alleged to have been committed, prior to the **retroactive date**;

5.3.15 Trading

loss arising from any trading or dealing in currencies, commodities, derivatives, foreign exchange, futures, options, securities, warrants and the like, unless such **loss** is covered under this **section** and results in an **employee** making improper financial gain for themselves or for any other individual or organisation intended by such **employee** to receive such benefit;

5.3.16 War and terrorism

loss directly or indirectly arising out of war, invasion, acts of foreign enemies, hostilities (whether **war** be declared or not), civil war, rebellion, revolution, insurrection, **terrorism**, military or usurped power or confiscation or nationalisation or requisition of or **damage** to **property** by or under the order of any government or public local authority.

6 Section - Corporate legal liability

6.1 Corporate liability cover

6.1.1 Corporate liability

We agree, subject to the terms, conditions, limitations and exclusions of this **policy**, to pay **loss** incurred by the **company** resulting from a **claim** first made against the **company** during the **period of insurance** and reported to **us** as required by the Claim procedure herein, in connection with any liability arising from any actual or alleged act, error or omission of the **company**.

6.1.2 Defence costs

We shall pay the **defence costs** with **our** prior written consent (such consent not to be unreasonably withheld) incurred by the **company** resulting from any **claim**:

- a) in connection with an alleged breach by any **company** of any express (written or oral) contract or agreement;
- b) made against such **company** by a third party entity, where such:
 - i) **claim** is in connection with any direct financial loss sustained by such third party; and
 - ii) direct financial loss directly arises in connection with any dishonest or fraudulent act committed by any **employee** of such company acting in collusion with any director, officer, governor, trustee or **employee** of such third party, with the intent to obtain improper personal financial gain for such employee or other person, to the deprivation of the third party entity.

6.1.3 Pension Schemes

We shall pay the **loss** of any **company** resulting from any **claim** in connection with any act, error or omission in connection with the operation, administration or sponsorship of any pension, profit sharing or **employee** benefits programme whose activities are not controlled by **pension trustees** except that this insurance excludes and does not cover any **claim** in the capacity as a **trustee**.

6.1.4 Identity fraud

If any party other than an **insured person** enters into any agreement with any third party entity fraudulently representing themselves as any **company**, then **we** shall pay any reasonable fees, costs and expenses incurred by such **company** in establishing that such fraudulent misrepresentation has occurred should the third party entity seek to enforce such agreement against such **company**.

6.1.5 Crisis event

We shall pay the **insured entity's** reasonable fees, costs and expenses of **public relations consultants** to mitigate the adverse effect or potential adverse effect on an **insured entity's** reputation with respect to a **crisis event**.

6.1.6 Limit of indemnity

In respect of the insurance provided by clauses 'Defence costs', 'Pension schemes', 'Identity fraud' and '**Crisis event**' (inclusive) above **our** liability in respect of each separate cover shall not exceed:

- a) a sub-limit of indemnity of £100,000 any one **claim**; and
- b) the **limit of indemnity** stated in the **schedule** in the aggregate for any one and all the insurances provided by clauses 'Defence costs', 'Pension schemes', 'Identity fraud' and '**Crisis event**' (inclusive) during any one **period of insurance**.

6.2 Corporate liability cover extensions

6.2.1 Assets and liberty costs

We shall pay the reasonable fees, costs and expenses incurred by any **insured person** with respect to any **asset and liberty proceeding** except that **our** liability shall not exceed a sub-

limit of indemnity of £50,000 any one **claim** and in the aggregate during anyone **period of insurance**.

6.2.2 Bodily injury and property damage defence costs

We shall pay the **defence costs** with **our** prior written consent (such consent not to be unreasonably withheld) of each **insured** for any **claim** for **bodily injury** and/or **property damage** provided that:

- a) the insurance by this extension clause excludes and does not cover **defence costs** any **claim** for which insurance is provided by any other **section** to this **policy** or any other insurance other than in excess of any indemnity under such a policy; and
- b) **our** liability shall not exceed a sub-limit of indemnity of £50,000 any one **claim** and in the aggregate during anyone **period of insurance**.

6.2.3 Civil fines and penalties

We shall pay any civil fine or penalty imposed upon an **insured person** by an **official body** as a direct result of such person acting in an **insured person** capacity unless that civil fine or penalty is uninsurable under the applicable law of the **claim**.

6.2.4 Court attendance

We shall pay the following rates per day for each day on which attendance in a **court** by an **insured person** is required in connection with any covered **claim**:

- a) for any **director or officer; outside company director**; or any **employee** of an **insured entity** acting in a managerial or supervisory capacity: £500
- b) any other **insured person** not referred to in (a) above: £250

6.2.5 Emergency costs

If **our** written consent cannot reasonably be obtained before **defence costs** are incurred in respect of a **claim**, **we** will give retrospective approval for such **defence costs** subject to **our** liability not exceeding a sub-limit of indemnity of £50,000 any one **claim** and in the aggregate during anyone **period of insurance**.

6.2.6 Extended reporting

The insurance by this **section** is extended to provide **you** with an **extended reporting period** of ninety (90) days if this **policy** is not renewed or replaced with a similar policy.

This **extended reporting period** may be extended further upon **your** written request when **we** may quote a run-off **extended reporting period**. In considering such request, **we** shall be entitled to fully underwrite the exposure and to extend such offer on whatever terms, conditions and limitations that **we** reasonably deems appropriate.

6.2.7 Extradition counselling, tax advisor costs and public relations expenses

We will pay for the reasonable fees, costs and expenses incurred by any **insured person** for each of (a) and (b) below:

- a) accredited counsellor or tax advisor retained by an **insured person** approved by **us**, directly in connection with extradition proceedings brought against such **insured person**; or
- b) **public relations consultants** to provide **public relations services** in connection with extradition proceedings;

except that **our** liability shall not exceed a sub-limit of indemnity of £50,000 any one **claim** and in the aggregate during anyone **period of insurance**.

6.2.8 Legal expenses policy

Where any **insured** holds a legal expenses policy at the same time as this **section**, which provides cover which is the same as any cover provided under this **section**, such that the **insured** is covered for legal expenses under both this insurance and the legal expenses policy, then **we** shall pay such legal expenses as a primary insurer on the condition precedent that prior to such payment, **you** have notified the legal expenses policy insurer in writing of **your** request for cover with respect to such legal expenses, and **you** have provided written evidence to **us** of such notification.

6.2.9 New subsidiary

If the policyholder during the **period of insurance**:

a) obtains either directly or indirectly, through one or more of its **subsidiary companies**

- i) control of the composition of the board of directors;
- ii) control of more than half of the shareholder voting power; or
- iii) a holding of more than half of the issued share capital;

of any entity; or

b) creates any entity,

then the term **subsidiary companies** will be extended to include that entity automatically except that the cover by this clause excludes and does not apply to any such control or holding or creation, where the entity is:

- i) incorporated or domiciled in **North America**;
- ii) has any of its securities listed on a securities exchange or market; or
- iii) is situated in a country in which a **company** does not already hold a **subsidiary companies**.

6.2.10 Public relations expenses

We shall pay the reasonable fees, costs and expenses of **public relations consultants** to provide **public relations services** in connection with a covered **claim**, where **such** public relations expenses are not otherwise specifically covered elsewhere in this **policy** except that **our** liability shall not exceed a sub-limit of indemnity of £50,000 any one **claim** and in the aggregate during anyone **period of insurance**.

6.2.11 Run-off for retired insured persons

We will provide an **extended reporting period** of six (6) years for any **manager** or **pension trustee**, who retires or resigns prior to or during the **period of insurance**, other than by reason of a transaction; and provided that:

- a) the cover purchased under this **section** is not renewed or replaced; or
- b) where the cover purchased under this **policy** is renewed or replaced, such renewal or replacement policy does not provide an extended discovery provision of at least six (6) years for such person.

6.3 Corporate liability exclusions and limitations

This **section** excludes and does not cover **loss**:

6.3.1 Anti-competitive practices

in connection with any **claim** made for any actual or alleged violation of any law, whether statutory, regulatory or common law, with respect to any of the following activities: anti- trust, business competition, unfair trade practices or tortious interference in another's business or contractual relationships.

6.3.2 Bodily injury and/or property damage

in connection with any **claim** made for **bodily injury** and/or **property damage** except for the insurance provide by the 'Bodily injury and property damage defence costs' clause.

6.3.3 Conduct

arising out of, based upon or attributable to:

- a) the gaining of profit or advantage to which **you** were not legally entitled; or
- b) the committing of any deliberate dishonest or fraudulent act,

in the event that any of the above is established by final adjudication by a judicial or arbitral tribunal or any formal written admission by **you**.

6.3.4 Contract

arising out of, based upon or attributable to any liability of any **company** under any express oral or written contract or agreement but this exclusion shall not apply to any **company**

liability that would have attached in the absence of such contract nor any cover by item a) under the 'Defence costs' clause.

6.3.5 Employee benefits

arising out of, based upon or attributable to any obligation pursuant to any workers' compensation, disability benefits, redundancy or unemployment benefits or compensation, unemployment insurance, retirement benefits, social security benefits, pension benefits or any similar law or obligation whatsoever but this exclusion shall not apply the insurance provided by the 'Pension Schemes' clause.

6.3.6 Employment practices liability

any **claim** arising out of, based upon or attributable to employment practices liability.

6.3.7 Excess

the amount of the **excess** stated in the **schedule**.

6.3.8 Intellectual Property Rights

Connection with any **claim** made for any actual or alleged plagiarism, misappropriation, infringement or violation of copyright, patent, trademark, trade secret or any other intellectual property rights.

6.3.9 Insolvency of the insured

any **claim**, liability, **loss** or **defence costs** arising out of or relating directly or indirectly to **your** insolvency.

6.3.10 North American entities

arising out of, based upon or attributable to any **claim** which is brought in a court of law in any **North American** state or province by or on behalf of any:

- a) **insured**; or
- b) outside company in which such **insured person** serves or served as an outside company director.

but this exclusion shall not apply to:

- c) any **claim** against any **insured person**:
 - i) for any **employment practice** violation brought by any **insured person**;
 - ii) pursued by an **insured person** for contribution or indemnity, if the **claim** directly results from another **claim** otherwise covered by this **policy**;
 - iii) pursued by any past **director or officer** or **employee** of any company or **outside company**; or
 - iv) pursued by an insolvency administrator, receiver or trustee or liquidator of any **company** or **outside company** either directly or derivatively on behalf of a **company** or **outside company**; or
- d) **defence costs** of any **insured person**.

6.3.11 Pollution

arising out of, based upon or attributable to the actual, alleged or threatened discharge, dispersal, release or escape of, or records concerning, **pollutants**; or any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralise **pollutants**.

6.3.12 Pre-investigations and investigations

of fees, costs or expenses in relation to **investigations** or **pre-investigations**.

6.3.13 Prior claims and circumstances

arising out of, based upon or attributable to:

- a) facts alleged or the same or related acts, errors or omissions alleged or contained in any **claim** which has been reported or in any **circumstances** of which notice has been given under any policy of which this **policy** is a renewal or replacement or which it may succeed in time; or

- b) any pending or prior civil, criminal, administrative or regulatory proceeding, **investigation**, arbitration or adjudication as of the **retroactive date**, or alleging or deriving from the same or essentially the same facts as alleged in such actions.

6.3.14 Proceedings seeking fines or penalties

in connection with any **claim** seeking fines or penalties or non-monetary relief against any **insured entity**; provided that this exclusion shall not apply to:

- a) securities **claims**;
- b) civil fines as provided by the 'Civil fines and penalties' clause.

6.3.15 Professional services

in connection with any **claim** made for rendering or failure to render any **business services** and **multimedia activities** to a customer or **client** of the **insured**;

7 Section - Pension trustees liability

7.1 Trustees liability cover

We agree, subject to the terms, conditions, limitations and exclusions of this **policy**, to pay on behalf of each **trustee** or **administrator**:

- 7.1.1 compensatory damages and costs awarded against such **trustee** or **administrator** by a court or tribunal empowered to do so; or
- 7.1.2 exemplary or aggravated damages for libel and slander awarded against such **trustee** or **administrator** by a court or tribunal empowered to do so; or
- 7.1.3 multiple, exemplary or punitive damages (provided these are in addition to compensatory damages and not a form of tax, fine or similar penalty) awarded by a court or tribunal outside of **North America**, if indemnity for this is lawful under the laws of the territory of that court or tribunal; or
- 7.1.4 settlements compromising any actual or anticipated legal proceedings made with **our** prior written consent (such consent not to be unreasonably withheld);
- 7.1.5 **defence costs** incurred with **our** prior written consent (such consent not to be unreasonably withheld);
arising from any **claim** for a **wrongful act** which is first made against a **trustee** or **administrator** during the **period of insurance** and notified to **us** in accordance with the terms of this **policy**;

7.2 Theft cover

We agree, subject to the terms, conditions, limitations and exclusions of this **policy**, to indemnify the **trust scheme** for any loss sustained in consequence of any **theft** provided always that:

- 7.2.1 such loss is first **discovered** by **you** during the **period of insurance** and is notified in writing to **us** within twenty-eight (28) days after the date of such **discovery**;
- 7.2.2 **we** shall not be liable for any loss sustained in consequence of any act or omission occurring after the date of the **discovery** of, or of reasonable cause for suspicion of, dishonest or fraudulent conduct on the part of any **insured**;
- 7.2.3 **we** shall not be liable for any loss sustained as a result of any **theft** committed or condoned by any **trustee** or **administrator**;
- 7.2.4 **you** shall bear the burden of providing satisfactory proof to substantiate any loss hereunder (including any costs incurred in such process) and **we** will be under no obligation to provide indemnity to **you** until such time as **we** are satisfied that such loss has, in fact, been sustained;
- 7.2.5 any money which, but for the dishonest or fraudulent act or omission of the **trustee** or **administrator** concerned, would have been payable by **you** and any money of the **trustee** or **administrator** concerned shall be deducted by **you**, to the extent it is legally entitled to do so, from the amount payable under this clause in diminution or extinction of any loss.

7.3 Limit of indemnity

Our liability under this **section** in respect of any one **claim** or in the aggregate during any one **period of insurance** shall not exceed the amount stated as the limit of indemnity in the **schedule** inclusive of **defence costs**.

7.4 Extended reporting period

- 7.4.1 If **we** or **you** refuse to renew this **policy**, **you** shall have the right to effect an extension of the insurance so that for the purpose of this **policy** a **claim** shall be deemed to be made in the **period of insurance** if it is first made during the extended reporting period.

- 7.4.2 There shall be no cover under the extended reporting period for **wrongful acts** committed (or alleged to have been committed) after the expiry of the **period of insurance**.
- 7.4.3 **Your** right under this Extended reporting period clause is only exercisable if **you** give written notice and pay the additional premium requested within ten (10) days immediately following expiry of the **period of insurance**.
- 7.4.4 **Your** right under this clause is not exercisable after or alternatively as the case may be the extended reporting period shall lapse upon effecting pension trustees' liability insurance or similar insurance with any other insurer or underwriter or similar entity.

7.5 Trustee liability exclusions and limitations

This **section** excludes and does not cover any **claim** or loss:

7.5.1 Bodily injury/ property / damage

for any actual or alleged bodily or psychological injury, sickness, disease (except emotional distress or mental anguish) or death of any person or any actual or alleged **damage** to or destruction of any tangible property, including loss of use thereof.

7.5.2 Employer contributions

directly or indirectly arising out of, or in any way involving **your** failure to make adequate contributions to the **trust scheme** unless such loss arises from a **claim** arising out of the unintentional negligent error or omission of any **trustee** or **administrator** and in any event this **policy** will not cover the shortfall in contributions unless **you** are no longer able to make up such shortfall by reason of bankruptcy, insolvency or the like.

7.5.3 Fines and penalties

for taxes, fines, penalties, exemplary, aggravated, punitive or multiple damages, or any **claim** deemed uninsurable by law, provided that this exclusion shall not apply to any of the following to the extent that they are insurable at law:

- a) any monetary award or civil fine or penalty awarded against any **insured** under the Pensions Act 1995, either by the Pensions Ombudsman appointed by the Secretary of State for Social Services and/or by the Occupational Pensions Regulatory Authority or any successor body thereof unless the **trustees** have failed to pay any consideration to **us** in respect of such coverage; or
- b) exemplary or aggravated damages for libel or slander as covered under item 2) of the 'Trustees liability cover' clause; or
- c) any multiple, exemplary or punitive damages as covered under item 3) of the 'Trustees liability cover' clause.

7.5.4 Fraud

directly or indirectly arising out of, or in any way involving any actual dishonest, fraudulent or malicious act of that **insured** except that this exclusion only applies if it is established through a final adjudication or admission that the relevant conduct did in fact occur.

7.5.5 Non-covered acts

directly or indirectly arising out of **wrongful acts** committed (or alleged to have been committed):

- a) after the date of commencement of the winding up of, or the appointment of a receiver, administrative receiver, liquidator, or administrator to the **company** or the **trust scheme**.
- b) after the date of a **take-over or merger**: or
- c) prior to the date of acquisition by the **company** of a **subsidiary company**; but only as regards acts committed in the capacity as a **trustee** or **administrator** of such **company**, **subsidiary company**, or **trust scheme** and unless otherwise agreed by us.

7.5.6 North America

for loss, liability, expenses, costs or **defence costs**, in respect of any proceedings (including arbitration or regulatory proceedings), judgment, award, payment, **defence costs** or settlement delivered, made or incurred within countries which operate under the laws of

North America (or to any order made anywhere in the world to enforce such judgment, award, payment, **defence costs** or settlement either in whole or in part).

7.5.7 Personal profit

directly or indirectly arising out of any **insured** gaining any actual profit or advantage or receiving any remuneration to which they are not legally entitled except that this exclusion only applies if it is established through a final adjudication or admission that the relevant conduct did in fact occur.

7.5.8 Pollution

directly or indirectly arising out of, or in any way involving any **pollution**.

7.5.9 Prior / pending litigation

directly or indirectly arising out of the **circumstances** underlying any **claim** or any legal, administrative or regulatory proceedings against any **insured** first made or commenced prior to the **retroactive date**.

8 Section - Cyber liability

8.1 Cyber liability cover

We will indemnify **you** against compensatory damages or awards (including where applicable claimants' legal **costs** and expenses) for any **claim** first made against **you** during the **period of insurance** and reported to **us** as required by the Claim procedure herein, arising from:

- 8.1.1 the content of **your** email, intranet, extranet or website (including its domain name, metatags and hyperlinks and the marketing and advertising of **your business** on the website), including alterations or additions made by a **hacker**, and due to:
 - a) **your** infringements of any intellectual property rights, including any copyright, trademark, passing off or link to or framing of another page;
 - b) any defamatory statement on **your** website or in **your** email, including any defamatory statement concerning a **client** or **your** business competitor;
 - c) **your** breach of confidence or infringement of any right to privacy;
- 8.1.2 **your** negligent transmission of a **virus or similar mechanism**, worm, logic bomb or Trojan horse to anyone in the course of **your business services** or to anyone who uses **your** website in the course of their business;
- 8.1.3 **your** unintentional unauthorised collection, misuse or failure to correctly protect any **data** concerning any customer or potential customer of **yours** which is either confidential or subject to statutory restrictions on its use and which **you** hold electronically;
- 8.1.4 a third party's good faith reliance on a **hackers** fraudulent use of **your** encrypted electronic signature, encrypted electronic certificate, email or website where there was a clear intention to cause **you** loss or obtain a personal gain for the **hacker**.

8.2 Limit of indemnity

Our liability under this **section** in respect of any one **claim** or in the aggregate during any one **period of insurance** shall not exceed the amount stated as the **limit of indemnity** in the **schedule** inclusive of **defence costs**.

8.3 Cyber liability extensions

8.3.1 Damage by hacker

Further **we** agree that if during the **period of insurance**, a **hacker** damages, destroys or alters **your** website or **computer system**, **we** will repair or replace the affected part of the website or **computer system** to the same equivalent standard and with the same content or as near as reasonably possible as immediately before it was damaged, destroyed or altered. Where **we** give prior written consent (such consent not to be unreasonably withheld), such repairs or replacements may be made directly by **you** and **we** will reimburse **you** accordingly.

8.3.2 Advertising expenses

If a **claim** arises from the cover under this cyber liability clause **we** will also pay any advertising or publicity expenses reasonable and necessarily incurred, and with **our** prior written consent (such consent not to be unreasonably withheld), in contacting any people who attempted to use the website while it was damaged, destroyed or altered.

8.3.3 Regulator Defence and Penalties

We shall pay on **your** behalf those amounts which **you** are legally obliged to pay, including any legal and **investigation** costs, as a result of a civil regulatory compensatory award, civil penalty, or fines to the extent insurable by law, imposed by a government or public authority regulator against **you** as a result of a **claim** under this **section** provided that **our** maximum limit of liability will not exceed the sub-limit of indemnity of £25,000 in the aggregate inclusive of **defence costs** for the **period of insurance**.

8.3.4 Cyber extortion

If during the **period of insurance**, and in the course of the **business**, **you** receive a **cyber extortion threat**, **we** will pay **you** for the reasonable and necessary expenses incurred by **you** including the value of any **ransom** paid by **you** for the purpose of terminating the **cyber extortion threat**, provided that:

- a) **you** can demonstrate to **us** that the **ransom** was paid under duress; and
- b) **you** can demonstrate to **us** that before agreeing to the payment of the **ransom** **you** have taken all reasonable efforts to determine that the **cyber extortion threat** is genuine and not a hoax and to ensure that at least one of **your** directors has agreed to the payment of the **ransom**; and
- c) **we** have provided consent to the payment of the **ransom**; and
- d) **our** maximum limit of liability will not exceed the sub-limit of indemnity of £25,000 in the aggregate inclusive of **defence costs** for the **period of insurance**.

8.3.5 Public relations and crisis management services

Following a **claim** under this **section**, **we** will pay all reasonable costs which **you** incur with **our** prior written consent (such consent not to be unreasonably withheld) for a public relations and/or crisis management consultant to avert or mitigate any material damage to any of **your** brands and business operations; provided that:

- a) **Our** maximum liability will not exceed the sub-limit of indemnity of £25,000 which amount is the maximum payable any one **claim** and in the aggregate during the **period of insurance**;

The public relations and/or crisis management consultants shall be chosen by **us** who shall take into account the nature of the **claim** or loss and the cost and quality of the services that they can deliver, unless **you** have a reasonable cause to request a different public relations consultancy and **we** agree to **your** request.

8.4 Cyber liability exclusions

This **section** excludes and does not cover:

8.4.1 Betterment

any costs in repairing, replacing or restoring **information and communication assets** to a level beyond that which existed prior to any **claim** or loss.

8.4.2 Bodily injury or property damage

any **claim**, liability, loss or **defence costs** directly or indirectly arising out of, or in any way involving:

- a) **bodily injury** unless arising directly from any **claim** seeking compensatory damages for mental anguish or distress where such damages arise from **claims** covered under Cyber liability cover; or
- b) **property damage** unless specifically covered under the 'damage by hacker' clause above.

8.4.3 Consequential loss

any **claim**, loss, liability, expenses, costs or **defence costs** directly or indirectly arising from:

- a) **your** lost income, profit, mark-up or liability for VAT or its equivalent;
- b) **your** trading loss or trading liability including those arising from the loss of any **client**, account or **business**.

8.4.4 Credit, debit, charge or store card

any **claim**, loss, liability, expenses, costs or **defence costs** directly or indirectly arising from unauthorised use of any credit, debit, charge, store card or other electronic transmission of **funds** by **you** or any third-party.

8.4.5 Deliberate or reckless acts

any **claim**, loss, liability, expenses, costs or **defence costs** directly or indirectly arising from any act, breach, omission or infringement **you** deliberately, dishonestly or recklessly commit, condone or ignore.

8.4.6 Excess

the **excess** as specified in the **schedule**.

8.4.7 Utility service provider

any **claim**, loss, liability, expenses, costs or **defence costs** directly or indirectly arising from or in any way involving the failure of the service provided by an internet services provider or any telecommunications or other utility provider.

8.4.8 Patent

any **claim**, loss, liability, expenses, costs or **defence costs** directly or indirectly arising from the infringement of any patent.

8.4.9 Personal use

any **claim**, loss, liability, expenses, costs or **defence costs** directly arising from the use of IT systems in a personal capacity by **your** partners, directors or **employees**. Use in a personal capacity is deemed to mean any use not relating to or necessary to **your business**.

8.4.10 Prior / pending litigation

directly or indirectly arising out of the **circumstances** underlying any **claim** or any legal, administrative or regulatory proceedings against any **insured** first made or commenced prior to the **retroactive date**.

8.4.11 Punitive / Exemplary damages

any **claim**, loss, liability, expenses, costs or **defence costs** directly or indirectly arising from punitive / exemplary damages except where covered under clause 'Regulator, Defence and Penalties'.

8.5 Cyber liability conditions precedent

8.5.1 Minimisation of Risk

It is agreed as a condition precedent to **our** liability under this **section** that **you** shall take all reasonable steps at **your** own expense to prevent an insured event arising or continuing and to minimise any **claims** which arise or may arise from an insured event, including but not limited to ensuring the use of:

- a) a suitable up to date virus protection software and fire wall operating on all IT system(s) which **you** are running.
- b) encrypted and controlled access of all IT systems, wireless networks and external devices including plug-in devices networked to **your** IT system(s).

8.5.2 Duty of disclosure

It is agreed as a condition precedent to **our** liability under this Cyber liability extension that, notwithstanding any other term in this **policy** relating to disclosure, **you** have made a full and complete disclosure in providing information to **us** in relation to the insurance granted by this **section** and in event of breach of this duty of disclosure, **we** may reject or reduce any claim causally connected to non-disclosure.

9 Section - Contents

9.1 Property insured

Item 1 Office contents

Contents within the **premises** all belonging to **you** or for which **you** are responsible including:

- 9.1.1 landlords fixtures and fittings tenants improvements and interior decorations insofar as they are not otherwise insured;
- 9.1.2 plans, deeds, briefs, manuscripts, books, **documents** and office records limit any one item £1,000;
- 9.1.3 computer discs and tapes limit any one item £1,000;
- 9.1.4 personal effects limit any one person £1,000;
- 9.1.5 wines, spirits, cigarettes and tobacco held for entertainment purposes up to a limit of £1,000 any one incident;
- 9.1.6 works of art, rare books, sculptures, curios and collections for an amount not exceeding £1,000 any one incident, but excluding vehicles licensed for road use (and their accessories) and excluding property described by Items 2, 3, 4 and 5 of this **section**.

Item 2 Computers and ancillary equipment

Computers and ancillary equipment used for electronic processing communication and storage of **data** including:

- 9.1.7 fixed discs interconnecting wiring and telecommunications systems;
- 9.1.8 temperature and environmental control equipment power supply voltage regulating and other protective equipment used exclusively in connection with the **computer equipment**.
- 9.1.9 all current and back up computer records (excluding fixed discs and paper records of any description) incorporating stored programs and/or information stored being **your** property or leased hired or rented to **you** on the **premises**

Item 3 Stock and trade samples

Stock and trade samples within the **premises** all belonging to **you** or for which **you** are responsible and subject to **our** limit of liability under item 3 not exceeding 25% of the declared contents **sum insured** or £10,000 whichever is the lesser.

Item 4 Refrigerated drugs and medicines

Refrigerated drugs and medicines within the **premises** all belonging to **you** or for which **you** are responsible.

Item 5 Refrigerated contents excluding drugs and medicines

Refrigerated contents other than that described by Item 4 above within the **premises** all belonging to **you** or for which **you** are responsible pertaining to the **business** and contained within the buildings at the **premises** excluding any property otherwise insured money, merchandise, gold and silver articles, plate jewellery and furs.

9.2 Coverage - Insured perils

We will indemnify **you** against **damage** to the **property insured** specified in the **schedule** caused by the under noted perils:

- 9.2.1 Fire (including subterranean fire) explosion lightning or earthquake;
- 9.2.2 Storm or flood excluding:
 - a) **damage** caused by frost, subsidence, ground heave or landslip;
 - b) **damage** attributable solely to change in water table level;
 - c) **damage** to moveable property in the open;

- d) the amount of the excess stated in the **schedule** in respect of each and every loss as ascertained after the application of any condition of average.
- 9.2.3 Escape of water from any tank apparatus or pipe excluding:
- a) **damage** to the contents of any building which is unoccupied or not in use;
 - b) the amount of the excess stated in the **schedule** in respect of each and every loss as ascertained after the application of any condition of average.
- 9.2.4 Riot, civil commotion, strikers, locked-out workers or persons taking part in labour disturbances or malicious persons excluding:
- a) **damage** arising from cessation of work;
 - b) as regards **damage** (other than fire or explosion) directly caused by malicious persons not acting on behalf of or in connection with any political organisation:
 - i) **damage** by theft;
 - ii) **damage** in respect of the contents of any building which is unoccupied or not in use;
 - iii) the amount of the excess stated in the **schedule** in respect of each and every loss as ascertained after the application of any condition of average.
- 9.2.5 Impact with the building by aircraft or other aerial devices or articles dropped from them or by any vehicle, train, animal, falling branch, aerial or mast or satellite dish.
- 9.2.6 Theft or any attempt thereat (including **damage** to the building for which **you** are responsible) involving entry to or exit from the building by forcible and violent means excluding:
- a) **damage** to the contents of any building which is unoccupied or not in use;
 - b) the amount of the excess stated in the **schedule** in respect of each and every loss as ascertained after the application of any condition of average.
- 9.2.7 Theft by violence or threat of violence to the **insured, your** family or **employees** excluding the amount of the excess stated in the **schedule** in respect of each and every loss as ascertained after the application of any condition of average.
- 9.2.8 Leakage of oil from any fixed heating installation.
- 9.2.9 Any other accidental **damage** occurring in the building excluding:
- a) the amount of the excess stated in the **schedule** in respect of each and every loss as ascertained after the application of any condition of average;
 - b) **damage** caused by or resulting from:
 - i) wear tear the action of light or atmosphere, moths, vermin, insects;
 - ii) any process of cleaning, dyeing, restoring, adjusting or repairing;
 - iii) corrosion, dampness, dryness, wet or dry rot marring, scratching, bruising or deterioration;
 - c) **damage** to any machine or apparatus arising from mechanical electrical or electronic breakdown or derangement or from adjustment maintenance or repair;
 - d) **damage** specifically excluded in **insured perils** items 1 – item 8 and item 10;
 - e) **damage** specifically excluded in the General Exceptions;
 - f) normal maintenance or repair;
 - g) erasure or distortion of information on **computer systems** or other records;
 - h) **damage** to any computer or other equipment or component or system or item which processes stores transmits or retrieves **data** or any part thereof whether tangible or intangible (including but without limitation any information or programs or software) and whether **your** property or not or where such **damage** is caused by programming or operator error, **virus or similar mechanism** or **hacking**;
 - i) any disappearance or shortage revealed only at the time of stock taking or the making of any inventory or due to error or omission;
 - j) **damage** by confiscation or detention by Customs or other officials or authorities;

- k) **damage** following dishonesty or fraudulent action by **your employees** or any person lawfully in the building;
- l) **damage** caused by or resulting from theft or any attempt thereat;
- m) **damage** caused by or resulting from subsidence, ground heave or landslip.

9.2.10 Subsidence or ground heave of any part of the site on which the **premises** stands or landslip excluding:

- a) the amount of the excess stated in the **schedule** in respect of each and every loss as ascertained after the application of any condition of average;
- b) **damage** to yards, car parks, roads, pavements, walls, gates and fences unless also affecting a building insured hereby;
- c) **damage** caused by or consisting of:
 - i) the normal settlement of bedding down of new structures;
 - ii) the settlement or movement of made-up ground;
 - iii) coastal or river erosion;
 - iv) defective design or workmanship or the use of defective materials;
 - v) fire, subterranean fire, explosion, earthquake or the escape of water from any tank, apparatus or pipe;
- d) **damage** which originated prior to the inception of this cover;
- e) **damage** resulting from:
 - i) demolition construction structural alteration or repair of any property or;
 - ii) groundworks or excavation at the **premises**.

Insofar as this insurance relates to **damage** caused by subsidence ground heave or landslip:

- f) **you** shall notify **us** immediately when **you** become aware of any demolition groundworks excavation or construction being carried out on any adjoining site;
- g) **we** shall then have the right to vary the terms or cancel the cover by this clause.

9.3 Contents – Cover extensions

9.3.1 Deterioration of stock

In the event of refrigerated contents while contained within refrigerating units suffering deterioration or putrefaction due to or arising from change of temperature or contamination caused by accidental leakage of refrigerant or refrigerant fumes from the unit then **we** will pay to **you** the value of the refrigerated contents at the time of its deterioration, putrefaction or contamination provided that:

- a) the refrigerated contents are **your** property or held in trust for which **you** are responsible;
- b) the deterioration, putrefaction or contamination occurs during the **period of insurance**;
- c) in respect of each occurrence of deterioration, putrefaction or contamination **our** liability under this clause will not exceed £1,000 any one occurrence.

9.3.2 Exhibitions

We will indemnify **you** for **damage** (caused by any of the insured perils items 1 – item 9) to contents up to an amount of £5,000 whilst at any exhibition within the **territorial limit**.

9.3.3 Glass breakage

We will indemnify **you** for the costs of making good the breakage or scratching of fixed glass at the **premises** and **your** private dwelling portion of the **premises** subject to our and in addition the cost of:

- a) temporary boarding-up following **glass** breakage; and
- b) repair of **damage** to window frames as a result of such breakage or the cost of removal or replacement of fixtures and fittings in the course of replacement of **glass** up to a maximum amount of £2,500 for any one occurrence; and
- c) lettering or other ornamental work and alarm foil on **glass** up to a maximum amount of £2,500 for any one occurrence.

providing that our over liability under this Glass breakage clause does not exceed £10,000 in the aggregate during any one **period of insurance**.

9.3.4 Goods in transit

We will indemnify **you** for **damage** to merchandise and goods and tools incidental to **your business** or **your** property or held in trust and for which **you** are responsible while being carried by any vehicle(s) owned hired or leased by **you** anywhere in the **United Kingdom**. The cover applies from the time the merchandise and goods are lifted by **your employees** until they are placed in position by them at their destination (excluding their installation) including loading and unloading provided that:

- a) **our** liability in respect of any one vehicle trailer or semi-trailer or any one loss or series of losses arising out of one event shall not exceed £5,000;
- b) the insurance by this clause excludes and does not cover:
 - i) the deterioration of goods conveyed in frozen, chilled or insulated condition due to faulty stowage or incorrect setting or operation of the equipment or variations in temperature unless directly due to fire or **accident** to the conveying vehicle or to theft or attempted theft;
 - ii) **damage** due to natural deterioration;
 - iii) any consequential or indirect **damage** due to delay;
 - iv) **damage** to bills of exchange, promissory notes, **money** securities for **money** stamps, precious stones, jewellery, bullion or loss or death of or injury to living creatures.
- c) it is a condition precedent to **our** liability under this Goods in transit clause that:
 - i) as regards overnight garaging and in event of **damage** caused by or arising from theft and the vehicle, trailer or semi-trailer is left unattended between the hours of 21.00 and 06.00 such vehicle, trailer or semi-trailer must be securely locked at all points of access and garaged in enclosed premises which are securely locked or have a watchman in constant attendance; and
 - ii) as regards other times of each day and in event of **damage** caused by or arising from theft or pilferage or any attempt thereat involving any vehicle, trailer or semi-trailer which is left unattended or which is laid up temporarily stored in any garage or similar premises unless such vehicle or trailer or semi-trailer has all points of access securely locked.

9.3.5 Landscaped gardens

The cost of restoring any **damage** done to landscaped gardens for which **you** are responsible by the emergency services in attending the **premises** as a result of any of the **insured perils** items 1 – item 9 under the 'Coverage – Insured perils' up to a maximum of £10,000 in any one **period of insurance**.

9.3.6 Lock replacement

In the event of the keys of the **premises** being stolen from the **premises** or from the private residence of any director partner or **employee** authorised to hold such keys **we** will pay to **you** an amount not exceeding £2,500 in any one **period of insurance** for the replacement of equivalent locks at the **premises**.

Unless **you** or an **employee** lives on the **premises**, keys to any safe or strongroom must not be left at the **premises** when closed for business.

9.3.7 Loss of metered water

The unit cost of metered water at the current rate per cubic metre consumed as a direct result of **damage** (caused by any of the insured perils items 1 – item 9 under the 'Coverage – Insured perils') up to an amount of £10,000 in respect of any one claim.

9.3.8 Money

We will indemnify **you** for loss of **negotiable money** (not otherwise excluded) held in connection with the **business**:

- a) whilst in transit within the **United Kingdom** or in a bank night safe up to a maximum amount of £2,500 for any one loss;

- b) whilst at the private residence of any principal or **your** authorised **employee** up to a maximum amount of £500 for any one loss;
- c) from the **premises** during **business** hours up to a maximum amount of £2,500 for any one loss;

except that when the **premises** are closed to **business**:

- d) liability for **money** not contained within a locked safe is limited to £500;
- e) liability for **money** within a locked safe is limited to £2,500.

It is further agreed as a condition precedent to our liability under this clause that

- f) keys and/or combination codes to safes are not left on the **premises** unless the **premises** are still attended by **you** or **your** authorised **employee** in which case such keys and/or combination codes shall be deposited in a secure place not in the vicinity of any safe.

You will be indemnified against loss from any cause of **non-negotiable money** held in connection with the **business** up to a maximum amount of £500,000 for any one loss.

The insurance by this clause excludes and does not cover loss:

- i) arising from fraud or dishonesty of **your employees** unless such loss be **discovered** within fourteen (14) clear working days of the occurrence;
- ii) due to clerical or accounting errors;
- iii) from unattended motor vehicles.
- iv) of **money** the property of the Post Office.

9.3.9 Personal Accident (Assault)

This cover extension does not apply or operate unless **your schedule** states that this clause is 'included'.

- a) If **you** or any of **your employees** between the ages of sixteen (16) and seventy (70) years shall suffer **bodily injury** caused solely or directly as a result of **robbery** or any attempt thereat in the course of the **business**, **we** will pay compensation on the basis of the following table:

i) Death	£20,000
ii) Total loss or permanent and total loss of use of one or more limbs occurring within two (2) years of sustaining the bodily injury	£20,000
iii) Total and irrecoverable loss of all sight in one or more eyes occurring within two (2) years of sustaining the bodily injury	£20,000
iv) For any period up to a maximum of two (2) years of total disablement from engaging in usual occupation	£100 per week
- b) Provided that:
 - i) compensation will not be payable under more than one of the items in the compensation table for the same **bodily injury**; and
 - ii) no liability will attach to **us** for **bodily injury** arising from or influenced by any existing physical defect or infirmity or the medical condition of any person entitled to compensation hereunder or resulting from pregnancy or childbirth.
 - iii) this extension shall not apply where the **business** includes a sub post office.
- c) The insurance by this clause is extended to pay for **damage** to cash carrying devices or clothing and personal effects belonging to **you** or any of **your employees** up to a limit of £1,000 in respect of any one person.

9.3.10 Rent

We will indemnify **you** as tenant in respect of his legal liability to pay rent for the period not exceeding two (2) years during which the **premises** is untenable as a result of any of the insured perils up to a maximum of twenty five (25%) percent of the **sum insured** by this section.

9.3.11 Signs

You will be indemnified against **damage** to signs up to a maximum amount of £2,000 in any one **period of insurance**.

9.3.12 Temporary removal of documents and contents

The insurance by item 1 of the **property insured** extends to cover **damage** caused by any of the insured perils items 1 – item 9 under the 'Coverage – Insured perils' whilst temporarily removed from the **premises** but remaining within the **United Kingdom** up to a maximum of ten (10%) percent of the **sum insured** by Item 1.

9.4 All Risks – specified business equipment

9.4.1 All risks cover

The insurance by this **section** is extended to indemnify **you** against **damage** to **property insured** as described by:

- a) Item 1 Office contents
 - b) Item 2 Computers and ancillary equipment
- from any **accident** or misfortune occurring anywhere within the **territorial limits** provided that:
- c) **our** liability does not exceed the maximum single article limit of £25,000 and
 - d) the insurance by this clause excludes and does not cover the events listed under the 'All risks exclusions and limitations'.

9.4.2 All risks exclusions and limitations'

The insurance by this clause 9.4 excludes and does not cover:

- a) the first £250 of each claim;
- b) **damage** by theft or any attempt thereat not involving entry to or exit from the **premises** by forcible and violent means;
- c) **damage** arising from wear and tear or from any process of cleaning, dyeing, restoring, adjusting or repairing;
- d) **damage** arising from or attributable to the action of light or atmosphere, moth, parasites, vermin, corrosion, dampness, marring, scratching, bruising or deterioration;
- e) **damage** (other than by fire) to any machine or apparatus arising from mechanical or electrical breakdown or derangement or arising from adjustment maintenance or repair;
- f) erasure or distortion of information on **computer systems** or their records;
- g) **damage** to any computer or other equipment or component or system or item which processes, stores, transmits or retrieves **data** or any part thereof whether tangible or intangible (including but without limitation any information or programs or software) and whether the property is **yours** or not or where such **damage** is caused by programming or operators error, **virus or similar mechanism or hacking**;
- h) loss by official confiscation or detention;
- i) **damage** to **money, documents**, securities, motor vehicles, caravans, boats, cycles,
- j) household goods, sports equipment, contact or corneal lenses;
- k) **damage** by theft from an unattended motor vehicle unless such vehicle has been securely locked at all points of access.

9.5 Contents other terms and conditions

9.5.1 Basis of claim settlement

- a) Claims for the total loss or destruction of contents (except stock, goods in trust, **employees'** effects and pedal cycles) will be settled on the basis of replacement of property similar to but no better or more extensive than the contents when new;
- b) Claims for partial loss, destruction or **damage** to contents (except stock, goods in trust, **employees'** effects and pedal cycles) will be settled on the basis of restoration to a condition no better or more extensive than the condition of the contents when new;

- c) Claims for **computer systems** records documents manuscripts **business** books and **data** carrying materials will be settled on the basis of the value of the materials together with the cost of clerical labour and computer time expended in reproducing such records (excluding any expenses in connection with the production of information to be recorded therein) and not for the value to the **Insured** of the information contained in them.
- d) on **electronic data** the cost of the blank media, plus the costs of copying the **electronic data** from back-ups, but not including research or engineering, or the costs of recreating, gathering or assembling such **electronic data**.
We will not insure any amount pertaining to the value of such **electronic data** to **you** or any other party, even if such **electronic data** cannot be regenerated, gathered or assembled; and
- e) on **computer equipment**, the cost of repairing or replacing, however if the **computer equipment** is obsolete after **damage** and beyond economic repair, **we** agree to the replacement with **computer equipment** that fulfils the same function and has the same cost as that **damaged computer equipment** when new.
- f) Claims for stock and all other property will be settled on the basis of its value at the time of loss or destruction with adjustment for wear and tear
- g) All claims will be settled without deduction in respect of any increases in the declared value at risk between the cover date and the time of the **damage** provided that:
 - i) the declared value at the inception of this insurance is not less than the cost of reinstatement at inception
 - ii) **you** provided **us** annually at renewal a revised declared value
 - iii) **you** comply with General condition - Confirmation of values at risk, otherwise **our** liability for any loss is limited to the proportion of the loss that the declared value at inception bears to the cost of reinstatement at inception.

9.5.2 Condition of average

(Only applicable where claims are not paid under the terms of the Reinstatement clause) If at the time of any **damage** the value of the **property insured** under any item is greater than its **sum insured you** shall be considered as being **your own** insurer for the difference and shall bear a rateable share of the loss accordingly.

9.5.3 Index linking

We will adjust the **sum insured** in line with suitable indices of **costs** and the renewal premium for this **section** will be based on the adjusted **sum insured**.

9.5.4 Limit of liability

Subject to the provisions at Coverage clause - Automatic reinstatement of sum insured, the maximum amount payable during any **period of insurance** under any item is the **sum insured** shown in the **schedule** for the contents of the **premises** adjusted in accordance with the Index linking clause above.

9.5.5 Protections

It is a condition precedent to **our** liability that whenever the **premises** are closed for business or left unattended all security devices provided to protect the **premises** are properly fitted and put into full operation.

10 Section - Buildings

10.1 Property insured

Item 1 Buildings

The fixed permanent structure at the **premises** including outbuildings, landlords fixtures and fittings therein and thereon walls, gates and fences, yards, car parks and pavements piping, ducting, cables, wires and associated control gear and accessories on the **premises** and extending to the public mains but only to the extent of **your** responsibility.

Item 2 Tenants improvements

The tenants' improvements, alterations and decorations at the **premises**.

10.2 Coverage - Insured perils

We shall indemnify **you** against **damage** to the **property insured** caused by the under noted perils:

- 10.2.1 Fire (including subterranean fire), explosion, lightning or earthquake;
- 10.2.2 Storm or flood excluding:
 - a) **damage** caused by frost subsidence ground heave or landslide;
 - b) **damage** attributable solely to change in water table level;
 - c) **damage** to moveable property in the open;
 - d) the amount of the excess stated in the **schedule** in respect of each and every loss as ascertained after the application of any condition of average.
- 10.2.3 Escape of water from any tank, apparatus or pipe excluding:
 - a) **damage** to any building which is unoccupied or not in use;
 - b) the amount of the excess stated in the **schedule** in respect of each and every loss as ascertained after the application of any condition of average.
- 10.2.4 Riot, civil commotion, strikers, locked-out workers or persons taking part in labour disturbances or malicious persons excluding:
 - a) **damage** arising from cessation of work;
 - b) as regards **damage** (other than fire or explosion) directly caused by malicious persons not acting on behalf of or in connection with any political organisation:
 - i) **damage** by theft;
 - ii) **damage** to any building which is unoccupied or not in use;
 - iii) the amount of the excess stated in the **schedule** in respect of each and every loss as ascertained after the application of any condition of average.
- 10.2.5 Impact with the building by aircraft or other aerial devices or articles dropped from them or by any vehicle, train, animal, falling branch, aerial or mast or satellite dish.
- 10.2.6 Theft or any attempt thereat (including **damage** to the building for which **you** are responsible) involving entry to exit from the building by forcible and violent means excluding
 - a) **damage** to any building which is unoccupied or not in use;
 - b) the amount of the excess stated in the **schedule** in respect of each and every loss as ascertained after the application of any condition of average.
- 10.2.7 Theft by violence or threat of violence to **your** family or employees excluding the amount of the excess stated in the **schedule** in respect of each and every loss as ascertained after the application of any condition of average.
- 10.2.8 Leakage of oil from any fixed heating installation.
- 10.2.9 Any other accidental **damage** occurring in the building excluding:
 - a) the amount of the excess stated in the **schedule** in respect of each and every loss as ascertained after the application of any condition of average.

- b) **damage** caused by or resulting from:
 - i) wear, tear the action of light or atmosphere moths, vermin or insects;
 - ii) any process of cleaning, dyeing, restoring, adjusting or repairing;
 - iii) corrosion, dampness, dryness, wet or dry rot, marring, scratching, bruising or deterioration;
- c) **damage** to any machine or apparatus arising from mechanical electrical or electronic breakdown or derangement or from adjustment maintenance or repair;
- d) **damage** specifically excluded in insured perils items 1 – item 8 and item 10 under the clause 'Coverage – insured perils' clause above **damage** specifically excluded by the General exceptions clause;
- e) normal maintenance or repair;
- f) erasure or distortion of information on **computer systems** or other records;
- g) **damage** to any computer or other equipment or component or system or item which processes, stores, transmits or retrieves **data** or any part thereof whether tangible or intangible (including but without limitation any information or programs or software) and whether the property is **yours** or not or where such **damage** is caused by programming or operator error, **virus or similar mechanism or hacking**;
- h) any disappearance or shortage revealed only at the time of stock taking or the making of any inventory;
- i) **damage** by confiscation or detention by Customs or other officials or authorities;
- j) **damage** following dishonesty or fraudulent action by **your** employees or any person lawfully in the building;
- k) any shortage due to error or omission;
- l) **damage** by theft or any attempt thereat;
- m) **damage** by subsidence ground heave or landslide.

10.2.10 Subsidence or ground heave of any part of the site on which the **premises** stands or landslide excluding:

- a) the amount of the excess stated in the **schedule** in respect of each and every loss as ascertained after the application of any condition of average;
- b) **damage** to yards, car parks, roads, pavements, walls, gates and fences unless also affecting a building insured hereby;
- c) **damage** caused by or consisting of:
 - i) the normal settlement of bedding down of new structures;
 - ii) the settlement or movement of made-up ground;
 - iii) coastal or river erosion;
 - iv) defective design or workmanship or the use of defective materials;
 - v) fire, subterranean fire, explosion, earthquake or the escape of water from any tank apparatus or pipe;
- d) **damage** which originated prior to the inception of this cover.
- e) **damage** resulting from:
 - i) demolition construction structural alteration or repair of any property; or
 - ii) groundworks or excavation at the **premises**.

Insofar as this insurance relates to **damage** caused by subsidence, ground heave or landslide:

- f) **you** shall notify **us** immediately when **you** become aware of any demolition groundworks, excavation or construction being carried out on any adjoining site;
- g) **we** shall then have the right to vary the terms or cancel the cover.

10.3 Buildings - Other terms and conditions

10.3.1 Condition of average

(Only applicable where claims are not paid under the terms of the Reinstatement clause) If at the time of any **damage** the value of the **property insured** under any item is greater than its **sum insured you** shall be considered as being **your own** insurer for the difference and shall bear a rateable share of the loss accordingly.

10.3.2 Damage to cables and underground pipes

We will pay the cost of repairing accidental **damage** for which **you** are responsible to cables and underground pipes and drains (and their inspection covers) on the **premises** or connecting them to the public mains provided such **damage** is not caused by rust, corrosion or other wear and tear.

10.3.3 Index linking

We will adjust the **sum insured** in line with suitable indices of costs and the renewal premium for this **section** will be based on the adjusted **sum insured**.

10.3.4 Limit of liability

Subject to the provisions of the Coverage clause - Automatic reinstatement of sum insured, the maximum amount payable during any **period of insurance** under any item is the **sum insured** shown in the **schedule** for Buildings of the **premises** adjusted in accordance with the Index linking clause above.

10.3.5 Trace and access

We will pay the reasonable costs necessarily incurred by **you** in locating the source and subsequent making good **damage** resulting from:

- a) the escape of water from any tank apparatus or pipe;
 - b) accidental **damage** to cables, underground pipes and drains serving the **premises**.
- provided that **our** liability in respect of any one **premises** shall not exceed £25,000 in any one **period of insurance**.

11 Coverage clauses (applicable to section - Contents and section - Buildings)

11.1 European Community and Public Authorities (including undamaged property)

11.1.1 Subject to the Special conditions attaching to this clause, the insurance by Sections - Contents and Section - Buildings extends to include such additional cost of reinstatement as may be incurred solely by reason of the necessity to comply with the stipulations of:

- a) European Community legislation; or
- b) Building or other regulations under or framed in pursuance of any act of Parliament or bye-laws of any public authority (hereafter referred to as 'the stipulations') in respect of:
 - i) the **damaged** property thereby insured;
 - ii) **undamaged** portions thereof.

but excluding:

- a) the cost incurred in complying with the stipulations:
 - i) in respect of **damage** occurring prior to the granting of this clause;
 - ii) in respect of **damage** not insured by the **section**;
 - iii) under which notice has been served upon **you** prior to the happening of the **damage**;
 - iv) for which there is an existing requirement which has to be implemented within a given period;
 - v) in respect of property entirely **undamaged** by an insured peril.
- b) the additional cost that would have been required to make good the property **damaged** to a condition equal to its condition when new had the necessity to comply with any of the stipulations not arisen.
- c) the amount of any charge or assessment arising out of capital appreciation which may be payable in respect of the property or by the owner thereof by reason of compliance with the stipulations.

11.1.2 Special conditions

- a) The work of reinstatement must be commenced and carried out without unreasonable delay and in any case must be completed within twelve (12) months after the **damage** or within such further time as **we** may allow (during the said twelve (12) months and may be carried out upon another site (if the stipulations so necessitate) subject to **our** liability under this clause not being thereby increased;
- b) If **our** liability under the **section** apart from this clause shall be reduced by the application of any of the terms and conditions of the **policy** then **our** liability under the **section** shall be reduced in like proportion.
- c) The total amount recoverable under any item of the **section** in respect of this clause shall not exceed:
 - i) in respect of the **damaged** property:
 - I) fifteen (15%) percent of its **sum insured**;
 - II) where the **sum insured** by the item applied to property at more than one **premises**, fifteen (15%) percent of the total amount for which **we** would have been liable had the **property insured** at the **premises** where the **damage** has occurred been wholly destroyed;
 - ii) in respect of **undamaged** portions of property (other than foundations) fifteen (15%) percent of the total amount for which **we** would have been liable had the **property insured** by the items at the **premises** where the **damage** has occurred been wholly destroyed.
- d) The total amount recoverable under any item of the **policy** shall not exceed its **sum insured**.

- e) All the terms and conditions of the **policy** except insofar as they are varied hereby shall apply as if they had been incorporated herein.

11.2 Reinstatement

11.2.1 In the event of the **property insured** under Section - Contents (Items 1 and 2) and Section - Buildings being **damaged** the basis upon which the amount payable hereunder is to be calculated shall be the reinstatement of the property **damaged**.

11.2.2 For this purpose 'Reinstatement' means

- a) the rebuilding or replacement of property lost or destroyed which provided **our** liability is not increased may be carried out:
 - i) in any manner suitable to **your** requirements;
 - ii) upon another site.
- b) the repair or restoration of property **damaged** in either case to a condition equivalent to or substantially the same as but not better or more extensive than its condition when new.

11.2.3 Special conditions

- a) **Our** liability for the repair or restoration of property **damaged** in part only shall not exceed the amount which would have been payable had such property been wholly destroyed;
- b) If at the time of reinstatement the sum representing eighty five (85%) percent of the cost which would have been incurred in reinstating the whole of the property covered by any item subject to this clause exceeds its **sum insured** at the commencement of any **damage** **our** liability shall not exceed that proportion of the amount of the **damage** which the said **sum insured** shall bear to the sum representing the total cost of reinstating the whole of such property at that time;
- c) No payment beyond the amount which would have been payable in the absence of this clause shall be made:
 - i) unless reinstatement commences and proceeds without unreasonable delay;
 - ii) until the cost of reinstatement shall have been actually incurred;
 - iii) if the **property insured** at the time of its **damage** shall be insured by any other insurance effected by or on **your** behalf which is not upon the same basis of reinstatement.
- d) All the terms and conditions of the **policy** shall apply:
 - i) in respect of any claim payable under the provisions of this clause except insofar as they are varied hereby;
 - ii) where claims are payable as if this clause had not been incorporated.

11.3 Architects, surveyors, legal and consulting engineers fees

Such fees as are necessarily incurred in the reinstatement or repair of the **property insured** consequent upon its **damage** but not for preparing any claim it being understood that the amount payable under the item shall not exceed in total its **sum insured**.

11.4 Removal of debris

11.4.1 Costs and expenses necessarily incurred by **you** with our prior consent (such consent not to be unreasonably withheld), in:

- a) removing debris;
- b) dismantling and/or demolishing;
- c) shoring up or propping of the portion or portions of the **property insured** as a result of **damage** hereby insured against.

We shall not pay for any costs or expenses:

- d) incurred in removing debris except from the site of such property **damaged** and the area immediately adjacent to the site;

- e) arising from pollution or contamination of property not insured by Section - Contents and Section - Buildings.

11.4.2 **Our** liability under this clause and Sections - Contents and Section - Buildings in respect of any item shall in no case exceed the **sum insured** thereby.

11.5 Temporary removal

11.5.1 The **property insured** is covered whilst temporarily removed for cleaning, renovation, repair or similar purposes elsewhere and in transit thereto and therefrom all in the **United Kingdom**;

11.5.2 **Our** liability under this clause in respect of each Item of the **section** for any **damage** occurring elsewhere than at the **premises** shall not exceed ten (10%) percent of the **sum insured** by the Item;

11.5.3 This clause does not apply to property insofar as it is otherwise insured nor as regards losses occurring elsewhere than at the **premises** from which the property is temporarily removed to motor vehicles and motor chassis licensed for normal road use;

11.6 Capital additions

11.6.1 The insurance by Sections - Contents and Section - Buildings is extended to cover:

- a) any newly acquired and/or newly erected buildings or buildings in course of erection (excluding any property for which a building contractor is responsible) and contents insofar as the same are not otherwise insured; and
 - b) alterations additions and improvements to buildings and contents but not in respect of any appreciation in value;
- anywhere in the **United Kingdom** provided that:
- c) at any one situation this cover shall not exceed ten (10%) percent of the **sum insured** or £50,000 whichever is the greater;
 - d) **you** undertake to give particulars of such extension of cover as soon as practicable and to effect specific insurance thereon retrospective to the date of the commencement of **our** liability;
 - e) the provisions of this clause shall be fully maintained notwithstanding any specific insurance effected under clause d).

11.7 Automatic reinstatement of sum insured

In the event of a loss the **sum insured** hereby shall not be reduced by the amount of such loss provided that **you** shall:

11.7.1 pay the appropriate extra premium on the amount of loss from the date thereof to the date of expiry of the **period of insurance**;

11.7.2 if the loss results from theft give effect to any additional protective devices which we may require for the further security of the **property insured**.

11.8 Notice of unoccupancy

We must be notified in writing immediately the **premises** become unoccupied and a suitable extra premium paid if required.

11.9 Amount excluded aggregation clause

Where a claim is to be dealt with under Sections – Contents and Section - Buildings and under the terms of the **policy**, **you** are responsible for the **excess** under each **section**, then **we** agree that **you** will only be responsible for one **excess** being the higher of the sum stated in the **schedule** applicable to Section – Contents and Section – Buildings.

11.10 Seventy two hour

All claims arising out of and directly occasioned by a single event or a single original cause shall be considered to be a single loss for the purposes of this section. However, the duration and extent of any single occurrence shall be limited to:

- a) seventy two (72) consecutive hours as regards, earthquake, 3.2.2 and 5.2.2 (storm or flood);
- b) seventy-two (72) consecutive hours and within the limits of one (1) borough, city, town or village as regards riot, civil commotion, malicious damage and vandalism.

You may choose when any of the periods commence and if the event or common cause is of greater duration than the above periods, **you** may decide to divide that event or common cause into two (2) or more occurrences provided that no two (2) periods overlap.

Should any such seventy two (72) consecutive hour period extend beyond the expiry or cancellation date, **we** shall be liable as if such period had fallen entirely within the **period of insurance** of the **policy**.

12 Section - Business interruption

12.1 Business interruption coverage

12.1.1 In the event of loss as a result of interruption of or interference with the **business** following **damage** to property at the **premises** as a result of:

- a) an insured peril under clause 'Coverage – Insured perils' under the Section – Buildings and Section – Contents;
- b) **glass** breakage;

damage so caused being termed **damage** for which payment shall have been made or liability admitted by an insurer under any insurance covering **your** interest in the property at the **premises** against such **damage** provided that such **damage** would not have been excluded by Section – Contents or Section – Buildings of this **policy** then **we** shall indemnify **you** against either:

- c) loss of **gross revenue** in accordance with the following provisions:
 - i) by paying for the **indemnity period** the amount by which the **gross revenue** during the **indemnity period** falls short of the **gross revenue** during the equivalent period immediately before the **damage**;
 - ii) by paying any reasonable additional expenses incurred in maintaining the **gross revenue** during the **indemnity period** but not more than the loss avoided under c)i) less any amount saved during the **indemnity period** in respect of reduced expenses due to the **damage**;

or

- d) **increased cost of working** in accordance with the following provisions:
 - i) by paying any reasonable additional expenses incurred in maintaining the **gross revenue** during the **indemnity period** but not more than the loss avoided under c) i) less any amount saved during the **indemnity period** in respect of reduced expenses due to the **damage**;

as specified in the **schedule**.

It is understood and agreed that the insurance provided by items.1 c) and d) above are alternatives. **Your schedule** will state which cover is provided and the **sum insured you** have requested.

12.1.2 In adjusting the amount paid all variations or special circumstances affecting the **business** shall be taken into account in order that the amount paid shall represent as nearly as practicable the results which would have been expected if the **damage** had not occurred.

12.1.3 If the **damage** occurs in the first trading year the payment under shall be based on the **gross revenue** immediately prior to the loss.

12.1.4 The indemnity provided under this **section** shall be void if the **business** be wound up or carried on by a liquidator or receiver or permanently discontinued without **our** consent.

12.1.5 No claim shall be payable under this **section** unless **you**:

- a) take all action which may be reasonably practicable to minimise or check any interruption of or interference with the **business** to avoid or diminish the loss; and
- b) at **your** own expense deliver to **us** in writing a statement setting forth particulars of the claim no later than thirty (30) days after the expiry of the **indemnity period** or within such further time as **we** may in writing allow.

12.2 Business interruption - Cover extensions

12.2.1 Alternative trading clause

If during the **indemnity period** professional services shall be rendered elsewhere than at the **premises** for the benefit of the **business** either by **you** or by others on **your** behalf the money paid or payable in respect of such services shall be brought into account in arriving at the reduction of **gross revenue** during the **indemnity period**.

12.2.2 Automatic reinstatement of sum insured

In the event of a loss the **sum insured** hereby shall not be reduced by the amount of such loss provided that **you** shall:

- a) pay the appropriate extra premium on the amount of loss from the date thereof to the date of expiry of the **period of insurance**;
- b) if the loss results from theft give effect to any additional protective devices which **we** may require for the further security of the **property insured**.

12.2.3 Contract sites and transit

We shall indemnify **you** in respect of interruption of or interference with the **business** caused by **damage**, as defined in the Business interruption – coverage clause, to **documents** belonging to or held in trust by **you** whilst temporarily at **premises** not occupied by **you** or whilst in transit by road, rail or inland waterway anywhere within the **United Kingdom** provided that **our** liability under this clause shall not exceed ten (10%) percent of the **sum insured** by this **section** or £50,000 whichever is the greater.

12.2.4 Denial of access

We shall indemnify **you** in respect of interruption of or interference with the **business** caused by **damage**, as defined in the Business interruption – coverage clause, to property in the vicinity of the **premises** which shall prevent or hinder the use of the **premises** or access thereto whether the **premises** or **your** property therein shall be **damaged** or not (but excluding **damage** to property of any supply undertaking from which **you** obtain electricity, gas or water or telecommunications services which prevents or hinders the supply of such services).

12.2.5 Notifiable disease, murder or suicide, food or drink poisoning

We will indemnify **you** for loss caused by the interruption of or interference with the **business** resulting solely and directly from **your** inability to use the **premises** in consequence of any of the following events:

- a) an occurrence of a **notifiable disease**:
 - i) at the **premises**; or
 - ii) attributable to food or drink supplied from the **premises**;
- b) the discovery of any organism at the **premises** likely to result in the occurrence of a **notifiable disease**;
- c) the discovery of vermin or pests at the **premises**;
- d) an accident causing defects in the drains or other sanitary arrangements at the **premises**; and
- e) an occurrence of murder or suicide at the **premises**;

provided that:

- i) **we** will only be liable for loss arising at those **premises** which are directly subject to the event in (a) to (e) above;
- ii) **we** will only be liable for loss where the event causes closure of the **premises** on the order of a Local or Government Authority;
- iii) **we** will not be liable for any costs incurred in cleaning, repair, replacement, recall or checking of **property** except as stated above;
- iv) the indemnity provided by this clause shall only apply for the period beginning with the occurrence of the loss and ending not later than three (3) months thereafter; and
- v) **our** liability will not exceed the sub limit of £10,000 any one occurrence and £50,000 in the aggregate any **period of insurance**

This extension shall not cover loss resulting from forty-eight (48) hours of each and every such interruption or interference at the **premises**.

12.2.6 Professional accountants charges

We shall indemnify **you** in respect of reasonable charges payable by **you** to **your** professional accountants for producing any particulars or details contained in **your business**

books or such other proofs information or evidence as **we** may require under the terms of the Claims procedure herein and reporting that such particulars or details are in accordance with **your business** books or **documents**.

12.2.7 Suppliers

We shall indemnify **you** in respect of interruption of or interference with the **business** caused by **damage**, as defined in the Business interruption – coverage clause, at any **premises** of any of **your** suppliers within the **United Kingdom**, provided that **our** liability under this clause shall not exceed ten (10%) percent of the **sum insured** by this **section** or £50,000 whichever is the greater.

12.2.8 Supply utilities

We shall indemnify **you** in respect of interruption of or interference with the **business** caused by **damage**, as defined in the Business interruption – coverage clause, at giving rise to **damage** to property at any:

- a) generating station or sub-station of the public electricity supply undertaking;
- b) land based **premises** of the public gas supply undertaking or of any natural gas producer linked directly therewith;
- c) water works and pumping stations of the public water supply undertaking;
- d) land based **premises** of the public telecommunications undertaking;

from which **you** obtains electricity, gas, water or telecommunication services within the **United Kingdom** provided that **our** liability under this clause shall not exceed ten (10%) percent of the **sum insured** by this **section** or £50,000 whichever is the greater.

12.2.9 Unspecified customers

We shall indemnify **you** in respect of interruption of or interference with the **business** caused by **damage**, as defined in the Business interruption – coverage clause where property is stored at the premises of any of the **insured's** customers' but excluding:

- a) customers specified by a more specific clause by this **section**;
- b) the premises from which the **insured** obtains electricity, gas, water or telecommunication services;
- c) **premises** outside the **United Kingdom** or Eire;

provided that **our** liability under this clause shall not exceed ten (10%) percent of the **sum insured** by this **section** or £50,000 whichever is the greater.

12.2.10 Value Added Tax

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

12.3 Book debts

12.3.1 In the event of any of **your** books of account or other business books or records at the **premises** up to a **sum insured** of £5,000 being damaged by:

- a) an insured peril under Clause 'Coverage – Insured perils' under the Section – Buildings and Section – Contents;
- b) **glass** breakage;

so as to render it impossible for **you** to obtain from customers all the sums due to them and outstanding at the date of the **damage** and for which payment shall have been made or liability admitted by an insurer under any insurance covering **your** interest in the property **damaged** then;

12.3.2 **we** shall indemnify **you** in respect of loss of **book debts** by paying:

- a) the difference solely due to the **damage** between the amount of the **book debts** at the date of the **damage** and the total amount received in payment of them during the twelve (12) months after the **damage**;
- b) any reasonable expenditure incurred in avoiding or diminishing the loss of **book debts** but not more than the loss avoided

provided that **our** maximum amount payable under this clause shall not exceed £5,000 any one loss.

- 12.3.3 The indemnity provided under this clause shall be void if the **business** be wound up or carried on by a liquidator or receiver or permanently discontinued without **our** consent.
- 12.3.4 No claim shall be payable unless **you**:
- a) take all action which may be reasonably practicable to minimise or check any interruption or interference with the **business** or to avoid or diminish the loss;
 - b) at **your** own expense deliver to **us** in writing a statement setting forth particulars of **your** claim.

12.4 Business interruption - Exclusions

The insurance by this **section** excludes and does not insure:

- 12.4.1 **damage** arising from deliberate erasure loss distortion or corruption of information on **computer systems** or other records programs or software;
- 12.4.2 **damage** directly or indirectly caused by or arising from any programming or operator error **virus or similar mechanism** or **hacking** including where this results from the actions of malicious persons other than thieves;
- 12.4.3 mislaying or misfiling of records and tapes;
- 12.4.4 the deliberate act of the supply undertaking in restricting or withholding electricity supply;
- 12.4.5 subject to the provisions of the Automatic reinstatement of sum insured clause and Professional accountants charges clause, any amount in excess of the **sum insured** shown in the **schedule** that is the maximum amount **we** are liable to pay during any one **period of insurance**. For the avoidance of doubt professional accounts charges are payable in addition to the **sum insured**.
- 12.4.6 any payment beyond the **indemnity period** shown on the **schedule**.

13 Section - Terrorism

13.1 Terrorism Coverage

Where this **section** is shown in the **schedule** as “operative”, subject to the application of any applicable excess or deductible, **we** will indemnify **you** in accordance with the terms of this **section** for losses arising under the **eligible insured sections** as a result of **damage** to or destruction of **property** in the **territory**, the proximate cause of which is an **act of terrorism**, provided that the **act of terrorism**:

- 13.1.1 occurs in the **territory** during the **period of insurance**; and
- 13.1.2 is certified by HM Treasury or a competent tribunal from time to time as an **act of terrorism**; provided that in any action, suit or other proceedings where **we** allege that any damage or costs and expenses are not covered by this **policy**, the burden of proving the contrary will be upon **you**, save for clauses 13.2.1 (b)(iii) and 13.2.1(c) where the burden of proof will be on **us**.

13.2 Limitations and exclusions applicable to this section

The following are excluded from the insurance under this **section**:

13.2.1 Virus or similar mechanism, hacking, phishing or denial of service

- a) Any losses whatsoever directly or indirectly caused by, contributed to by, or arising from or occasioned by or resulting from:
 - i) damage to or the destruction of any **computer system**; or
 - ii) any alteration, modification, distortion, erasure, or corruption of **data**in each case whether the **property** of the **insured** or not, where such loss is directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from a **virus or similar mechanism or hacking or phishing or denial of service attack**.
- b) Covered losses otherwise falling within this exclusion will not be treated as excluded by this clause solely to the extent that such loss:
 - i) results directly from any of the **specified perils**;
 - ii) comprises any of the **specified losses**; and
 - iii) is not proximately caused by an **act of terrorism** in relation to which the relevant organisation or any persons acting on behalf of or in connection with that organisation are controlled by, acting on behalf of or part of any de jure or de facto government of any nation, country or state.
- c) Notwithstanding the exclusion of **data** from the definition of property in this
 - i) to the extent that damage to or destruction of **property** comprises any of the **specified losses**; and
 - ii) that damage or destruction indirectly results from any alteration, modification, distortion, erasure or corruption of **data**;

the fact that a **specified peril** results directly or indirectly from any alteration, modification, distortion, erasure or corruption of **data** shall not prevent cost or business interruption loss directly resulting from damage to or destruction of such **property** (and otherwise falling within **specified losses** or **specified perils**) from being recoverable under this **policy**.

In no other circumstances, however, will any loss or losses directly or indirectly caused by, contributed to by or arising from or occasioned by or resulting from any alteration, modification, distortion, erasure or corruption of data be recoverable under this **policy**.

13.2.2 War

Any losses whatsoever occasioned by riot, civil commotion, war, invasion, act of foreign enemy, hostilities (whether **war** be declared or not) civil war, rebellion, revolution, insurrection or military or usurped power.

13.3 Other terms and conditions applicable to this section

13.3.1 Our liability under this **section** in any one (1) **period of insurance** shall not exceed the **sum insured** stated in the **schedule** for the applicable **section** shown as operative in the **schedule** in respect of all losses arising out of any one (1) **occurrence** and in the aggregate.

13.3.2 Where the **period of insurance** shown in the **schedule** is for a period greater than twelve (12) months, the cover provided by this **section** shall only apply for a period of twelve (12) months and shall be subject to renewal at each annual anniversary.

13.3.3 Restricted terms

The insurance by this **section** is subject otherwise to all the terms and conditions of this **policy** except that any:

- a) long term undertaking;
- b) terms which provide for adjustments of premium based upon declarations on expiry or during the **period of insurance**;
- c) coverage in respect of **premises** to locations outside England and Wales and Scotland; will not apply to losses covered under this **section**.

14 Section - Employers liability

14.1 Employers' liability coverage

We will indemnify **you** against all sums that **you** shall become legally liable to pay as damages, including claimant costs recoverable from **you**, arising out of **bodily injury** caused during the **period of insurance** to an **employee** who, at the time of the cause, was working for **you** in the course of employment by **you** in **your business** within the **territorial limits**.

- 14.1.1 Following any event which is or may be the subject of indemnity under this **section** whether or not **bodily injury** has occurred **we** agree to indemnify **you** for **defence costs** but such **defence costs** form part of the **limit of indemnity** and do not increase the **limit of indemnity** or any sub-limit of indemnity

14.1.2 Limit of indemnity

Our liability under this **section** for damages including **defence costs** payable in respect of any one **claim** against **you** or **series of claims** against **you** arising out of one occurrence shall not exceed the amount stated as the **limit of indemnity** in the **schedule**.

14.1.3 Right of recovery

The indemnity granted by this **section** is deemed to be in accordance with the provisions of the Employers' Liability (Compulsory Insurance) Act 1969 and the Employers Liability (Compulsory Insurance) Regulations 1998 or any subsequent amendment or re- enactment or similar legislation in Northern Ireland, the Isle of Man and the Channel Islands.

Where any condition precedent, exclusion, term or condition of this **section** is deemed prohibited by the act or regulations, then **we** will provide an indemnity to the **employee** under the terms of this **section** but **you** will repay to **us** that part of **our** indemnity for which **we** would not otherwise have been liable under this **section** by reason of any such breach of condition precedent, term, condition or exclusion.

14.2 Employers' liability - Cover extensions

This **section** shall extend to include the following:

14.2.1 Additional persons insured

- a) In the event of the death of any person entitled to indemnity under this **section**, **we** will indemnify the terms of the **policy** the deceased's legal personal representatives but only in respect of liability incurred by such deceased person;
- b) At **your** request **we** will indemnify in the terms of this **section**:
 - i) any principal in respect of liability arising out of the performance by **you** of any agreement entered into by **you** with the principal to the extent required by such agreement;
 - ii) any director of **yours** or **employee** in respect of liability arising in connection with the **business** provided that **you** would have been entitled to indemnity under the **section** if the claim had been made against **you**;
 - iii) any officer, committee or member of **your** canteen, sports, social or welfare organisations, fire security, first aid, medical or ambulance services in their respective capacities as such;
 - iv) any director or senior official of **yours** in respect of private work undertaken by any **employee** for such director or senior official;

provided that:

- I) each person shall as though he were the **insured** observe fulfil and be subject to the terms of this **policy** insofar as they can apply;
- II) **we** shall retain the sole conduct and control of all claims.

14.2.2 Compensation for court attendance

In the event of any of the under-mentioned persons attending court as a witness at **our** request in connection with a claim in respect of which **you** are entitled to indemnity under

this **section**, **we** shall provide compensation to **you** at the following rates per day for each day on which attendance is required for:

- | | |
|---|------|
| a) any of your directors or partners | £500 |
| b) any employee | £250 |

14.2.3 Contractual liability

Where any contract or agreement entered into by **you** so requires **we** will:

- a) indemnify **you** against liability arising in connection with and assumed by **you** by virtue of such contract or agreement but only so far as concerns liability as defined in this **section** to **your employees**; and
- b) waive rights of subrogation against any party specified in the contract or agreement; provided that:
 - i) **you** shall arrange for such other parties as may be indemnified by any such contract or agreement, to observe and fulfil the terms and conditions of this insurance so far as they can apply;
 - ii) **we** shall retain the sole conduct and control of all **claims**.

14.2.4 Cross liabilities

If more than one **insured** is referred to in the **policy schedule** this **section** shall apply to each one as if a separate **policy** had been issued to each provided that the total amount of indemnity payable to all parties in respect of damages shall not exceed the **limit of indemnity**.

14.2.5 Data Protection

We will indemnify **you** and, if the **you** so require, any **employee** in respect of their liability to pay:

- a) any valid compensation in respect of damage or distress under section 13 of Part II of the Data Protection Act 1998 ('DPA'), or any equivalent provision under any subsequent amending or replacement legislation; or in respect of material or non-material damage under Article 82 of the General Data Protection Regulation ('GDPR'), and any associated **defence costs** ; and
- b) **defence costs** in relation to a prosecution brought under the DPA, any subsequent amending or replacement legislation or the GDPR and incurred with **our** prior written consent,

in relation to claims brought by any **employee** first occurring, or prosecutions commenced, during the **period of insurance**.

This extension shall not apply in respect of:

- a) the cost of replacing, reinstating, rectifying or erasing any personal data;
- b) any cost relating to the investigation of a data breach, or any obligation to report a data breach to the Information Commissioner's Office or any other supervisory authority or other regulator or to data subjects;
- c) liability caused by or arising from a deliberate act by or omission of any party entitled to indemnity under this **policy**, the effect of which would knowingly result in liability under the DPA, or any subsequent amending or replacement legislation, or the GDPR;
- d) claims which arise out of **circumstances** that are notified to any previous insurer or known **you** at inception of this **policy**;
- e) liability for which indemnity is provided under any other insurance; or
- f) claims or prosecutions brought against the **you** outside the Courts of the **United Kingdom**.

14.2.6 Statutory defence costs including Health and Safety At Work, Etc. Act 1974

We will, with **our** prior consent which consent will not be unreasonably withheld, indemnify **you** and at **your** request any additional persons insured, in respect of legal **defence costs** incurred in defending:

- a) any alleged breach of statutory duty (including any prosecution brought under sections 2 to 8 of the Health and Safety at Work, etc. Act 1974, Health and Safety at Work (Northern Ireland) Order 1978 or similar legislation in the Isle of Man or the Channel Islands) or criminal proceedings brought; and / or
- b) allegations (whether under common law or statute) of manslaughter, corporate manslaughter or corporate homicide made against **you** or any additional persons insured; provided that the prosecution or proceedings relate to:
 - i) an offence alleged to have been committed during the **period of insurance** and in the course of **business**;
 - ii) **bodily injury** to, or potential **bodily injury** to **employees** including their health, safety and welfare;

We will also pay **you**:

- c) **defence costs** of appeal including appeal against improvement and prohibition notices incurred with **our** prior written consent (which consent will not be unreasonably withheld);
- d) prosecution costs awarded against **you**;

but the indemnity by this clause excludes and does not cover:

- i) **circumstances** where **you** or any additional persons insured are entitled to indemnity by any other legal expenses, motor or employment protection policy;
- ii) in respect of allegations of manslaughter, corporate manslaughter or corporate homicide, any amount in excess of a **limit of indemnity** of £1,000,000 any one claim or **series of claims** arising out of the same prosecution or proceedings.

14.2.7 Unsatisfied court judgments

In the event of **bodily injury** caused during the **period of insurance**, within the **territorial limits** and sustained by an **employee** in the course of employment by **you** in the course of the **business** which results in a judgement for damages being obtained by such **employee** or his personal representatives and which remains unsatisfied in whole or in part six (6) months after the date of such judgement, **we** will at **your** request pay to the **employee** or his personal representatives the amount of any such damages and any awarded costs to the extent that they remain unsatisfied provided that:

- a) the judgement for damages is obtained
 - i) in a court of law within the **United Kingdom**;
 - ii) against a company partnership or individual other than **you** conducting **business** at or from **premises** within the European Economic Area;
- b) there is no appeal outstanding;
- c) the judgement relates to **bodily injury** which would otherwise be within the terms of the **policy**;
- d) if any payment is made under the terms of this extension the **employee** or the personal representatives of the **employee** shall assign the judgment to **us**.

14.3 Employers' liability - Exclusions

14.3.1 North American jurisdiction

This **section** excludes and does not cover liability, expenses, costs or **defence costs**, in respect of any proceedings (including arbitration or regulatory proceedings), judgment, award, payment, **defence costs** or settlement delivered, made or incurred within countries which operate under the laws of **North America** (or to any order made anywhere in the world to enforce such judgment, award, payment, **defence costs** or settlement either in whole or in part) to:

- a) any party incorporated, domiciled or resident in **North America**;
- b) pay any sum in excess of a **limit of indemnity** which sum shall be the maximum amount payable including any **defence costs** recoverable hereunder;
- c) pay punitive, multiple or exemplary damages.

14.3.2 Nuclear risks

So far as concerns the liability of any principal or liability assumed by **you** under agreement and which would not have attached in the absence of such agreement this **section** excludes and does not cover liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:

- a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
- b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

14.3.3 Offshore work

This **section** excludes and does not cover liability arising from or caused by work **offshore**.

14.3.4 Vehicles

This **section** excludes and does not cover liability for **bodily injury** sustained by an **employee** when the **employee** is:

- a) being carried in or upon a vehicle; or
- b) entering or getting onto or alighting from a vehicle

in circumstances where insurance or security is required to be effected by the **insured** to comply with the Road Traffic Act 1988 as amended by The Motor Vehicles (Compulsory Insurance) Regulations 1992 or any alteration to such regulations or any similar legislation applying to Northern Ireland, the Isle of Man or the Channel Islands or to any other territory consequent on the Third Council Directive 90/232/EEC of 14/05/1990 relating to insurance against civil liability in respect of the use of motor vehicles;

15 Section - Public and products liability

15.1 Public and products liability coverage

15.1.1 **We** will indemnify **you** against all sums that **you** shall become legally liable to pay as damages and claimant's cost in respect of accidental:

- a) **bodily injury** to any person;
- b) **damage** to tangible property;
- c) obstruction, trespass, nuisance or interference with any right of way air, light or water or other easement;
- d) wrongful arrest detention imprisonment or eviction of any person or invasion of the right of privacy

occurring during the **period of insurance**

- i) within the **territorial limits**;
- ii) in the course of the **business**; or
- iii) caused by the **products**.

15.1.2 Pollution coverage

Further **we** will indemnify **you** against all sums that **you** shall become legally liable to pay as damages and claimant's cost in respect of accidental:

- a) **bodily injury** to any person;
- b) **damage** to tangible property;
- c) denial of access;

arising out of or from **pollution** occurring during the course of **business** provided that the **pollution** is caused by a sudden, identifiable, unintended and unexpected incident that takes place in its entirety at a specific moment in time and place during the **period of insurance**.

15.1.3 Limit of indemnity

Our liability for all damages payable to any claimant or number of claimants as a result of any one occurrence or all occurrences of a series consequent upon or attributable to one source or original cause shall not exceed the **limit of indemnity** stated in the **schedule** but this **limit of indemnity** shall be the maximum amount payable in any one **period of insurance** in respect of liability arising from or caused by:

- a) **products**; or
- b) **pollution**

For the avoidance of doubt **defence costs** are payable in addition to the **limit of indemnity** except as provided for in the North America clause under.

15.1.4 North America

Insofar as this **policy** applies to legal liability arising in **North America** or if an action for damages is commenced therein or if any subsequent action in connection therewith is brought elsewhere in the world **our** liability in respect of all damages payable, claimant's costs and all other **defence costs** incurred with **our** prior written consent (such consent not to be unreasonably withheld), shall not exceed the **limit of indemnity**;

15.2 Public and products liability - Cover extensions

15.2.1 Additional persons insured

- a) In the event of the death of any person entitled to indemnity under this **section**, **we** will indemnify in the terms of this **policy** the deceased's legal personal representatives but only in respect of liability incurred by such deceased person;
- b) At **your** request **we** will indemnify in the terms of this **section**:
 - i) any principal in respect of liability arising out of the performance by **you** of any agreement entered into by **you** with the principal to the extent required by such agreement;

- ii) any director of **yours** or **employee** in respect of liability arising in connection with the **business**, provided that **you** would have been entitled to indemnity under the **section** if the claim had been made against **you**;
- iii) any officer, committee or member of **your** canteen, sports, social or welfare organisations, fire, security, first aid, medical or ambulance services in their respective capacities as such;
- iv) any director or senior official of **yours** in respect of private work undertaken by any **employee** for such director or senior official

provided that:

- I) each person indemnified by this clause shall as though he were insured observe fulfil and be subject to the terms of this **policy** insofar as they can apply;
- II) **we** shall retain the sole conduct and control of all claims;
- III) where **we** are required to indemnify more than one party the total amount of indemnity payable to all parties in respect of damages shall not exceed the **limit of indemnity**.

15.2.2 Compensation for court attendance

In the event of any of the under-mentioned persons attending court as a witness at **our** request in connection with a claim in respect of which **you** are entitled to indemnity under this **section**, **we** shall provide compensation to **you** at the following rates per day for each day on which attendance is required:

- a) any of **your** directors or partners £500
- b) any **employee** £250

15.2.3 Contingent motor liability

Notwithstanding exclusion at item d) under the 'Public and products liability – Exclusions' of this **section**, **we** shall indemnify **you** against legal liability in respect of **bodily injury** or **damage** arising out of the use in connection with the **business** of any motor vehicle not owned or provided by **you**.

The indemnity will not apply to legal liability:

- a) in respect of **damage** to such vehicle or to goods conveyed therein or thereon;
- b) in respect of **bodily injury** or **damage** arising while such vehicle is being:
 - i) driven by **you**;
 - ii) driven with **your** general consent or of **your** representative by any person who to **your** knowledge or **your** representative knowledge does not hold a licence to drive a vehicle unless such person has held and is not disqualified from holding such a licence;
 - iii) used elsewhere than in the **United Kingdom**;
- c) in respect of which **you** are entitled to indemnity under any other insurance.

15.2.4 Contractual liability

Where any contract or agreement entered into by **you** so requires **we** will:

- a) indemnify **you** against liability arising in connection with and assumed by **you** by virtue of such contract or agreement but only so far as concerns liability as defined in this **section**; and
 - b) waive rights of subrogation against any party specified in the contract or agreement;
- provided that:

- i) **you** shall arrange for such other parties as may be indemnified by any such contract or agreement, to observe and fulfil the terms and conditions of this insurance so far as they can apply;
- ii) **we** shall retain the sole conduct and control of all **claims**.

15.2.5 Cross liabilities

If more than one **insured** is referred to in the **policy schedule** this **section** shall apply to each one as if a separate **policy** had been issued to each provided that the total amount of

indemnity payable to all parties in respect of damages shall not exceed the **limit of indemnity**.

15.2.6 Data Protection Act 1998

We will indemnify **you** and, if the **you** so require, any director, partner or **employee** in respect of their liability to pay:

- a) any valid compensation in respect of damage or distress under section 13 of Part II of the Data Protection Act 1998 ('DPA'), or any equivalent provision under any subsequent amending or replacement legislation; or in respect of material or non-material damage under Article 82 of the General Data Protection Regulation ('GDPR'), and any associated **defence costs**; and
- b) **defence costs** in relation to a prosecution brought under the DPA, any subsequent amending or replacement legislation or the GDPR and incurred with **our** prior written consent,

in relation to claims brought by any person not being a director, partner or **employee** first occurring, or prosecutions commenced, during the **period of insurance**.

This extension shall not apply in respect of:

- a) the cost of replacing, reinstating, rectifying or erasing any personal data;
- b) any cost relating to the investigation of a data breach, or any obligation to report a data breach to the Information Commissioner's Office or any other supervisory authority or other regulator or to data subjects;
- c) liability caused by or arising from a deliberate act by or omission of any party entitled to indemnity under this **policy**, the effect of which would knowingly result in liability under the DPA, or any subsequent amending or replacement legislation, or the GDPR;
- d) claims which arise out of **circumstances** that are notified to any previous insurer or known to **you** at inception of this **policy**;
- e) liability for which indemnity is provided under any other insurance; or
- f) claims or prosecutions brought against the **you** outside the Courts of the **United Kingdom**.

Our maximum liability during the **period of insurance** in respect of all claims under this extension shall not exceed the **sub-limit** of £500,000 which amount shall be inclusive of all **defence costs** and the maximum payable any one **claim** and in the aggregate, and shall be part of and not in addition to the **limit of indemnity** specified in the **schedule**.

15.2.7 Defective premises Act

We will indemnify **you** in respect of **bodily injury** or **damage** to **property** which **you** may incur as owner by virtue of the Defective Premises Act 1972 in connection with any premises which have been disposed of by **you** and which prior to disposal were occupied by **you** in connection with the **business**, provided that **we** shall not be liable for:

- a) any liability for which **you** are entitled to indemnity under any other policy of insurance;
- b) **bodily injury** or **damage** happening prior to such disposal;
- c) the cost of repairing, replacing or reinstating any defect giving rise to such claim or for the rectification of faulty workmanship.

15.2.8 Overseas personal liability

We shall indemnify **you** and if **you** so request any director or partner of **yours** or any **employee** or spouse of such person against legal liability incurred in a personal capacity whilst temporarily outside the **United Kingdom** in the course of the **business**.

The indemnity provided by this clause will not apply to legal liability:

- a) arising out of the ownership or occupation of land or buildings;
- b) in respect of which any person referred to above is entitled to indemnity under any other insurance.

15.2.9 Statutory defence costs including Health and Safety At Work, Etc. Act 1974

We will, with **our** prior consent which consent will not be unreasonably withheld, indemnify **you** and at **your** request any additional persons insured, in respect of legal **defence costs** incurred in defending:

- a) any alleged breach of statutory duty (including any prosecution brought under sections 2 to 8 of the Health and Safety at Work, etc. Act 1974, Health and Safety at Work (Northern Ireland) Order 1978 or similar legislation in the Isle of Man or the Channel Islands) or criminal proceedings brought; and / or
- b) allegations (whether under common law or statute) of manslaughter, corporate manslaughter or corporate homicide made against **you** or any additional persons insured; provided that the prosecution or proceedings relate to:
 - i) an offence alleged to have been committed during the **period of insurance** and in the course of **business**;
 - ii) **bodily injury** to, or potential **bodily injury** to persons other than **employees** including their health, safety and welfare;

We will also pay **you**:

- c) **defence costs** of appeal including appeal against improvement and prohibition notices incurred with **our** prior written consent (which consent will not be unreasonably withheld);
- d) prosecution costs awarded against **you**;

but the indemnity by this clause excludes and does not cover:

- i) circumstances where **you** or any additional persons insured are entitled to indemnity by any other legal expenses, motor or employment protection policy;
- ii) in respect of allegations of manslaughter, corporate manslaughter or corporate homicide, any amount in excess of a **limit of indemnity** of £1,000,000 any one claim or **series of claims** arising out of the same prosecution or proceedings.

For the avoidance of doubt the under noted statutes, whilst not exhaustive, are included within the statutes or regulations contemplated for which **defence costs** are insured by this clause:

- I) Health and Safety at Work, etc. Act 1974, but only sections 2 to 8,
- II) Health and Safety at Work (Northern Ireland) Order 1978,
- III) The Trade Description Act 1968
- IV) Part II of the Consumer Protection Act 1987
- V) Part II of the Food Safety Act 1990.

15.2.10 Tenants liability

If the **premises** are leased, let, rented, hired or lent to **you**, exclusion 15.3 b) ii) of this **section** shall not apply provided that the indemnity will not apply to legal liability in respect of:

- a) **damage** arising under agreement unless liability would have attached to **you** in the absence of such agreement;
- b) **damage** caused by fire or any other peril against which a tenancy or other agreement stipulates that insurance shall be effected by or on **your** behalf.

In addition **we** will indemnify **you** for legal liability in respect of all sums which **you** may be legally liable to pay as tenant for the cost of repairing accidental **damage** to cables and underground pipes and drains (and their inspection covers) on the **premises** or connecting them to the public mains.

15.3 Public and products liability - Exclusions

The insurance by this **section** excludes and does not cover liability for any claim in respect of:

Public liability

- a) liability arising from **bodily injury**, **damage** or nuisance arising out of or from or:

- i) brought about by or contributed to by **pollution**;
- ii) in connection with a **product**;

Products liability

- b) liability arising from any **product** or part thereof which, with the **insured's** knowledge, is intended to be incorporated into the structure, machinery or controls of any aircraft or other aerial device or satellite;
- c) liability arising out of or from or brought about by or contributed to by **pollution**;

Pollution liability

- d) liability for **damage** or nuisance to land or **premises** (including land or water within or below the boundaries of such land or **premises**) that are presently or were at any time previously owned, leased, hired or tenanted by the **insured** or otherwise in the **insured's** care, custody or control;
- e) liability for **bodily injury**, **damage** or nuisance arising out of or from pollution in **North America**;

Public, Products and Pollution liability

- f) **bodily injury** to any **employee**;
- g) damage to:
 - i) property belonging to **you**;
 - ii) property which is leased let rented hired or lent to or which is the subject of a bailment to **you** or otherwise held in **your** custody, care and control;
- h) the costs of remedying any defect or alleged defect in land or **premises** sold or disposed of by **you** or for any reduction in value thereof;
- i) the ownership possession or use by or on **your** behalf of any craft (air or waterborne) or mechanically-propelled vehicles (including power assisted cycles) other than mechanically-propelled garden implements used within the grounds of the **premises**;
- j) work on **offshore** installations;
- k) liability arising out of or from advice, design, plans, specifications, formulae, surveys or directions prepared or given by **you** for a fee but this shall not exclude such liability arising in conjunction with **products** supplied;
- l) any action for damages brought in a Court of Law of any territory outside the **United Kingdom** in which **you** have a branch or subsidiary or is represented by a party domiciled in such territory or by a party holding **your** Power of Attorney;
- m) legal liability which attaches by virtue of an express warranty indemnity or guarantee given or entered into by **you** in connection with any **products** supplied and which would not have attached in the absence of such warranty or guarantee;
- n) **bodily injury**, **damage** or **pollution** caused by or in connection with anything sold or supplied by **you** or which to **your** knowledge are directly or indirectly exported to the **North America**;
- o) liquidated damages, fines or penalties, punitive damages, aggravated damages, any additional damages resulting from the multiplication of compensatory damages;
- p) anything (other than the **products**) that **you** have sold or supplied;
- q) or caused by any work involving the manufacture, mining, processing, use, installation, storage, removal, stripping out, demolition, disposal, distribution, inspection or testing of or exposure to asbestos, asbestos fibres, asbestos dust, or asbestos containing materials.

15.3.2 Hazardous work

The insurance by this **section** excludes and does not cover legal liability arising in connection with any work:

- a) of demolition except demolition solely undertaken with handheld tools and of structures not exceeding five (5) metres in height by **employees** in **your** direct service when such work forms an ancillary part of a contract for construction, alteration or repair carried out by **you**;

- b) of construction, alteration or repair of bridges, towers, steeples, chimney shafts, blast furnaces, viaducts or mines;
- c) of pile driving, tunnelling or quarrying;
- d) involving the use of explosives;
- e) involving excavations below three (3) metres in depth;
- f) carried out at a height in excess of fifteen (15) metres.

15.3.3 Hazardous locations

The insurance by this **section** excludes and does not cover legal liability arising in connection with work undertaken in or on;

- a) aircraft or watercraft;
- b) airport or aerodrome runways manoeuvring areas or aprons or those parts of airports or aerodromes to which aircraft have access;
- c) railways or railway installations;
- d) docks or harbours
- e) work on offshore installations;
- f) quarries, mines or collieries;
- g) chemical or petro-chemical works oil refineries gas works or fuel storage facilities;
- h) power stations or nuclear plant;
- i) bridges, viaducts, tunnels, dams, chimneys, shafts, towers or steeples.

15.4 Other Public and products liability terms and conditions

15.4.1 Discharge of liability

We may pay the **limit of indemnity** or any lesser amount for which any claim or claims against **you** can be settled and **we** shall be under no further liability in respect of such claim or claims except for costs or expenses incurred prior to the date of such payment.

16 Section - Legal expenses

16.1 Legal expenses cover

16.1.1 Insuring Clause

This **section**, subject to the terms and conditions, exclusions and limitations set out in this **section**, will cover **you** (or where specified the **person insured**) in respect of any insured incident arising in connection with the **business**, subject to the terms and conditions, exclusions and limitations set out in this **section**, provided that:

- a) **reasonable prospects** exist for the duration of the claim;
- b) the **date of occurrence** of the insured incident is:
 - i) during the **period of insurance**, or
 - ii) during the currency of a previous equivalent legal expenses insurance policy, provided that:
 - I) the previous legal expenses insurance policy required **you** to report claims during its currency
 - II) **you** could not have notified a claim previously as **you** could not have reasonably been aware of the insured incident
 - III) cover has been continuously maintained in force
 - IV) any claim that should have been covered under a previously operative legal expenses insurance policy will not be covered by **us**, and
 - V) the available limit of indemnity shall be limited to the lesser of the sums payable under this or **your** previous policy
- c) any legal proceedings will be dealt with in the **territorial limits** by:
 - i) a court, or
 - ii) employment tribunal or employment appeal tribunal; or
 - iii) arbitration where parties to a dispute appoint an arbitrator to determine the evident and issue a decision which is recognised by and enforceable through a court; or
 - iv) the Equality and Humans Rights Commission, Equality Commission for Northern Ireland; or
 - v) any other body which replaces any of the above or which **we** agree to, and
- d) the insured incident happens within the **territorial limits**.

16.1.2 What we will pay

We will pay an **appointed representative**, on **your** behalf, **legal expenses costs** incurred following an insured incident, and any compensation awards that **we** have agreed to, provided that:

- a) the most **we** will pay in respect of all claims resulting from one or more event arising at the same time or from the same originating cause, for **costs and expenses** and compensation awards claims, is shown as the limit of indemnity in the schedule
- b) the most **we** will pay for the total of all compensation awards under insured incident Employment disputes and compensation awards 16.2.2 Compensation awards in any one **period of insurance** shall not exceed £1,000,000
- c) the most **we** will pay in **costs and expenses** is no more than the amount **we** would have paid to a **preferred law firm** or tax consultancy. The amount **we** will pay a law firm (where acting on **your** behalf) is currently £100 per hour. This amount may vary from time to time
- d) in respect of an appeal or the defence of an appeal, **you** must tell **us** as soon as possible and within the statutory time limits allowed that **you** want to appeal. Before **we** pay the **costs and expenses** for appeals, **we** must agree that **reasonable prospects** exist
- e) for an enforcement of judgment to recover money and interest due to **you** after a successful claim under this policy, **we** must agree that **reasonable prospects** exist

- f) where an award of damages is the only legal remedy to a dispute and the cost of pursuing legal action is likely to be more than any award of damages, the most **we** will pay in **legal expenses costs** is the value of the likely award, and;
- g) in respect of insured incident Legal defence 16.3.6 Jury service and court attendance, the maximum **we** will pay is the **person insured's** net salary or wages for the time that the **person insured** is attending court or tribunal, less any amount **you**, the court or tribunal pays.

16.1.3 What we will not pay

- a) In the event of a claim, if **you** decide not to use the services of a **preferred law firm** or tax consultancy, **you** will be responsible for any costs that fall outside the **ARAG Standard Terms of Appointment** and these will not be paid by **us**.
- b) if **you** are registered for VAT **we** will not pay the VAT element of any **costs and expenses**.
- c) The first £500 of any contract dispute claim where the amount in dispute exceeds £5,000 (including VAT). If **you** are using a **preferred law firm**, **you** will be asked to pay this within 21 days of **your** claim having been assessed as having **reasonable prospects**. If **you** are using **your** own law firm, this will be within 21 days of their appointment (following confirmation **your** claim has **reasonable prospects**). If **you** do not pay this amount the cover for **your** claim could be withdrawn.

Insured Incidents

16.2 Employment disputes and compensation awards

16.2.1 Employment disputes

Costs and expenses to defend **your** legal rights:

- a) before the issue of legal proceedings in a court or tribunal:
 - i) following the dismissal of an **employee**; or
 - ii) where an **employee** or ex-**employee** has contacted ACAS ('Advisory, Conciliation and Arbitration Service') to commence the Early Conciliation procedure; or
- b) in unfair dismissal disputes under the ACAS Arbitration Scheme; or
- c) in legal proceedings in respect of any dispute relating to:
 - i) a contract of employment with **you**; or
 - ii) an alleged breach of the statutory rights of an **employee**, ex-**employee** or prospective **employee** under employment legislation.

16.2.2 Compensation awards

In respect of a claim **we** have accepted under insured incident Employment disputes and compensation awards 16.2.1 Employment disputes, **we** will pay:

- a) any basic and compensatory award; and/or
- b) an order for compensation or damages following a breach of **your** statutory duties under employment legislation;

Provided that:

- a) in cases relating to performance and/or conduct, **you** have throughout the employment dispute either:
 - i) followed the ACAS Code of Practice on Disciplinary and Grievance Procedures; or
 - ii) followed equivalent codes of practice issued by the Labour Relations Agency in Northern Ireland; or
 - iii) sought and followed advice from **our** legal advice service (telephone 0344 893 0859)
- b) for an order of compensation following **your** breach of statutory duty under employment legislation **you** have at all times sought and followed advice from **our** legal advice service since the date when **you** should have known about the employment dispute (telephone 0344 893 0859)

- c) for any compensation award for redundancy or alleged redundancy or unfair selection for redundancy, **you** have sought and followed advice from **our** legal advice service before starting any redundancy process or procedure with **employees** (telephone 0344 893 0859)
- d) any sum of money in settlement of a dispute is awarded by a court, tribunal or through the ACAS Arbitration Scheme, under a judgment made after full argument and otherwise than by default, or is payable under settlement approved in writing in advance by **us**.

Please note that the total amount payable by **us** for all compensation awards and any sums of money in settlement of a dispute, in aggregate and in any one **period of insurance** is £1,000,000.

16.2.3 Employee civil legal defence

Costs and expenses to defend the **person insured's** (other than **your**) legal rights if:

- a) an event arising from their work leads to civil action being taken against them under legislation for unlawful discrimination; or
- b) civil action is taken against them as a trustee of a pension fund set up for the benefit of **your employees**.

Please note that **we** will only provide cover for a **person insured** (other than **you**) at **your** request.

16.2.4 Service occupancy

Costs and expenses to recover possession of premises owned by **you**, or for which **you** are responsible, from **your employee** or ex-employee.

16.3 Legal defence

Costs and expenses to defend the **person insured's** legal rights:

(provided that for each of the following sections of Legal defence cover 16.3.1-6 **you** request us to provide cover for the **person insured**):

16.3.1 Criminal pre-proceedings cover

Prior to the issue of legal proceedings, when dealing with the Police or other body with criminal investigatory powers, where it is alleged that the **person insured** has or may have committed a criminal offence.

Provided that:

for claims relating to the Health and Safety at Work etc Act 1974 the **territorial limits** shall be any place where the Act applies.

Please note **we** will only cover criminal investigations which arise in direct connection with the activities of the **business**.

16.3.2 Criminal prosecution defence

following an event which leads to the **person insured** being prosecuted in a court of criminal jurisdiction.

Provided that:

for claims relating to the Health and Safety at Work etc Act 1974 the **territorial limits** shall be any place where the Act applies.

Please note **we** will only cover criminal investigations which arise in direct connection with the activities of the **business**. Please see 16.1.

16.3.3 Data Protection

If civil action is taken against the **person insured** for compensation under data protection legislation, when handling personal data in their capacity as a data controller and/or data processor by:

- a) An individual. **We** will also pay any compensation award in respect of such claim
- b) Another data controller and/or data processor which arises out of, or relates to, a claim made by an individual for compensation against that data controller and/or data processor. Please note **we** will not pay any compensation award in respect of such a claim.

Provided that:

In respect of 16.3.3(a) any sum of money in settlement of a dispute is awarded by a court under a judgement made after a full argument and otherwise than by consent or default, or is payable under settlement approved in advance by **us**.

Please note **we** will not cover the cost of fines imposed by the Information Commissioner or any other regulatory and/or criminal body. Please see General legal expenses limitations and exclusions 16.10.3.

16.3.4 Wrongful arrest

If civil action is taken against the **person insured** for wrongful arrest in respect of an accusation of theft alleged to have been carried out during the **period of insurance**.

16.3.5 Statutory Notice Appeals

In an appeal against the imposition or terms of any statutory notice issued under legislation affecting **your business**

16.3.6 Jury service and court attendance

A **person insured's** absence from work:

- a) to perform jury service; or
- b) to attend any court or tribunal at the request of the **appointed representative** in relation to a claim that is an insured incident under this **section** of the policy.

The maximum **we** will pay is the **person insured's** net salary or wages for the time that they are absent from work less any amount **you**, the court or tribunal, have paid them.

We will reimburse **you** for net salary or wages that **you** have paid the **person insured** for that time, less any amount they have been paid by, or can recover from, the court or tribunal.

16.4 Statutory licence appeal

Costs and Expenses for:

An appeal to the relevant statutory or regulatory authority, court or tribunal following a decision by a licensing or regulatory authority to suspend, or alter the terms of, or refuse to renew, or cancel **your** licence, mandatory registration or British Standard Certificate of Registration.

16.5 Property protection

Costs and expenses for:

A civil dispute relating to physical property which is owned by **you**, or is **your** responsibility following:

- a) any event which causes physical damage to such physical property; or
- b) a legal nuisance
- c) a trespass.

Please note that **you** must have, or there must be reasonable prospects of establishing **you** have, the legal ownership or right to the physical property that is the subject of the dispute.

16.6 Personal injury

At **your** request **costs and expenses** for a **person insured's** and their family members' legal rights following a specific or sudden accident that causes the death of, or bodily injury to them.

16.7 Tax protection

Costs and expenses for:

- a) A **tax enquiry**
- b) An **employer compliance dispute**
- c) A **VAT dispute**.

Provided that:

you have taken reasonable care to ensure that all returns are complete and correct and are submitted within the statutory time limits allowed.

Please note **we** will only cover tax claims which arise in direct connection with the activities of the **business** shown in the policy schedule. Please see clause 16.1.

16.8 Contract disputes

Costs and expenses for a contractual dispute arising in an agreement or an alleged agreement which has been entered into by **you** or on **your** behalf for the purchase, hire, sale or provision of goods or of services.

Provided that:

- a) the amount in dispute exceeds £250 (incl VAT) If the amount in dispute exceeds £5,000, **you** will be responsible for the first £500 of legal costs in each and every claim.
If **you** are using a **preferred law firm**, **you** will be asked to pay this within 21 days of **your** claim having been assessed as having **reasonable prospects**. If **you** are using **your** own law firm, this will be within 21 days of their appointment (following confirmation **your** claim has **reasonable prospects**). If **you** do not pay this amount the cover for **your** claim could be withdrawn
- b) if the amount in dispute is payable in instalments, the instalments due and payable at the time of making the claim exceed £250 (incl VAT)
- c) if the dispute relates to money owed to **you**, a claim under this **section** is made within ninety (90) days of the money becoming due and payable.

16.9 Lease disputes

Costs and expenses in a civil dispute between **you** and **your** landlord relating to **premises** leased or rented by **you**.

We will not cover any claim relating to the following:

- a) the negotiation, review or renewal of the lease or tenancy agreement.
- b) a dispute arising from rent or service charges

16.10 Specific Legal expenses limitations and exclusions

This **section** excludes and does not cover:

16.10.1 Employment disputes and compensation awards

a) **Employment disputes**

A claim relating to the following

- i) any dispute where the originating cause of action arises within the first ninety (90) days of the start of this **section**;
- ii) any dispute with an employee who was subject to a written or oral warning (formal or informal) within one hundred and eighty (180) days immediately preceding the inception date of this **section** if the **date of occurrence** was within the first one hundred and eighty (180) days of the start of this **section** and the dispute relates directly to the same matter(s) which gave rise to that warning;
- iii) any notice of redundancy or alleged redundancy or unfair selection for redundancy which occurs within the first one hundred and eighty (180) days of the start of this **section**

unless, in respect of i) to iii) above, equivalent legal expenses insurance was continuously in force before

- iv) any claim in respect of damages for personal injury
- v) Transfer of Undertakings Regulations (TUPE) or the Transfer of Employment (Pension Protection) Regulations

- vi) employee internal disciplinary or grievance procedures
- vii) pursuing **your** legal rights.

b) Compensation awards

A claim relating to the following

- i) any compensation award relating to the following:
 - I) trade union activities, trade union membership or non-membership;
 - II) pregnancy or maternity rights, paternity, parental or adoption rights;
 - III) health and safety related dismissals brought under section 44 of the Employment Rights Act 1996;
 - IV) statutory rights in relation to trustees of occupational pension schemes.
- ii) non-payment of money due under a contract
- iii) any award ordered because **you** have failed to provide relevant records to **employees** under the National Minimum Wage legislation
- iv) any compensation award or increase in a compensation award relating to failure to comply with a current or previous recommendation made by a tribunal.
- v) a settlement agreed and payable following conciliation under the ACAS Early Conciliation procedure.

c) Service occupancy

A claim relating to the following:

- i) defending **your** legal rights other than defending a counter-claim that is an insured incident under this **section**

16.10.2 Legal defence

a) Criminal pre-proceedings cover

A claim relating to the following:

- i) any criminal investigation or enquiry by, with or on behalf of HM Revenue & Customs
- ii) investigations due to alleged infringement of road traffic laws or regulations in connection with the ownership, driving or use of a motor vehicle.

b) Criminal prosecution defence

A claim relating to prosecution due to alleged infringement of road traffic laws or regulations in connection with the ownership, driving or use of a motor vehicle.

c) Data protection

A claim relating to the following:

- i) the loss, alteration, corruption or distortion of, or damage to stored personal data, or
- ii) a reduction in the functionality, availability, or operation of stored personal data

resulting from hacking (unauthorised access), malicious or negligent transfer (electronic or otherwise) of a computer program that contains any malicious or damaging code, computer virus or similar mechanism.

d) Statutory notice appeals

A claim relating to the following:

- i) an appeal against the imposition or terms of any statutory notice issued in connection with **your** licence, mandatory registration or British Standard Certificate of Registration (please refer to insured incident Statutory licence appeal)
- ii) a statutory notice issued by a **person insured**'s regulatory or governing body.

e) Jury service and court attendance

Any claim if **you** or the **person insured** are unable to prove the loss.

16.10.3 Statutory licence appeal

A claim relating to the following:

- a) the original application or renewal application of a statutory licence, mandatory registration or British Standard Certificate of Registration
- b) the ownership, driving or use of a motor vehicle.

16.10.4 Property protection

Any claim relating to the following:

- a) a contract **you** have entered into (please refer to insured incident 16.8 Contract disputes)
- b) physical property which is in transit or which is lent or hired out
- c) physical property at premises other than those occupied by **you** unless the physical property is at the premises for the purpose of installations or use in work to be carried out by **you**
- d) defending **your** legal rights other than defence of a counter-claim that is an insured incident under this **section**
- e) a motor vehicle owned or used by, or hired or leased to a **person insured** (other than damage to motor vehicles where **you** are in the business of selling motor vehicles)

16.10.5 Personal injury

Any claim relating to the following:

- a) any illness or bodily injury which develops gradually;
- b) psychological injury or mental illness unless the condition follows a specific or sudden accident that has caused physical bodily injury
- c) defending a **person insured**'s or their family members' legal rights other than in defending a counter-claim; or
- d) clinical negligence or the failure or alleged failure to correctly diagnose a **person insured**'s or their family members' condition.

16.10.6 Tax protection

A claim relating to the following:

- a) a tax avoidance scheme
- b) any failure to register for Value Added Tax or Pay As You Earn
- c) any investigation, enquiry, or prosecution relating to suspected or alleged dishonesty or suspected or alleged criminal offences import or excise duties and import VAT

16.10.7 Contract disputes

A claim relating to the following:

- a) a dispute arising from an agreement entered into prior to the start of this **section** if the **date of occurrence** is within the first ninety (90) days of the start of this **section**, unless equivalent legal expenses insurance was in force immediately before
- b)
 - i) a dispute relating to an insurance policy, other than when **your** insurer refuses **your** claim
 - ii) a lease, licence, or tenancy of land or buildings or the sale or purchase of land or buildings. However, **we** will cover a dispute with a professional adviser in connection with these matters
 - iii) a loan, mortgage, pension, guarantee or any other financial product. However, **we** will cover a dispute with a professional adviser in connection with these matters
 - iv) a motor vehicle owned by, or hired or leased to **you** other than agreements relating to the sale of motor vehicles where **you** are engaged in the business of selling motor vehicles
- c) a dispute with an **employee** or ex-**employee** which arises out of, or relates to, a contract of employment with **you**. (Please refer to insured incident 16.2 Employment disputes and compensation awards.)

- d) a dispute which arises out of the:
 - i) sale or provision of computer hardware, software, systems or services; or
 - ii) the purchase or hire of computer hardware, software, systems or services tailored by a supplier to **your** own specification.
- e) the recovery of money and interest due from another party, other than disputes where the other party indicates that a defence exists

16.11 General legal expenses limitations and exclusions

This section excludes and does not cover:

- 16.11.1 A claim where the **person insured** has failed to notify **us** of the insured incident within a reasonable time of it happening and where this failure adversely affects the **reasonable prospects** of a claim or **we** consider **our** position has been prejudiced.
- 16.11.2 **Costs and expenses** incurred before **our** expressed acceptance.
- 16.11.3 Fines, penalties, compensation or damages which the **person insured** is ordered to pay by a court or other authority other than compensation awards as covered under clause 16.2.2 Compensation awards and clause 16.3 Legal defence.
- 16.11.4 Any claim relating to patents, copyrights, trademarks, merchandise marks, registered designs, intellectual property, secrecy and confidentiality agreements.
- 16.11.5 Any claim relating to rights under a franchise or agency agreement entered into by **you**.
- 16.11.6 Any wilful act or omission of a **person insured** deliberately intended to cause a claim under this **section**.
- 16.11.7 Any claim under this policy for a dispute with **ARAG** or QBE UK Limited. For disagreements with us about the handling of a claim refer to clause 16.11.8 Arbitration.
- 16.11.8 Any claim relating to a shareholding or partnership share in the **business**.
- 16.11.9 **Costs and expenses** arising from or relating to judicial review, coroner's inquest or fatal accident inquiry.
- 16.11.10 Any claim caused by, contributed to by or arising from:
 - a) ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from burning nuclear fuel;
 - b) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear part of it;
 - c) war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, military force or coup, or any other act of terrorism or alleged act of terrorism as defined by the Terrorism Act 2000;
 - d) pressure waves caused by aircraft or any other airborne devices travelling at sonic or supersonic speeds.
- 16.11.11 Any claim where a **person insured** is not represented by a law firm, barrister or tax expert.
- 16.11.12 Any claim where either at the start of, or during the course of a claim:
 - a) **you** are declared bankrupt
 - b) **you** have filed a bankruptcy petition
 - c) **you** have filed a winding-up petition
 - d) **you** have made an arrangement with **your** creditors
 - e) **you** have entered into a deed of arrangement
 - f) **you** are in liquidation
 - g) part or all of **your** affairs or property are in the care or control of a receiver or administrator.
- 16.11.13 Any defamation claim brought by or against **you** or a **person insured**.

16.11.14 Legal action a **person insured** takes which **we** or the **appointed representative** have not agreed to, or where the **person insured** does anything that hinders **us** or the **appointed representative**.

16.12 Legal expenses other terms and conditions

16.12.1

- a) On receiving a claim, if representation is necessary, **we** will appoint a **preferred law firm** or tax consultancy as the **person insured's appointed representative** to deal with their claim. They will try to settle the **person insured's** claim by negotiation without having to go to court.
- b) If the appointed **preferred law firm** or tax consultancy cannot negotiate settlement of the **person insured's** claim and it is necessary to go to court and legal proceedings are issued or there is a conflict of interest, then the **person insured** may, if they prefer, choose a law firm or tax expert of their own choice to act as the **appointed representative**. **We** will choose the **appointed representative** to represent the **person insured** in any proceedings where **we** are liable to pay a compensation award.
- c) If the **person insured** choose a law firm as their **appointed representative** who is not a **preferred law firm** or tax consultancy, **we** will give **your** choice of law firm the opportunity to act on the same terms as a **preferred law firm** or tax consultancy. However if they refuse to act on this basis, the most **we** will pay is the amount **we** would have paid if they had agreed to the **ARAG Standard Terms of Appointment**. The amount **we** will pay a law firm (where acting on the **person insured's** behalf) is currently £100 per hour. This amount may vary from time to time.
- d) The **appointed representative** must co-operate with **us** at all times and must keep **us** up to date with the progress of the claim.

16.12.2 A **person insured** must:

- a) co-operate fully with **us** and the **appointed representative**; and
- b) give the **appointed representative** any instructions that **we** ask them to.

16.12.3

- a) A **person insured** must tell **us** if anyone offers to settle a claim and must not negotiate or agree to any settlement without **our** expressed consent.
- b) If a **person insured** does not accept a reasonable offer to settle a claim, **we** will not pay further **costs and expenses**.
- c) **We** may decide to pay a **person insured** the reasonable value of the claim that the **person insured** is claiming or is being claimed against them instead of starting or continuing legal action. In these circumstances a **person insured** must allow **us** to take over and pursue or settle a claim in their name. A **person insured** must allow **us** to pursue at **our** own expense and for **our** benefit, any claim for compensation against any other person and a **person insured** must give **us** all the information and help **we** need to do so.

16.12.4 A **person insured** must:

- a) instruct the **appointed representative** to have **costs and expenses** taxed, assessed or audited if **we** ask for this; and
- b) take every step to recover **legal expenses costs** and court attendance and jury service expenses that **we** have to pay and must pay **us** any amounts that are recovered.

16.12.5 If the **appointed representative** refuses to continue acting for a **person insured** with good reason, or if a **person insured** dismisses the **appointed representative** without good reason, the cover **we** provide will end at once, unless **we** agree to appoint another **appointed representative**.

16.12.6

- a) If a **person insured** settles a claim or withdraws their claim without **our** agreement, or does not give suitable instructions to the **appointed representative**, **we** can withdraw cover and will be entitled to reclaim any **costs and expenses we** have paid.

- b) If during the course of a claim **reasonable prospects** no longer exist the cover **we** provide will end at once. **We** will pay any **legal expenses costs** and compensation awards **we** have agreed to, up to the date cover was withdrawn.
- 16.12.7 If there is a disagreement between a **person insured** and **us** on the merits of the claim or proceedings, or on a legal principle, **we** may suggest the **person insured** obtains at their own expense an opinion on the matter from an independent and appropriate expert. The expert must be approved in advance by **us** and the cost expressly agreed in writing between the **person insured** and **us**. Subject to this **we** will pay the cost of getting the opinion if the expert's opinion indicates that it is more likely than not that the **person insured** will recover damages (or obtain any other legal remedy that **we** have agreed to) or make a successful defence. This does not affect the **person insured's** rights under 16.11.8.
- 16.12.8 If there is a disagreement about the handling of a claim and it is not resolved through **our** internal complaints procedure the Financial Ombudsman Service maybe able to help. This is a free complaint resolution service for eligible complaints. (Details available from www.financial-ombudsman.org.uk)
- Alternatively, there is a separate arbitration process available that can be used to settle any dispute with **us**. The arbitrator will be a jointly agreed barrister, solicitor or other suitably qualified person. If there is a disagreement over the choice of arbitrator, **we** will ask the Chartered Institute of Arbitrators to decide. The arbitrator will decide who will pay the costs of the arbitration. For example, costs may be split between the parties or one party may pay all the costs
- 16.12.9 A **person insured** must:
- keep to the terms and conditions of this **section**;
 - take reasonable steps to avoid and prevent claims;
 - take reasonable steps to avoid incurring unnecessary costs;
 - send everything **we** ask for in writing, and
 - report to **us** full and factual details of any claim as soon as possible and give **us** any information **we** need.
- 16.12.10 **We** will, at **our** discretion, void this **section** (make it invalid) from the date of claim, or alleged claim, and/or **we** will not pay the claim if:
- a claim the **person insured** has made to obtain benefit under this **section** is fraudulent or intentionally exaggerated, or
 - a false declaration or statement is made in support of a claim.
- 16.12.11 Apart from **us**, **you** are the only person who may enforce all or any part of this **section** and the rights and interests arising from or connected with it. This means that the Contracts (Rights of Third Parties) Act 1999 does not apply to this **section** in relation to any third-party rights or interest.
- 16.12.12 If any claim covered under this **section** is also covered by another policy, or would have been covered if this **section** did not exist, **we** will only pay **our** share of the claim even if the other insurer refuses the claim.
- 16.12.13 This policy is governed by the law that applies in the part of the **United Kingdom**, Channel Islands or Isle of Man where **your business** is registered. Otherwise the law of England and Wales applies. All Acts of Parliament mentioned in this **section** include equivalent laws in Scotland, Northern Ireland, the Isle of Man and the Channel Islands as appropriate.

16.13 Privacy

When you purchase and use a **ARAG** product **we** will process personal information about you and anyone else whose details are provided to **us** to provide you with a service or a claim.

We process your personal information in accordance with **our** Privacy Notice. You can find **our** Privacy Notice online at www.arag.co.uk/privacy. Alternatively you can make a request for a printed copy to be sent to you by contacting dataprotection@arag.co.uk

17 General exceptions

17.1 Communicable Disease

Regardless of any provision to the contrary, the **policy** excludes any amount for which the **insurer** would otherwise be liable directly or indirectly caused by, resulting from, arising out of, in connection with, attributable to, or occurring concurrently or in any sequence with:

- b) a **communicable disease**;
- c) the fear or threat (whether actual or perceived) of a **communicable disease**;
- d) the costs to clean-up, detoxify, remove, monitor or test for the actual, alleged, perceived or suspected presence of a **communicable disease**; or
- e) the **insured's** actual or alleged non-compliance with any advice, guidance, regulation, order, decree or law issued by a **public authority** in response to a **communicable disease**.

This exception shall not apply in respect of and to the extent of the indemnity provided by the:

- a) 'Notifiable disease, murder or suicide, food or drink poisoning' extension of the **policy**;
- b) Section - Professional Liability;
- c) Section - Crime;
- d) Section - Pension Trustees;
- e) Section - Cyber Liability;
- f) Section - Employer's Liability;
- g) Section - Public and Products Liability; and
- h) Section - Legal Expenses.

17.2 Cyber Risks

17.2.1 The **policy** excludes:

- a) any loss, **damage**, liability, claim, cost or expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any of the following:
 - i) 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 of such acts, involving access to, processing of, use of or operation of any **computer equipment**;
 - ii) any error or omission or series of related errors or omissions involving access to, processing of, use of or operation of any **computer equipment**; or
 - iii) any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any **computer equipment**,

including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any of the above acts; and

- b) any loss, **damage**, liability, claim, cost, expense of whatsoever nature directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any loss of use, reduction in functionality, repair, replacement, restoration or reproduction of any **electronic data**, including any amount pertaining to the value of such **electronic data**, regardless of any other cause or event contributing concurrently.

17.2.2 The above exclusion shall not apply to:

- a) any claim, loss or **damage** caused by or arising out of:
 - i) accidental **damage**, loss or destruction to **property insured** which would otherwise be indemnified by the 'Cyber liability' **section**; and
 - ii) an **act of terrorism** to **your property insured**,

for which cover is expressly provided elsewhere in the **policy** and shown as 'operative' in the **schedule**.

17.3 Date recognition

This **policy** excludes and does not cover any claim directly or indirectly caused by or contributed to by or arising from the failure of any computer or other equipment, **data**, processing, service, product, microchip, micro processor, integrated circuit, embedded chip or similar device, computer, software, program or process or any other electronic system or any design or advice in connection with any of the foregoing irrespective of ownership possession or use and whether occurring before during or after the year 2000:

- 17.3.1 correctly to recognise any date as its true calendar date;
- 17.3.2 to capture save or retain and/or correctly to manipulate interpret or process any **data** or information or command or instruction as a result of treating any date otherwise than as its true calendar date;
- 17.3.3 to capture save or retain or correctly to process any **data** as a result of the operation of any command which has been programmed into any computer software being a command which causes the loss of **data** or the inability to capture save retain or correctly to process such **data** on or after any date but this shall not exclude in respect of Section – Contents; Section - Buildings and Section - Business interruption subsequent **damage** not otherwise excluded which itself results from fire, lightning, explosion, theft, aircraft or other aerial devices or articles dropped therefrom riot, civil commotion, strikers, locked out workers, persons taking part in labour disturbances, malicious persons, earthquake, storm, flood, escape of water from any tank, apparatus or pipe or impact by any road vehicle or animal provided such contingency is insured by the **section**.
- 17.3.4 This exception is not applicable to Section - Cyber liability or Section – Employers' liability

17.4 Electrical plant

Sections – Contents, Buildings, Business interruption and Terrorism of this **policy** exclude and do not cover any **damage** to or destruction of any electrical plant or electrical appliance i.e. dynamo, transformer, motor or other working electrical machinery apparatus or fittings directly caused by its own over-running, short-circuiting, excessive pressure or self-heating but should fire extend to and **damage** or destroy any other part of the plant or appliances or other **property insured** hereby such **damage** or destruction is not excluded by the **policy**.

17.5 Heat processes

Sections – Contents, Buildings, Business interruption and Terrorism of this **policy** exclude and do not cover any **damage to property insured** due to its undergoing any process necessarily involving application of heat.

17.6 Northern Ireland

Sections – Contents, Buildings, Business interruption and Terrorism of this **policy** exclude and do not cover any **damage** in Northern Ireland occasioned by or happening through or in consequence directly or indirectly of:

- 17.6.1 riot, civil commotion and (except in respect of **damage** by fire or explosion) strikers locked-out workers or persons taking part in labour disturbances or malicious persons;

17.7 Nuclear risks

Except in respect of claims admissible under Section – Employers liability this **policy** excludes and does not cover any:

- 17.7.1 **damage** to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss;
- 17.7.2 any legal liability of whatsoever nature;
- 17.7.3 any sum which **you** become legally liable to pay or any loss or expense;

directly or indirectly caused by or contributed to by or arising from or, in the case of item 1 above, attributable to:

- a) ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
- b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

17.8 Pressure waves

Sections – Contents, Buildings, Business interruption and Terrorism of this **policy** exclude and do not cover any **damage** directly occasioned by pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds.

17.9 Requisition or confiscation of property

Sections – Contents, Buildings, Business interruption and Terrorism of this **policy** exclude and do not cover any **damage** occasioned by or happening through confiscation or requisition or destruction by order of the Government or any Public Authority.

17.10 War and Cyber Operation

17.10.1 Notwithstanding any provision to the contrary in this insurance, this insurance does not cover that part of any loss, damage, liability, cost or expense of any kind (together “loss”) resulting:

- a) directly or indirectly from **war**;
- b) from a **cyber operation** that is carried out as part of a **war**; or
- c) from a **cyber operation** that causes a sovereign state to become an **impacted state**.

Provided, however, clause 17.10.1c) shall not apply to the direct or indirect effect of a **cyber operation** on **computer systems** used by the **insured** or its third party service providers that is not physically located in an **impacted state** but is affected by a **cyber operation**.

17.10.2 In determining attribution of a **cyber operation**, the **insured** and **insurer** shall have regard to whether the government of the **impacted state** formally or officially attributes the **cyber operation** to another sovereign state or those acting at its direction or under its control.

In the absence of attribution by the **impacted state**, the **insurer** may rely upon a reasonable inference as to attribution of the **cyber operation** to another sovereign state or those acting at its direction or under its control having regard to such evidence as is available to the **insurer**.

In the event that the government of the **impacted state** either takes an unreasonable length of time to, or does not, or is unable to attribute the **cyber operation** to another sovereign state or those acting at its direction or under its control, it shall be for the **insurer** to prove attribution by reference to such other evidence as is available.

The following definition applies for the purposes of this exclusion only:

Computer system

any computer, hardware, software, communications system, electronic device (including but not limited to, smart phone, laptop, tablet, or wearable device), server, cloud infrastructure 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.

17.11 War and terrorism

Except in respect of claims arising under Section - Terrorism and Section – Employers **liability** this **policy** excludes and does not cover any **damage** cost or expense of whatsoever nature directly or indirectly caused by resulting from or in connection with:

17.11.1 any act of **war** or **terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

17.11.2 any action taken in controlling preventing suppressing or in any way relating to any act of **war** or **terrorism**.

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

17.12 War, political risk and terrorism limitation applicable only to section – Employers' liability

17.12.1 Section – Employers liability excludes and does not cover any liability which arises directly or indirectly out of or caused by **war** or **terrorism** except that this exclusion shall not apply to the first £5,000,000 of any liability for an act of **war** or **terrorism** provided that **our** maximum liability will not exceed £5,000,000 in respect of:

- a) any one claim against **you** or **series of claims** against **you**; and
- b) any claim or **series of claims** made by **you** under Section – Employers liability; arising out of one occurrence.

18 Claim procedure

Except for Section – Employers liability, the due observance and fulfilment of the provisions of the Claim notification and Claim procedure clauses are a condition precedent to **our** liability for any claim under this **policy**. The 'Observance clause' sets out the consequences of a failure to comply with conditions precedent.

18.1 Claim notification – For sections - Professional indemnity, Directors and officers liability, Crime, Corporate legal liability, Pension trustees liability and Cyber liability

18.1.1 **You** will give notice in writing or by an agreed electronic medium, to **us**:

- a) as soon as reasonably practical of any **claim**, but in any event not later than thirty (30) days from receipt of any **claim** or any notice of an intention to make a **claim** and for the avoidance of doubt within the **period of insurance**;
- b) as soon as reasonably practical of any **circumstance**, but in any event before expiry of the **period of insurance**;
- c) within two (2) working days, but in any event before expiry of the **period of insurance**, of receipt of any notice of intention to adjudicate, notice of adjudication, referral notice or any adjudication notice pursuant to contract;

with full particulars thereof. Provided always that such written notice is given to the **insurer** during the same **period of insurance** or (if **you** renew this insurance with **us**) within seven (7) days after its expiry.

18.1.2 **We** agree that any **circumstance** notified to **us** during the **period of insurance** which subsequently gives rise to a **claim** after expiry of the **period of insurance** shall be deemed to be a **claim** first made during the **period of insurance**.

18.1.3 **You** may contact **us** using the information set out in the 'Claims procedure' under the 'Our agreement in general' section.

18.2 Claim notification – For sections – Contents, Buildings, Business interruption, Terrorism, Employers' liability and Public and products liability

18.2.1 On the happening of any event which may give rise to a claim **you** must:

- a) notify **us** immediately;
- b) inform the police immediately if the **damage** has been caused by thieves malicious persons or vandals or by riot civil commotion strikes or labour disturbances

18.2.2 **You** may contact **us** using the information set out in the 'Claims procedure' under the 'Our agreement in general' section.

18.1 Claim notification - Section – Legal Expenses

To report a claim under this section please see the details specified in the '1.6 Claims notification' clause of '1 Our agreement in general'

Please do not ask for help from a lawyer, accountant or anyone else before **ARAG** have agreed. If **you** do, **ARAG** will not pay the costs involved.

18.2 Your duties – All sections except Section – Legal Expenses

18.2.1 On the happening of any event which may give rise to a claim **you** must:

- a) give all information and assistance **we** may require and forward all **documents**, to enable **us** and/or the **cyber and data security representative** to investigate, settle or resist any claim as **we** may require;
- b) not make or allow to be made on **your** behalf any admission offer promise payment of indemnity without **our** written consent;

- c) take all practicable steps to recover property lost and otherwise minimise the claim;
- d) not incur any expense without the consent of **our** except at the **insured's** own cost; and
- e) within thirty (30) days or such further time as **we** may allow in writing deliver to **us** a written claim providing at **your** own expense all details proofs and information regarding the cause and amount of **damage** as **we** may reasonably require together with details of any other insurances on any property or liability covered by this **policy** and (if demanded) a statutory declaration of the truth of the claim and or any related matters;
- f) not destroy evidence, supporting information or documentation without **our** prior consent; nor destroy any plant or other property relating to an occurrence, loss or suit that may give rise to a claim under this **policy**.

- 18.2.2 In respect of any event which may give rise to legal or regulatory proceedings, **you** must:
- a) immediately forward to **us** every letter claim writ summons and process immediately upon receipt without acknowledgement;
 - b) advise **us** in writing immediately **you** have knowledge of any pending prosecution inquest fatal **accident** or ministry inquiry;
 - c) co-operate with **us** or **our** appointed agents to allow them to comply with such relevant practice directions and pre-action protocols as may be issued and approved from time to time by the head of civil justice;
 - d) authorise **us** to obtain medical records or other pertinent information upon request, in the event of an insured event involving **bodily injury**.

- 18.2.3 As regards Section – Business Interruption **you** must within thirty (30) days after the expiry of the **indemnity period** or within such further time as **we** may in writing allow at **your** own expense deliver to **us** a statement setting out particulars of the claim together with details of all other insurance covering any part of the damage or resulting loss of **gross revenue**. **You** shall at **your** own expenses also provide **us** with such books of account and other **business** books vouchers invoices balance sheets and other documents proofs information explanation and other evidence as may reasonably be required by **us** for the purpose of investigating or verifying such claim together with (if demanded) a statutory declaration of the truth of the claims and any related matter. No claim under this Section – Business Interruption shall be payable unless the terms of these conditions have been complied with and in the event of non compliance therewith in any respect any payment on account of the claim already made shall be repaid to **us** immediately.

- 18.2.4 On the happening of any event which may give rise to a claim **you** must prove, if it is alleged that an event is not covered or that the indemnity is otherwise limited being **war** or an **act of terrorism** that the said exclusion or **limit of indemnity** does not apply, it being understood and agreed that any portion of an exclusion or **limit of indemnity** being found invalid, inapplicable or unenforceable will not in any way render the remainder of the exclusion or limit invalid, inapplicable or unenforceable.

18.3 Your duties – Section – Legal Expenses

Please refer to Section – Legal Expenses

18.4 Advancement of defence costs

In respect of any **claim** covered by Section – Directors and Officers liability, **we** will advance **defence costs** prior to the final settlement of a **claim**. Such advance payments of **defence costs** shall be repayable to **us** by the **insured** severally according to their respective interests in the event and to the extent that it is determined that they were not entitled under Section – Directors and Officers liability of this **policy** to payment of such **defence costs**.

18.5 Disputed defence or appeal

If any dispute arises between **you** and **us** as to whether a prosecution should be defended or an appeal made, such dispute will be referred to a King's Counsel to be mutually agreed between the parties (or in default of agreement to be nominated by the President of the Law

Society) whose decision will be final. In the event of conflict between any person falling within the definition of **insured** separate representation will be arranged for each party. The cost of such legal opinion shall be regarded as part of the **defence costs**.

18.6 Allocation – section – Directors and Officers liability

If an **we** incur a loss covered by this Section – Directors and Officers liability together with other loss which is not covered by this **section** or a **claim** is made against both a party entitled to cover and a party not so entitled then the following sub-paragraphs will apply:

- 18.6.1 **we** shall pay only such amount as is just and equitable having regard to the relative legal and financial exposures of the loss covered by this **section** compared to the other **loss** which is not covered by this **section** and of the party entitled to cover compared to the party not so entitled;
- 18.6.2 **you** and the **insurer** shall use their best efforts to agree this amount;
- 18.6.3 in default of an agreement, this amount shall be determined by an **independent lawyer** in accordance with the principles set out in item 1 above.

18.7 Basis of valuation

In no event shall **we** be liable for more than the:

- 18.7.1 value of a non sterling currency at the rate of exchange published in the Financial Times on the date a **loss**;
- 18.7.2 actual market value of securities at the close of business on the day the **loss**, or for more than the actual cost of replacing the securities, whichever is the less, plus the cost to post any lost instrument bond;
- 18.7.3 cost of blank books, blank pages or other materials, plus the cost of labour and computer time for the actual transcription or copying of **data** furnished by **you** in order to reproduce books of accounts and records not held on a **computer system**;
- 18.7.4 cost of labour for the actual transcription or copying of **data** held in a **computer system** furnished by **you**, in order to reproduce such **data**;
- 18.7.5 actual cash value of property at the time of a loss or the actual cost of repairing or replacing the property with property or material of like quality or value, whichever is less. The actual cash value of property held by **you** as a pledge, or as collateral for an advance or a loan, shall be considered not to exceed the value of such property as determined and recorded by **you** when making the advance or loan, or in the absence of a record, the unpaid portion of the advance or loan plus accrued **interest** at legal rates.

18.8 Our rights

- 18.8.1 Claims will be handled and administered by **us** or such parties as **we** in **our** absolute discretion may determine.
- 18.8.2 **We** shall be entitled on the happening of any **damage** to enter any building where such **damage** has happened and to take and keep possession of the **property insured** and to deal with salvage in a reasonable manner and this **policy** shall be proof of leave and licence for such purpose but the property may not be abandoned to **us**;
- 18.8.3 **We** shall be entitled at **our** option to either:
 - a) repair or replace the property or any part of the property for which it may be liable under this **policy**; or
 - b) make payment in money to **you** in lieu of such repair or replacement or reinstatement effected as nearly as may be reasonably practicable shall be deemed a complete indemnity under this **policy**.
- 18.8.4 **We** shall only be liable to pay **defence costs** to which we has given our prior written consent, such consent not to be unreasonably withheld.

- 18.8.5 **We** will be under no obligation to investigate any potential **claims** or to undertake the conduct of any proceedings in connection with such **claims** and will be at liberty in all cases to leave the conduct of such proceedings wholly to the **insured**, upon such conditions as regards the payment of costs and with such liberty to bind the **insurer** by compromise as **we** may in its absolute discretion determine.
- 18.8.6 **We** may at any time pay the **limit of indemnity** (after deduction of any sums already paid) or such lesser sum for which the **claim** can be settled and will relinquish the conduct and control of the **claim** and be under no further liability, except (where payable under the relevant **section**) for payment of **defence costs** incurred prior to the date of payment.
- 18.8.7 **We** may at any time apply to the **insured** for reimbursement for payments made under **section – Directors and Officers liability** clause 4.1.2 but which do not exceed the **excess**.

18.9 Recoveries

Recoveries (except from insurance, reinsurance, sureties or indemnity), will be allocated in the following order:

- 18.9.1 first, any costs and expenses reasonably and necessarily incurred in relation to the recovery will be reimbursed;
- 18.9.2 second, **you** will be reimbursed for any loss or costs exceeding the **limit of indemnity** specified in the **schedule**;
- 18.9.3 third, **we** will be reimbursed for any settlement made; and
- 18.9.4 lastly, **you** will be reimbursed for loss or costs in respect of the **excess** specified in the **schedule**.

18.10 Subrogation

- 18.10.1 For each and every claim **you** and any person acting on **your** behalf must not waive any rights of recourse or recovery against any other person relating to an occurrence, loss or suit that may give rise to a claim under this insurance and must assist **us** in all respects in exercising such rights if requested to do so by **us**.
- 18.10.2 **We** agree not to exercise such rights against any principal, partner, director or employee of the **insured** unless the claim or loss is brought about or contributed to by the dishonest, fraudulent, criminal or malicious act or omission of that principal, partner, director or employee.

19 General conditions

19.1 Applicable law

The law allows the parties to this contract of insurance to select the law and jurisdiction to be applied to this **policy**. Unless it is agreed otherwise, the law that applies to this contract is the law of that part of the **United Kingdom** where the head office of the **insured** is located.

It is agreed that any legal proceedings between the **insured** and the **insurer** in connection with this contract will only take place in the courts of that part of the **United Kingdom** where **your** head office is located and are subject to the exclusive jurisdiction of that court.

19.2 Assignment

Assignment of interest under this **policy** will not bind the **insurer** unless and until the **insurer's** written consent is endorsed hereon.

19.3 Basis of contract

Any reference to 'basis of the contract' in this **policy** or in the proposal form (if any) is of no effect.

19.4 Cancellation

This **policy** may be cancelled either by **you** or **us**.

19.4.1 Our rights

The **policy** may be cancelled by **us** at any time by giving **you** twenty-one (21) days written notice of cancellation by recorded delivery to **your** last known address. **We** will set out the reason for cancellation in **our** letter.

You shall be entitled to the return of a proportionate part of the premium in respect of the unexpired term of this **policy** provided that there have been:

- a) no claims made under the **policy** for which **we** have made a payment;
- b) no claims made under the **policy** which are still under consideration;
- c) no incident likely to give rise to a claim but is yet to be reported to **us**; during the current **period of insurance**.

This termination will be without prejudice to **your** or **our** rights or claims incurred prior to the expiration of such notice. If a claim has been submitted or there has been any incident likely to give rise to a claim during the current **period of insurance** no refund for the unexpired portion of the premium will be given.

But for members of the Royal Institution of Chartered Surveyors our only right to cancel is in respect of non-payment of premium.

19.4.2 Your rights - including cooling off period

You may cancel this **policy** by giving written notice to **your** broker or to **us** quoting **your policy** number:

- a) within fourteen (14) days from the inception day of the **policy**. **You** have the right to cancel the **policy** free of charge and to receive full refund of premium under this **policy**;
- b) after fourteen (14) days from the inception day of the **policy**. **We** may refund any unearned premium calculated pro-rata to the annual premium;

provided that there have been:

- i) no claims made under the **policy** for which we have made a payment;
- ii) no claims made under the **policy** which are still under consideration;
- iii) no incident likely to give rise to a claim but is yet to be reported to **us**;

during the current **period of insurance**.

If **you** cancel this **policy** after fourteen (14) days from the inception day of the **policy**, there will be an additional charge of forty pounds (£40) to cover the administrative cost of providing the insurance.

This termination will be without prejudice to **your** or **our** rights or claims incurred prior to the expiration of such notice. If a claim has been submitted or there has been any incident likely to give rise to a claim during the current **period of insurance** no refund for the unexpired portion of the premium will be given.

19.5 Confirmation of values at risk

You must provide to **us** at the inception of the **policy** and annually thereafter full details of the declared value as well as the wageroll and **turnover** of the **business**.

19.6 Contract (Rights of Third Parties) Act 1999

This insurance does not confer or create any right enforceable under the Contracts (Rights of Third Parties) Act 1999 or any amending or subsequent legislation, by any person who is not named as the **insured** and both **we** and **you** may amend, cancel or lapse this insurance without giving notice to, or requiring the consent of, any other third party. However, this will not preclude rights enforceable under the Third Parties (Rights against Insurers) Act 2010.

19.7 Contribution

19.7.1 For **sections** - Contents, Buildings, Business Interruption and Terrorism if at the time of any **damage** or liability arising under this **policy** there shall be any other insurance covering such **damage** or liability or any part thereof **we** shall not be liable for more than its proportional share thereof.

19.7.2 For all **sections** excluding **sections** – Contents, Buildings, Business Interruption and Terrorism, if there is any other valid and collectible insurance that is available to a party able to **claim** under all **sections** excluding **sections** – Contents, Buildings, Business Interruption and Terrorism other than insurance that is specifically stated to be in excess of and names **you** for the insurance by such a **policy**, then the insurance afforded by this **policy** will be in excess of and will not contribute to such other insurance.

19.8 Difference in conditions

This **policy** is designed to provide the minimum insurance requirements of the Royal Institution of Chartered Surveyors as per the Approved Minimum Wording, and it is specifically understood and agreed that the cover provided by this **policy** shall be no less favourable and provide no less protection to the **insured** other than in respect of:

- a) the fire safety exclusion at clause 3.4.7 or as specified in the **schedule**;
- b) Unlimited Aggregate Round the Clock Limit of Liability basis of coverage (where specified in the **schedule**); or
- c) the **excess**, which shall be applicable to **defence costs**.

Any dispute between **insurers** and the **insured** as to whether the cover under this **policy** is in any respect less favourable or gives less protection to the **insured** than the Approved Minimum Wording would, shall be referred by either party for arbitration in accordance with English law and procedure to any person nominated by the President for the time being of the Royal Institution of Chartered Surveyors, whose decision shall be binding on both parties.

19.9 Dispute resolution

19.9.1 Any dispute between **us** and **you**:

- a) as to the correct interpretation of the definition of **business services** under this **policy**; or
- b) regarding the application of the 'Special institution condition' clause.

shall be referred by either party for arbitration in accordance with the law and procedure of England and Wales to any person nominated by the President for the time being of the Royal Institution of Chartered Surveyors, whose decision shall be binding on both parties.

19.9.2 If **us** and **you** cannot agree a common course of action with regard to the contesting of any legal proceedings (whether defence or prosecution), the dispute will be resolved by reference to a King's Counsel of the English Bar to be mutually agreed between **us** and **you**, whose

decision shall be binding. In resolving the dispute, the King's Counsel shall have due regard to the interests of both **us** and **you**. In the event of disagreement regarding the appointment of the King's Counsel, the King's Counsel shall be appointed by the chairman of the Bar Council. The costs of such an exercise shall be allocated by the agreed or appointed party on a fair and equitable basis.

- 19.9.3 The parties agree to perform their respective continuing obligations under this insurance, if any, while the dispute is resolved unless the nature of the dispute prevents such continued performance of those obligations.
- 19.9.4 If any such dispute is not resolved by mediation or the parties cannot agree upon the appointment of a mediator or the form that the mediation will take the dispute will be referred by either party to courts subject to the law and jurisdiction set down in the Applicable law clause above.

19.10 Duty of fair presentation

You must make a fair presentation of the risk (as set out in the Insurance Act 2015 or successor or amending legislation) in proposing for, or proposing to vary, this insurance.

19.11 Duty of fair presentation - remedies for breach – proposing for this insurance

If **you** or anyone acting on **your** behalf breaches **your** duty of fair presentation then **our** remedies shall be as follows:

- a) if such breach is deliberate or reckless, **we** may:
 - i) treat this **policy** as having been terminated from its inception; and
 - ii) retain the premium;
- b) if such breach is not deliberate or reckless and **we** would not have entered into this **policy** but for the breach, **we** may by notice to **you** treat this **policy** as having been terminated from its inception in which case **we** shall return the premium; and
- c) in all other cases if, but for the said breach, **we** would have entered into this **policy** but:
 - i) on different terms (other than terms relating to the premium), **we** may require that this **policy** is treated as if it had been entered into on those different terms from the outset; or
 - ii) would have charged a higher premium, **we** may reduce proportionately the amount to be paid on a claim (and, if applicable, the amount already paid on prior claims). In those circumstances, **we** shall pay only X% of what **we** would otherwise have been required to pay, where $X = (\text{premium actually charged/higher premium}) \times 100$.

19.12 Duty of fair presentation - remedies for breach – variation

If **you** or anyone acting on **your** behalf breaches **your** duty of fair presentation in relation to a variation of this **policy**, **our** remedies shall be as follows:

- a) if such breach is deliberate or reckless, **we** may:
 - i) by notice to **you** treat this **policy** as having been terminated from the time when the variation was concluded; and
 - ii) retain the premium;
- b) if such breach is not deliberate or reckless, and **we** would not have entered into the variation but for the breach, **we** may treat this **policy** as if the variation was never made, in which case **we** shall return any additional premium relating to the variation; and
- c) in all other cases if, but for the said breach, **we** would have entered into the variation but:
 - i) on different terms (other than terms relating to the premium), **we** may require that the variation is treated as if it had been entered into on those different terms;
 - ii) would have increased the premium by more than we did or at all, **we** may reduce proportionately the amount to be paid on a claim arising out of events after the variation. In those circumstances, **we** shall pay only X% of what **we** would otherwise

have been required to pay, where $X = (\text{premium actually charged/higher premium}) \times 100$; or

- iii) would not have reduced the premium by as much as we did or at all, **we** may reduce proportionately the amount to be paid on a claim arising out of events after the variation. In those circumstances, **we** shall pay only $X\%$ of what **we** would otherwise have been required to pay, where $X = (\text{premium actually charged/reduced total premium}) \times 100$.

19.13 Employers' Liability (Compulsory Insurance) Act 1969

The indemnity granted by Section – Employers liability is deemed to be in accordance with the provisions of the Employers' Liability (Compulsory Insurance) Act 1969 and the Employers Liability (Compulsory Insurance) Regulations 1998 or any subsequent amendment or re-enactment or similar legislation in Northern Ireland, the Isle of Man and the Channel Islands. Where any condition precedent, exclusion, term or condition of this **policy** is deemed prohibited by the act or regulations, then **we** will provide an indemnity to the employee under the terms of Section – Employers liability but **you** will repay to **us** that part of **our** indemnity for which it would not otherwise have been liable under this **policy** by reason of any such breach of condition precedent, term, condition or exclusion.

19.14 Fraudulent claims

- 19.14.1 If **you** or anyone acting on **your** behalf makes a fraudulent claim under this **policy**, **we**:
 - a) are not liable to pay the claim;
 - b) may recover any part of the claim already paid from the relevant **insured**; and
 - c) may by notice to **you** treat this **policy** as having been terminated with effect from the time of the first fraudulent act, in which case **we** are not liable to that **insured** in respect of a relevant event occurring after that time and may retain any premium.
- 19.14.2 These remedies shall not be available against any other entity insured under this **policy** that was not implicated in the fraud.

19.15 Late payment of claims

The **insurer** shall, pursuant to section 13A of the Insurance Act 2015, pay any sum due in respect of a valid claim within a reasonable time (which includes a reasonable time to investigate and assess the claim).

19.16 Material changes during the policy period

- 19.16.1 **You** must notify **us** within thirty (30) days of any material change to the **insured**, **your business** or the risks insured if indemnity under this insurance is sought in relation to any such change.
- 19.16.2 **We** shall not indemnify **you** for any liability arising out of a material change for which indemnity would otherwise have been available under this insurance unless **we** have provided valid confirmation of cover, whether by an express term of this **policy**, endorsement, written confirmation or otherwise.

19.17 Minimisation of risk

- 19.17.1 **You** will take all reasonable steps at **your** own expense to prevent an insured event arising or continuing.
- 19.17.2 Upon the happening of an insured event and at all times thereafter, **you** shall act as a prudent uninsured and take all reasonable measures as are appropriate to avoid or minimise any claims which arise or may arise from that insured event. Any failure by **you** to take such steps shall reduce or extinguish **our** liability to indemnify **you** under the **policy** to the extent that such failure has increased the claim under the **policy**.

19.18 Minimum standards of security

- 19.18.1 It is a condition precedent to **our** liability for **damage** by theft or any attempt thereat that the following minimum level of security (or alternative security precautions as agreed in writing by **us** whether following a survey or otherwise) is installed at the **premises** and put into effect whenever the **premises** are left unattended:
- a) the final exit door of the **premises** are to be fitted with a mortise deadlock which has 5 or more levers and/or conforms to BS3621. A matching boxed striking plate must also be added.
 - b) all other external doors and all internal doors giving access to any part of the building not occupied by **you** for the purpose of the **business** are to be fitted with either:
 - i) a mortise deadlock which has 5 or more levers or conforms to BS3621 with matched boxed striking plate as specified above; or
 - ii) two key operated security bolts for doors one fitted approximately 30cm from the top of the door and the other 30cm from the bottom.
 - c) aluminium or UPVC framed doors are to be fitted with integral cylinder key operated mortise deadlocks.
 - d) all opening external basement ground floor and other accessible (accessible being a window that can easily be reached such as a window adjacent to a flat roof or fire escape balconies canopies or down pipes) windows, fanlights, roof lights and skylights are to be fitted with key operated window locks. This requirement does not apply to windows protected by solid steel bars weldmesh or expanded metal grilles securely fixed to the brickwork surrounding the window.
 - e) any door or window officially designated a fire exit by a fire authority is excluded from the above requirements. These are to be secured internally by panic bolts or fire exit bolts (capable of opening at all times) any additional devices must be approved by the local Fire Prevention Officer.

19.19 Multiple claims

- 19.19.1 All causally connected or interrelated **wrongful acts**, or conduct (as described in item 5 of the 'Claim' definition), jointly constitute a single **wrongful act**, or conduct, under this **policy**, which shall be deemed to have occurred upon the date of the earliest **wrongful act**, or conduct.
- 19.19.2 Where a single **wrongful act**, or conduct, or series of causally connected or interrelated **wrongful acts** or conduct (as in item 5 of the 'Claim' definition), gives rise to more than one **claim**, all such claims shall jointly constitute one **claim**, which shall be deemed to have been made at the time the first **claim** was made.
- 19.19.3 Where a single **wrongful act** gives rise to more than one **claim**, all such **claims** shall jointly constitute one **claim** under this **policy** and only one **excess** shall be applicable in respect of such **claim**.

19.20 Observance

It is a condition precedent to **our** liability under this **policy** that the terms hereof so far as they relate to anything to be done or complied with by **you** are duly and faithfully observed and fulfilled by **you** and by any other person who may be entitled to be indemnified under this **policy**.

19.21 Premium Adjustment

In the event of a notification of a material change of the risk by **you**, the annual premium for this insurance will be adjusted and re-calculated. In order to do that, the adjusted annual premium based on the material change of the risk, will be compared against the annual premium charged at inception of the **policy** or the most recent annual premium following any previous adjustment. Where the adjustment in annual premium results in:

- a) an additional charge of less than £20.00, a minimum of £20.00 will be charged to **you**;
- b) a refund of less than £20.00, any such refund will be waived and not processed; and

- c) an additional charge or refund greater than £20.00, this sum will be charged or refunded to **you** in its entirety via **your** intermediary.

Any difference in premium for the unexpired **period of insurance** to be payable or refundable by or to **you** and will be adjusted in accordance to the terms of the **policy**.

19.22 Privacy Notice

Any personal data provided to the **insurer** will be processed in compliance with all applicable laws and regulations and in accordance with the privacy notice which can be found at: <https://qbееurope.com/privacy-policy/>

Alternatively the **insured** may contact the **insurer's** Data Protection Officer to request a copy of the full privacy notice by email: dpo@uk.qbe.com or by writing to the: Data Protection Officer, QBE European Operations, 30 Fenchurch Street, London EC3M 3BD.

19.23 Records

We may hold **documents** relating to this insurance and any claims under it in electronic form and may destroy the originals. An electronic copy of any such document will be admissible in evidence to the same extent as, and carry the same weight as, the original.

19.24 Recovery of benefits

In the event that **your** liability in damages is reduced because benefits and/or charges included in the damages are to be paid under statute to the Compensation Recovery Unit or its successor, **your** liability in damages for the purposes of this insurance will be deemed to include such benefits and charges.

19.25 Representation

Any person falling within the definition of the **insured** agrees that the first named insured is their agent for the purpose of giving and receiving of any notices from **us** or **our** representatives including any notice of cancellation. The payment to the first named **insured** of any return premium that may be payable under this **policy** will satisfy **our** obligations to return premium to **you**.

19.26 Severability

- 19.26.1 The proposal shall be construed as a separate application for insurance under this **policy** by each **insured**. No statements in the **statement of fact** or knowledge possessed by an **insured** shall be imputed to any other **insured**.
- 19.26.2 For the purpose of determining the applicability of the exclusions or limitations, the act or knowledge of an **insured** shall not be imputed to any other **insured**.

19.27 Sanction limitation and exclusion

- 19.27.1 **We** shall not provide cover nor be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose **us** or any member of **our** group to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of any country.

19.28 Special institution condition

- 19.28.1 Where there has been non-disclosure or misrepresentation of facts or untrue statements in the **statement of fact** or in any other information or statements provided to or made to **us** and there has been no intention to deceive or mislead **us**, **we** will not exercise **our** right to avoid this policy nor will **we** be discharged from any liability under this **policy** provided that:
- a) where such non-disclosure or misrepresentation has prejudiced **our** consideration of terms under this **policy**, **we** shall be entitled to charge a reasonable additional premium in light of such prejudice.

- b) However, in the case of a **claim** first made against **you** during the **period of insurance** where:
- i) **you** have previous knowledge of the **circumstance** relating to such claim; and
 - ii) **you** should have notified the same under any preceding policy,
- 19.28.2 then, where the indemnity or cover under this **policy** is greater or wider in scope than that to which **you** would have been entitled under such preceding policy (whether with other insurers or not), **we** shall only be liable to afford indemnity to such amount and extent as would have been afforded to **you** by such preceding **policy**.
- 19.28.3 Notwithstanding the 'Awards by ombudsman' clause, where **your** breach of or non-compliance with any provisions provided by the 'Claims notification' clause of this **policy** has resulted in prejudice to the handling or settlement of any **claim**, **we** shall be entitled to reduce the indemnity afforded by this **policy** in respect of such **claim** (including **defence costs**) to such sum as in **our** reasonable opinion would have been payable by them in the absence of such prejudice.
- 19.28.4 In the event of any conflict between the terms of this clause and the 'Material inaccuracy' clause the provisions of this clause shall apply as priority.

19.29 Subscribing insurers

The subscribing **insurers'** obligations under this **policy** are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing **insurers** are not responsible for the subscription of any co-subscribing **insurer** who for any reasons does not satisfy all or part of its obligations.

19.30 Tracing office database

Where **we** provide an indemnity under the Employers' Liability (Compulsory Insurance) Regulations 1998, **we** are required by regulation to maintain a database of all the companies and subsidiary companies covered by such insurance. **We** support and will add details of all **company** names to the Employers' Liability Tracing Office database.

Accordingly, it is a condition of this insurance that **you** undertake to supply full details (as required by the Employers' Liability Tracing Office) of the **company** and all subsidiary companies to **us** at inception of this **policy** and promptly thereafter following acquisition or disposal of any subsidiary company.

20 General definitions and interpretation

The following words will have the same meaning attached each time they appear in this **policy** in **bold** type face, whether with a capital first letter or not.

Where the context so admits or requires, words importing the singular will include the plural and vice versa and words importing the masculine will import the feminine and the neuter. References to 'a person' will be construed so as to include any individual, company, partnership, or any other legal entity. References to a statute or regulation will be construed to include all its amendments or replacements. All headings within the **policy** are included for convenience only and will not form part of this **policy**.

For Section – Business Interruption the words and expressions used in **your** books and accounts will have the meaning attached to them herein. Any adjustments implemented in current cost accounting will be disregarded. Further to the extent that **you** are accountable to the tax authorities for value added tax all terms in Section – Business Interruption will be exclusive of such tax.

20.1 Accident

Accident means a single and unexpected event, which occurs at an identifiable time and place.

20.2 Act of terrorism

20.2.1 For all territories other than England, Wales and Scotland

Act of terrorism means any act, or preparation in respect of action, or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof, or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a section of the public of any nation by any person or group (s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) de jure or de facto, and which:

- a) endangers life other than that of the person committing the action; or
- b) involves violence against one or more persons; or
- c) involves damage to property; or
- d) creates a risk to health or safety of the public or a section of the public; or
- e) is designed to interfere with or to disrupt an electronic system.

20.2.2 For Section - Terrorism

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

20.3 Administrator

Administrator means **your employee** or **your** director or the **trustee** who carries out administrative duties for or on behalf of the **trust scheme**.

20.4 Appointed representative

For Section – Legal expenses, appointed representative means the **preferred law firm**, law firm, **tax consultancy**, accountant or other suitably qualified person **we** will appoint to act on the **person insured's** behalf.

20.5 Asbestos surveys

Asbestos surveys either a management survey or a refurbishment or demolition survey as described in HSG264 published by the Health and Safety Executive in connection with Regulation 4 of the Control of Asbestos Regulations 2006, or any comparable survey or inspection, whether of commercial or residential land or property.

20.6 Asset and liberty proceeding

Any proceeding brought against any **insured person** by any **official body** seeking:

- 20.6.1 confiscation, assumption of ownership and control, suspension or freezing of rights of ownership of real property or personal assets of an **insured person**;
- 20.6.2 a charge over real property or personal assets of such **insured person**;
- 20.6.3 a temporary or permanent prohibition on such **insured person** from holding the office of or performing the function of a **director or officer**;
- 20.6.4 a restriction of such **insured person's** liberty to a specified domestic residence or an official detention;
- 20.6.5 deportation of an **insured person** following revocation of otherwise proper, current and valid immigration status for any reason other than such **insured person's** conviction of a crime.

20.7 Bodily injury

- 20.7.1 For all **sections** except Section - Legal expenses, bodily injury means death and injury, illness or disease whether bodily or mental.
- 20.7.2 For **section** - Legal expenses, bodily injury means death or injury caused by a specific or sudden **accident**.

20.8 Book debts

Book debts means the total amount of the balances debited to customers in **your** accounts after equitable allowances have been made for bad debts and for amounts debited (or invoiced but not debited) and credited (including credit notes and cash not passed through the books at the time of the **damage**) to customers' accounts in the period between the commencement of the **period of insurance** and the date of the **damage**.

20.9 Business

Business means the business stated in the **schedule** and the **statement of fact** including:

- 20.9.1 the provision and management of canteen sports social or welfare organisations for the benefit of **employees** and fire security first aid medical and ambulance services;
- 20.9.2 private work undertaken with **your** prior consent by **employees** for any director or senior official of the **insured**;
- 20.9.3 the ownership maintenance and repair of such **premises**.

20.10 Business services

Business services means:

- 20.10.1 services (including the giving of advice) which are undertaken by members of the Royal Institution of Chartered Surveyors, (or have otherwise been declared to the **insurer**) and which are performed by or on behalf of the practice within the **territorial limits**; and
- 20.10.2 services performed (including advice given) within the **territorial limits** by any **insured** whilst holding an individual appointment in respect of work connected with the practice where:
 - a) such services are undertaken by members of the Royal Institution of Chartered Surveyors or have otherwise been declared to the **insurer**; and
 - b) (if a fee was charged) the fee with respect to such services or advice is taken into account in ascertaining the income of the practice and has been disclosed to the **insurer**.

Other than the completion of the EWS 1 (or as revised) unless specifically declared to, and agreed by, **insurers**

20.11 Business hours

Business hours means the period during which the **premises** are open for **business** or are otherwise occupied for **business** purposes by **you** or an authorised **employee**.

20.12 Circumstance

Circumstance means an incident, occurrence, dispute, fact, matter, act or omission that is likely to give rise to a **claim**.

20.13 Claim

For Section – Professional liability and Section – Cyber liability, claim means:

- 20.13.1 the receipt by **you** of any written or verbal notice of demand for compensation made by a third party against **you**; or
- 20.13.2 any writ, statement of claim, claim form, summons, application or other originating legal or arbitral process whether civil or criminal, cross-claim, counterclaim or third or similar party notice served upon **you**; or
- 20.13.3 any notice of intention, whether orally or in writing, to commence legal proceedings against **you**;
For **section – Directors and Officers liability, Corporate legal liability and Pension Trustees liability**, claim means:
 - 20.13.4 any written communication received by an **insured person, company or outside company, trustee or an administrator** alleging that the party has committed a **wrongful act** indicating an intention to **claim** against an **insured person, company or outside company, trustee or administrator** or to complain about him in respect of such **wrongful act** to a legal, administrative or regulatory authority; or
 - 20.13.5 any written notice served on an **insured person, a trustee or an administrator** requiring the **insured person, trustee or administrator** to attend an interview or provide documentation or otherwise co-operate in an administrative or regulatory **investigation**, where the **investigation** directly concerns the conduct of the **insured person** (acting in his capacity as an **insured person**), **trustee or administrator** or of the affairs of the **company or outside company**;
 - 20.13.6 any **pre-investigation**; or
 - 20.13.7 any extradition proceedings.
but for Section – Corporate Legal Liability claim also includes:
 - 20.13.8 any **asset and liberty proceeding**.

20.14 Client

Client means a customer to whom **you** provide goods or services either under a written contract or for a fee.

20.15 Communicable disease

Communicable disease means any disease which can be transmitted by means of any substance or agent where:

- a) the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other or any variation or mutation thereof, whether deemed living or not;
- b) the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms; and
- c) the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of **property insured**;

regardless of the frequency or severity of an outbreak, or the size of the geographic area in which an outbreak is observed.

20.16 Company

Company means the company stated in the **schedule** and shall include all **subsidiary companies**.

20.17 Computer equipment

Means all computer hardware including manufacturer installed software.

20.18 Computer fraud

Computer fraud means the fraudulent manipulation of computer hardware or software or **computer system** by a **third party** (not being an **employee**).

20.19 Computer system(s)

Computer system means any computer, data processing equipment, media or part thereof, system of data storage and retrieval, communications system, network, protocol or part thereof, storage device, microchip integrated circuit, real-time clock system or similar device, any computer software (including but not limited to application software, operating systems, runtime environments or compilers), firmware or microcode or any electronic documents utilised in the ownership, security and management of the **insured's** electronic communication system, world-wide web site, internet site, intranet site, extranet site, or web address.

For Section - Terrorism:

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

20.20 Computer violation

Computer violation means an unauthorised and malicious entry of **data** into a **computer system**, change to **data** elements or program logic which is kept in machine readable format or introduction of instructions, programmatic or otherwise, which propagate themselves through a **computer system**, where **you** have been specifically and solely targeted.

20.21 Consultants

Shall mean any person undertaking **business** of **your** behalf and shall include any person, whether or not expressly described as a consultant, whose name and designation appear on any of **your** business stationery, or in business communications or material of any nature issued on **your** behalf, or who is employed by **you** in offering surveying services to the public.

20.22 Corporate body trustee

Corporate body trustee means a **subsidiary company** that acts as a **trustee** for the **trust scheme**.

20.23 Corporate card fraud

Corporate card fraud means the fraudulent use by any third party (not being an employee) of any corporate credit, debit or charge card issued to **you** or any **employee** for **business** purposes, provided that **you** have complied fully with the provisions, conditions or other terms under which the card was issued.

20.24 Costs and expenses

For **section** – Legal Expenses, costs and expenses means:

20.24.1 All reasonable, proportionate and necessary costs chargeable by the **appointed representative** and agreed by **ARAG** in accordance with the **ARAG Standard Terms of Appointment**.

20.24.2 The costs incurred by opponents in civil cases if the **person insured** has been ordered to pay them, or the **person insured** pays them with **ARAG's** agreement

20.25 Counterfeit

Counterfeit means an imitation of the original which is intended for fraudulent purposes to cause a reasonable person familiar with the appearance of the original to believe that the imitation is the original.

20.26 Crisis event

20.26.1 **Crisis event** means any of the following unforeseen events occurring during the **period of insurance** where, in the reasonable opinion of **your** chief executive officer, the event has the potential to make a significant impact on **your** consolidated annual revenues or **you** reputation if left unmanaged:

- a) the sudden, unexpected death or disability of any **director or officer**;
- b) the criminal conviction of any **director or officer**;
- c) loss of a major customer, contract or credit facility;
- d) employee workplace violence;
- e) the first apparent unauthorized intrusion into **your** computer facilities;
- f) a recall or boycott of any product;
- g) a man-made disaster;
- h) any criminal or fraud **investigation**; or
- i) any **claim**.

Crisis event does not include an event that affects **your** industry in general; rather than **your** specific business.

20.27 Cyber extortion threat

Cyber extortion threat means threat from a **hacker**:

- a) to damage, destroy, alter, corrupt, copy, steal or misuse **information and communication assets** including by introducing a computer virus, worm, logic bomb or trojan horse;
- b) to cause a failure of the security protecting **information and communication assets**;
- c) to attack **information and communication assets** in order to restrict or prevent access to **information and communication assets** by authorised persons or entities;
- d) to divulge **information and communication assets** into the public domain which will cause commercial and financial harm;

to fraudulently use **information and communication assets** to cause a loss to either **you** or a third-party

20.28 Cyber operation

Cyber operation means the use of **computer systems** by, at the direction, or under the control of a sovereign state to disrupt, deny, degrade, manipulate or destroy information in **computer systems** of or in another sovereign state.

20.29 Damage

Damage means:

20.29.1 loss of destruction of or damage to tangible property; and

20.29.2 in respect of Section – Public and Products liability loss of use of tangible property that has been lost destroyed or damaged.

20.30 ARAG

ARAG means ARAG Legal Expenses Insurance Company Limited, whose Head office and registered address is:

Unit 4a, Greenway Court, Bedwas, Caerphilly, CF83 8DW Registered in England and Wales, Company Number 103274

20.31 ARAG Standard Terms of Appointment

For **section** – Legal expenses, **ARAG Standard Terms of Appointment** means, the terms and conditions (including the amount **ARAG** will pay to an **appointed representative**) that apply to the relevant type of claim, which could include a conditional fee agreement (no win, no fee). Where a law firm is acting on **your** behalf the amount **ARAG** will pay is currently £100 per hour. This amount may vary from time to time.

20.32 Data

Data means information contained in an account, document, manuscript, microfilm, tape or in a **computer system**.

For Section - Terrorism:

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

20.33 Date of occurrence

For Section – Legal expenses, date of occurrence means:

- 20.33.1 for civil cases (other than as specified under 20.33.3 -20.33.5 below), the date of the event that leads to a claim. If there is more than one event arising at different times from the same originating cause, the **date of occurrence** is the date of the first of these events. (This is the date the event happened, which may be before the date **you** or a **person insured** first became aware of it);
- 20.33.2 for criminal cases, the date the **person insured** began, or is alleged to have begun, to break the law;
- 20.33.3 for insured incident – ‘Statutory licence appeal’, the date when **you** first became aware of the proposal by the relevant licensing or regulatory authority to suspend, alter the terms of, refuse to renew or cancel **your** licence or British Standard Certificate of Registration.
- 20.33.4 for insured incident – ‘Tax protection’, the date when HM Revenue & Customs, or the relevant authority, first notifies **you** of its intention to carry out an enquiry. For **VAT** or **employer compliance disputes**, the date the dispute arises during the **period of insurance** following the issue of an assessment, written decision or notice of a civil penalty;
- 20.33.5 for insured incident – ‘Legal defence’ - statutory notice appeals’, the date when the **person insured** is issued with the relevant notice and has the right to appeal.

20.34 Defence cost(s)

Defence cost(s) means for all **sections** except Section – Legal Expenses:

- 20.34.1 all legal costs, charges, fees, expenses including witness costs and advances in respect of the same (other than **your** or the **insured person's** salaries, commissions, expenses or other benefits);
- 20.34.2 reasonable fees, costs and expenses of accredited experts retained through defence counsel to prepare an evaluation, report, assessment, diagnosis or rebuttal of evidence in connection with the defence of a covered **claim**; or
- 20.34.3 and any premiums paid for insurance instruments or for bonds which are required in order to defend proceedings, institute an appeal or be released on bail but without any obligation to furnish or procure such insurance instruments or bonds;

20.34.4 pre-investigation costs;

20.34.5 investigation costs;

incurred with **our** prior written and **our** continuing consent (such consent not to be unreasonably withheld or unreasonably delayed or unreasonably withdrawn) in the investigation, defence or settlement of any **claim** and/or **circumstance(s)**.

20.35 Denial of service attack

Denial of service attack means any actions or instructions constructed or generated with the ability to **damage**, interfere with or otherwise affect the availability of networks, network services, network connectivity or information systems.

Denial of service attacks include but are not limited to the generation of excess traffic into network addresses the exploitation of system or network weaknesses and the generation of excess or non-genuine traffic between and amongst networks.

For Section - Terrorism

Denial of service attack means any actions or instructions constructed or generated with the ability to damage, interfere with or otherwise affect the availability or performance of networks, network services, network connectivity or **computer systems**. Denial of service attacks include, but are not limited to, the generation of excess traffic into network addresses, the exploitation of system or network weaknesses, the generation of excess or non-genuine traffic between and amongst networks and the procurement of such actions or instructions by other **computer systems**.

20.36 Director or officer

Director or officer means any director or officer, management committee member or member of the board of managers of a company.

20.37 Discover, discovered or discovery

Discover, discovered or discovery means where any **insured** or any of the directors, partners, officers, trustees or equivalent of any **insured** becomes aware of any act or acts which could reasonably be anticipated to give rise to a **loss** covered by this **policy**, even though the exact amount or details of such **loss** are not known at that time. Such discovery shall constitute knowledge possessed or discovery made by every **insured**. In the case of a number of acts, **loss** shall be deemed to have been discovered on the date of the first discovery of any such acts.

20.38 Documents

Documents means deeds, wills, written agreements, maps, plans, books, letters, policies, certificates, forms and documents of any nature whatsoever, whether written, printed or reproduced by any method, including computer records and **electronic data** material, but shall not include bearer bonds or coupons, stamps, bank or currency notes or any other negotiable instrument.

20.39 Electronic data

Means facts, concepts and information converted to a form usable for communication, display, distribution, interpretation or processing by electronic and electromechanical processing or electronically controlled equipment, including programmes, software and other coded instructions for such equipment.

20.40 Eligible insured sections

Eligible insured sections means any sections shown as operative on the **schedule** providing direct insurance cover for the risk of fire and/or explosion (either alone or with other perils) for any of the following heads of cover:

- a) buildings and completed structures;
- b) other property (including contents, engineering, contractors and computers)
- c) business interruption; or

d) book debts,

provided always that each eligible insured section shall be deemed to be a separate eligible insured section whether the item insured is insured under separate policies, under separate terms of a policy or under separate sections of combined or package policies.

20.41 Employee

20.41.1 For **sections** - Professional liability, Directors' and Officers' liability, Corporate legal liability and Cyber liability employee means any person including trainees and apprentices acting under a contract of service with **you** in respect of the conduct of **business services**.

20.41.2 For Section – Crime employee shall means:

a natural person, other than a director or partner, who acts under a contract of service with **you**, is paid by wages, salary or commission and whom **you** have the right to govern and direct in the performance of such service and shall include:

- a) **your** directors, members of the board of directors, board of trustees or equivalent management board while performing acts within the usual scope of an employee;
- b) any former employee for the first sixty (60) days following termination of service;
- c) any person performing the duties of an employee on a temporary or part time basis;
- d) any student, secondee or volunteer gaining work experience or performing the duties of an employee under **your** supervision;
- e) any **trustee**, fiduciary, **administrator**, employee or officer of any **employee plan**; and
- f) any person or employee of any entity to whom **you outsource** any administrative service during the ordinary course of business;
- g) any employee falling under the definition of employee in this sub-clause who **you** are unable to name, but who have caused a **loss** under this **policy**, provided that the evidence proves beyond reasonable doubt that the **loss** was caused by such employee;
- h) any solicitor, other than a sole practitioner, retained by **you**, or any employee of the solicitor, whilst providing services for **you**;

Notwithstanding the aforementioned above, employee shall not mean any person who works for or acts on behalf of any external auditor, external accountant, broker, investment manager, investment adviser or any financial agent or financial representative or the like.

20.41.3 For Section – Pension trustees Liability employee shall means:

any natural person employed under a contract of service or apprenticeship with **you** or the **trust scheme** during or prior to the commencement of the **period of insurance**.

20.41.4 For **sections** – Employers' liability and Public and Products liability employee shall means:

- a) any person under a contract of service or apprenticeship with **you**;
- b) any person who is hired to or borrowed by **you**;
- c) any person engaged in connection with a work experience or training scheme;
- d) any labour master or person supplied by him;
- e) any person engaged by labour only **sub-contractors**;
- f) any self-employed person working on a labour only basis under **your** control or supervision;
- g) any voluntary helper;

while working for **you** in connection with the **business**.

20.42 Employee plan

Employee plan shall mean any pension, employee benefit, share save or share option plan or charitable fund or foundation established, maintained and controlled by the **insured** for the benefit of the past, present and future **employees** of the **insured** or their respective beneficiaries.

20.43 Employer compliance dispute

For Section – Legal expenses, employer compliance dispute means a dispute with HM Revenue & Customs concerning **your** compliance with Pay As You Earn, Social Security, Construction Industry or IR35 legislation and regulations.

20.44 Employment practice

Employment practice means:

- 20.44.1 discrimination with respect to the terms or conditions of employment on the basis of an individual's race, colour, religion, age, sex, national origin, disability, pregnancy, sexual orientation or preference or other status protected under applicable law; or
- 20.44.2 sexual harassment, including unwelcome sexual advances, requests for sexual favours, and any unwelcome verbal, visual or physical contact of a sexual nature which:
 - a) is explicitly or implicitly made a term or condition of employment; and
 - b) creates a hostile or offensive working environment; and
 - c) when rejected or opposed by a person becomes a basis for decisions regarding that person's employment; or
- 20.44.3 defamation relating to a person's job skill, job performance, qualifications for employment, professional reputation, disciplinary history, or termination of employment; or
- 20.44.4 unfair or wrongful termination of employment or refusal to hire; or
- 20.44.5 adverse change in the terms and conditions of a person's employment in retaliation for that person's exercise of his or her rights under law, or support of the rights of another.

20.45 Environmental audit

Environmental audit means an investigation which is specifically intended to assess whether there is actual **pollution** present.

20.46 Essential service

Essential service means a service that is essential for the maintenance of vital functions of a sovereign state including but not limited to financial institutions and associated financial market infrastructure, health services or utility services.

20.47 Excess

- 20.47.1 The **limit of indemnity** is additional to the excess and excess means the first amount specified in the **schedule** payable by **you** in respect of each and every **claim, series of claims** or **circumstance** as ascertained after the application of all other terms and conditions of this insurance. The **excess** will be applied to **defence costs**, fees and expenses (unless expressly stated otherwise in the **schedule**).
- 20.47.2 The excess will not be applied to payments made under the 'Additional professional liability costs and expenses' apart from payments under the 'Legal representation **costs**' clause.
- 20.47.3 As regards payments made under the 'Awards by ombudsmen' clause, the excess will apply to:
 - a) any single award made by any ombudsman; or
 - b) any series of awards by any ombudsman attributable to the same originating cause.

20.48 Extended reporting period

- 20.48.1 For Section – Directors and Officers liability extended reporting period means a period immediately following expiry of the **period of insurance** in which notice may be given to **us** of a **claim** first made during such period in respect of **wrongful acts** or conduct (as described in item 5 of the 'Claims' definition) which occurred prior to the expiry of the **period of insurance**.

20.48.2 For Section - Crime extended reporting period means the period noted in the **schedule** following the expiry of the **period of insurance** during which **you** may continue to notify claims and **discovery** of **loss** but only in relation to **loss** occurring prior to the expiry of the **period of insurance** and only if the **policy** for is not replaced by a similar **policy** issued by the **insurer** or by another company. Any claim made or **loss discovered** during the extended reporting period shall be deemed to have been made or **discovered** during the immediately preceding **period of insurance**.

20.48.3 For Section – Corporate Legal liability extended reporting period means where **you** or any of **your** directors, partners, officers, **trustees** or equivalent becomes aware of any act(s), error or omission which occurred prior to the expiry of the **period of insurance** which could reasonably be anticipated to give rise to a **loss**, even though the exact amount or details of such **loss** are not known at that time. Such **discovery** shall constitute knowledge possessed or **discovery** made by every party insured by this **policy**. In the case of a number of acts, **loss** shall be deemed to have been **discovered** on the date of the first **discovery** of any such acts.

20.49 Forgery

Forgery means the signing by hand of another natural person's name or the alteration or **counterfeit** reproduction of the original of any cheque, draft, promissory note or similar written promise order other than that required in connection with any credit, debit or charge card with the intent to deceive in consequence of which money, **funds** or goods have been transferred. It shall not mean the signing of one's own name with or without authority in any capacity for any purpose. Mechanically or electronically produced or reproduced signatures shall be treated as hand written signatures.

20.50 Funds

Funds shall mean funds held in an account maintained at a financial institution.

20.51 Funds transfer fraud

Funds transfer fraud means fraudulent alteration of written, electronic, telegraphic, cable, teletype or telephone instructions to the financial institution by a third party (not being an **employee**).

20.52 Glass

Glass shall mean:

20.52.1 fixed glass in windows doors and fanlights;

20.52.2 glass showcases shelves tops and mirrors;

20.52.3 sanitary fixtures and fittings.

20.53 Gross revenue

Gross revenue means the money paid or payable to **you** for work done and for services rendered in course of the **business** at the **premises**.

20.54 Hacker

Hacker means anyone who specifically and maliciously targets **you** and gains unauthorised access to **your computer systems** solely by circumventing electronically the security system in place to protect against such unauthorised access to the **computer** systems.

Hacker does not include any principal, director or partner of **yours**.

20.55 Hacking

Hacking means unauthorised access to any computer or other equipment or component or system or item which processes, stores, transmits or retrieves data, whether the property of the **insured** or not.

For Section -Terrorism

Hacking means unauthorised access to any **computer system**, whether the property of the **insured** or not.

20.56 Impacted state

Impacted state means a sovereign state where a **cyber operation** has had a major detrimental impact on:

- 20.56.1 the functioning of that sovereign state due to disruption to the availability, integrity or delivery of an **essential service** in that sovereign state; and/or
- 20.56.2 the security or defense of that sovereign state.

20.57 Increased cost of working

Increased cost of working means the additional costs incurred after **damage** to limit any reduction in **turnover** or revenue, and to maintain normal business operations.

20.58 Indemnity period

Indemnity period means the period beginning with the happening of the **damage** and ending not later than the number of months shown in the **schedule** during which the results of the **business** are affected as a result of the **damage**.

20.59 Independent lawyer

Independent lawyer means:

- 20.59.1 where the claim is in England, a King's Counsel agreed upon by both **you** and **us** or failing such agreement to be nominated by the chairman for the time being of the Bar Council of England and Wales; or
- 20.59.2 where the claim is in another jurisdiction, a lawyer of more than ten (10) years experience agreed upon by both **you** and **us** or failing such agreement to be nominated by the chairman of the local law society.

20.60 Information and communication assets

Information and communication assets means **your** computer and telecommunication system software and hardware, including but not limited to **your** email system, encrypted electronic signature, encrypted electronic certificate, website, intranet, network, internet-connected telephone system, firmware, program or any **data** held electronically.

20.61 Injury

Injury means a specific injury which is sustained by the **insured person** during the **period of insurance**, is caused by an **accident**, and within twelve (12) months of the **accident**, solely and independently of any other cause, brings about death or disablement of the **insured person**.

20.62 Insured/you/your

Insured/you/your means

- 20.62.1 the person(s) or **company** named in the **schedule**; or
- 20.62.2 an **insured person**; or
- 20.62.3 **your** practice including their predecessors and any other practices but excluding all those practices, predecessors or other practices that are not disclosed to **us** in the **statement of fact**; or
- 20.62.4 the partners, directors or **members** of the practice during the **period of insurance**; or
- 20.62.5 former partners, former directors or former **members** of the practice; or
- 20.62.6 (in respect of the **business services** undertaken on behalf of the practice only) those persons named as consultants or former consultants in the **statement of fact**; or

- 20.62.7 any retired partner, director or **member** of the practice remaining as a consultant to the practice; or
- 20.62.8 (in respect of the **business services** undertaken on behalf of the practice only) any **employee** and/or former **employee** of the practice and any self-employed person;
- 20.62.9 the estate, heirs and executors or legal and personal representatives of those parties mentioned above in the event of their death, incapacity, insolvency or bankruptcy, for legal liabilities incurred due to any **wrongful act**, error or omission of such deceased, incompetent or bankrupt person.
- 20.62.10 a **trustee, administrator** or **trust scheme**;
- 20.62.11 the lawful spouse of any natural person insured provided that the claim against such spouse is to enforce a judgment against such natural person insured for a **claim** otherwise covered by this **policy**.

20.63 Insurer/we/our/us

20.63.1 Insurer/we/our/us means

QBE UK Limited (registered in England number 01761561; Home State - United Kingdom. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority; registration number 202842)

20.63.2 For Section – Legal Expenses Insurer/we/our/us means

ARAG Legal Expenses Insurance Company Limited, whose Head office and registered address is:

Unit 4a, Greenway Court, Bedwas, Caerphilly, CF83 8DW Registered in England and Wales, Company Number 103274

Website: www.arag.co.uk

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority (FRN202106) and the Prudential Regulation Authority

20.64 Insured entity

Insured entity means any **company** or **plan**.

20.65 Insured person

20.65.1 For Section – Directors and Officers liability insured person means:

- a) any natural person who is, was or during the **period of insurance** becomes a **director** or **officer** including any **non-executive director**;
- b) the **director's** or **officer's** estate, heirs, legal representatives or assigns, in the event of his death or incompetence or bankruptcy, but only for a **wrongful act** or conduct performed by that **director** or **officer** in their capacity as such;
- c) the lawful spouse or domestic partner of any **director** or **officer** provided that the **claim** is to enforce a judgment against that **director or officer** for a **wrongful act** or conduct performed in their capacity as such;
- d) any **employee** of the **company** not appointed by a receiver, administrative receiver, liquidator or administrator to the **company**
 - i) whilst acting in a managerial or supervisory capacity;
 - ii) named as a co-defendant with a **director or officer** of a **company** in a **claim** in which the **employee** is alleged to have participated or assisted in the commission of a **wrongful act**;
- e) any natural person acting as a shadow director of the **company** as defined in Section 741 of the Companies Act 1985 or the equivalent in another jurisdiction.

20.65.2 For Section - Crime insured person means:

- a) **you** or any of **your** principals, directors, partner or **employees**; or

- b) any person acting on **your** behalf other than an **employee** of a security company or organisation not being over seventy (70) years of age nor being under sixteen (16) years of age;

20.65.3 For Section – Corporate Legal liability insured person means a **manager** or a **pension trustee**.

20.65.4 For Section - Contents insured person means the individual or group (category of person) to whom **injury** must occur before **we** are liable to make any payment of benefit;

20.66 Interest

Interest means simple interest on the principal amount of any **loss** calculated at the London InterBank Offered Rate as published in The Financial Times on the date of **discovery** of the **loss**. Interest is deemed to be direct financial loss.

20.67 Investigation

Investigation means any hearing, examination or inquiry by an **official body** into **your** affairs or **outside entity**, or an **insured person** of such entity, once an **insured person** receives written documentation during the **period of insurance**:

- a) requiring them to attend before or produce **documents** to the **official body**; or
- b) identifying them as a target in writing by an investigating **official body** as a target of the hearing, examination or inquiry.

An **investigation** shall be deemed to be first made when the **insured person** is first so required or so identified.

20.68 Legal expenses costs

For Section – Legal expenses, legal expenses costs means;

- a) all reasonable and necessary **costs** chargeable by the **appointed representative** and agreed by **ARAG** in accordance with the **ARAG Standard Terms of Appointment**; and
- b) the costs incurred by opponents in civil cases if the **person insured** has been ordered to pay them, or the **person insured** pays them with **ARAG** agreement.

20.69 Limit of indemnity

For **sections** – Professional liability, Directors and Officers liability, Corporate Legal liability and Cyber liability

20.69.1 Limit of indemnity means the amount specified in the **schedule**, which shall be the maximum amount payable by the **insurer** in respect of any one **claim**:

- a) regardless of the number of insured parties, persons or organisations bringing **claims** or **series of claims** against the **insured**; and
- b) regardless of the number of **claims** or **wrongful acts** made by the **insured**.

For Section – Crime

20.69.2 Limit of indemnity means the amount specified in the **schedule**, which shall be the maximum amount payable by the **insurer** in respect of any one **loss** regardless of the number of insured parties, persons or organisations bringing claims against the **insured**.

For **sections** – Employers liability and Public and products liability

20.69.3 Limit of indemnity means the amount stated in the **schedule** which is the maximum amount of the **insurer's** liability for any one (1) occurrence regardless of the number of:

- a) other insured parties;
- b) persons or organisations bringing claims or suits; or
- c) claims against the insured or **series of claims** against the insured or claims or **series of claims** made by the insured.

20.69.4 **Defence costs** will form part of or be paid in addition to the limit of indemnity as stated in each **section**.

- 20.69.5 Where a limit of indemnity is stated as in the aggregate, that aggregate is the maximum the **insurer** will pay for all insured events during the **period of insurance**.
- 20.69.6 Where a **claim** or **series of claims** can be brought under more than one (1) **section** of this **policy**, **you** are free to choose the **section** that will apply, but only one (1) **section**, and the applicable limit of indemnity of that **section** shall be the maximum amount payable by **us** under this **policy**.
- 20.69.7 Any sub-limit of indemnity stated applies as if it was the limit of indemnity for the claims specified for that sub-limit of indemnity and is deemed to be part of and not in addition to the limit of indemnity specified in the **schedule**.
- 20.69.8 The limit of indemnity will not be increased by purchase of an **extended reporting period**.

20.70 Loss

- 20.70.1 For Section - Crime loss means **your** direct financial loss and includes **your** legal liability to a **client** covered under the 'Theft of client's money, security, **funds** or property' clause.
- 20.70.2 But under Section - Crime loss shall not include salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other **employee** benefits paid or payable by **you** or any **employee plan** where earned in the normal course of employment.
- 20.70.3 For Section – Corporate Legal Liability loss means any amount which **you** are legally liable to pay resulting from a **claim** including **defence costs, pre-investigation costs, investigation costs, awards of damages** (including punitive and exemplary damages), awards of costs or settlements (including claimant's legal costs and expenses), pre- and post- judgment **interest** on a covered judgment or award, and the multiplied portion of multiple damages. Enforceability of this paragraph for punitive, exemplary and multiple damages shall be governed by such applicable law that most favours coverage for such damages. Loss includes any amount covered under any extension cause above or given by endorsement.
- 20.70.4 But under Section – Corporate Legal Liability loss shall not include:
- a) any fines and penalties except to the extent covered under the 'Civil fines and penalties' clause;
 - b) taxes;
 - c) remuneration, cost of the time of any **insured person**, or costs or overheads of any **insured entity** except to the extent covered under the 'Court attendance' clause.
 - d) amounts which are uninsurable under the applicable law of the **claim**; or
 - e) any sum payable pursuant to a financial support direction or contribution notice issued by the UK Pensions Regulator;
 - f) with respect to any **claim** in connection with employment practices liability only, loss shall not include:
 - g) compensation payable in respect of contractual or statutory notice periods;
 - i) employment-related benefits;
 - ii) any liability or costs incurred by any insured to modify any building or property in order to make the building or property more accessible or accommodating to a disabled person;
 - iii) any liability or costs incurred in connection with any educational, sensitivity or other corporate programme, policy or seminar relating to an **employment practice claim** or the costs of reinstatement of any **employee**.

20.71 Matter

Matter means any **data**, text, sounds, images or similar content disseminated, including but not limited to the content of the **insured's** email, intranet, extranet, website, bulletin board, chat room or other on-line discussion or information forum, and the marketing and advertising of the **insured's business services**. Matter will include any alteration or addition made by a **hacker**.

20.72 Multimedia activities

Multimedia activities means the publishing, dissemination, releasing, gathering, transmission, production, webcasting or other distribution of **matter**.

20.73 Manager

- 20.73.1 Any natural person who was, is or during the **period of insurance** becomes:
- a) a director or officer of any **company**, but not an external auditor or insolvency office-holder of any **company**;
 - b) an **employee** of any **company**;
 - c) a shadow director;
 - d) a de facto director; or
 - e) an **outside company** director;
- but only when and to the extent that such manager is acting for and on behalf of the **company** in any of the capacities referred to in a) to e) above.
- 20.73.2 manager is extended to include:
- a) the spouse or domestic partner (including same sex relationship civil partnerships, if applicable); and
 - b) the administrator, heirs, legal representatives, or executor of a deceased, incompetent insolvent or bankrupt estate;
- of the manager referred to in a) to e) above with respect to the acts, errors or omissions of such manager.

20.74 Member

Member mean any member of a limited liability partnership including without limitation a designated member save that such member shall only be an insured for the purposes of this insurance if and insofar as any claim(s) arise out of **business services** carried on by the member for or on behalf of the **firm(s)** named in the **schedule**.

20.75 Money

- 20.75.1 For Section - Contents money means:
both **negotiable money** and **non-negotiable money**.
- 20.75.2 For Section - Crime money means:
paper currency, coin, bank notes, bullion, cheques, travellers' cheques, registered cheques, postal orders and money orders. Money shall not include **funds**.

20.76 Negotiable money

Negotiable money means cash, bank and currency notes, cheques, postal orders, money orders, crossed bankers drafts, current postage stamps, savings stamps and certificates National Insurance stamps, trading stamps, gift tokens, customer redemption vouchers, credit card company sales vouchers, credit card counterfoils travellers tickets, phonecards (excluding phonecards held in stock for resale), VAT purchase receipts, contents of franking machines and insofar as they are not otherwise insured holiday-with-pay stamps and luncheon vouchers.

20.77 Non-negotiable money

Non-negotiable money means crossed warrants, crossed cheques, crossed giro drafts, crossed postal and money orders, crossed bankers' drafts, crossed National Girobank cash cheques, premium bonds, savings bonds, stamped National Insurance cards, National Savings Certificates, VAT purchase invoices, and credit card sales vouchers all belonging to **you** or for which **you** have accepted responsibility.

20.78 Non-executive director

Non-executive director means any natural person who serves as a non-executive **director or officer**.

20.79 North America

North America means the United States of America or its territories or possessions or Canada.

20.80 Notifiable disease

means any diseases sustained by a person notifiable under the Health Protection (Notification) Regulations 2010, but excluding:

- a) Avian Influenza and/or Influenza A (H5N1);
- b) Swine Influenza and/or Influenza A (H1N1);
- c) Severe Acute Respiratory Syndrome (SARS);
- d) any coronavirus (or similar or equivalent virus in the future),
- e) any mutation or variation of d) above;
- f) any coronavirus disease (or similar or equivalent disease in the future);
- g) any epidemic or pandemic which poses a threat to human health or human welfare whether officially declared an epidemic or pandemic or not; or
- h) any fear or threat of a) to g) above.

20.81 Nuclear hazards

Nuclear hazards means:

- 20.81.1 ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
- 20.81.2 the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

20.82 Nuclear installation

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

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

20.83 Nuclear reactor

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

20.84 Occurrence

In respect of Section - Terrorism, occurrence means a single loss or series of losses arising out of and directly occasioned by a single event or a single original cause. However, the duration and extent of any single occurrence shall be limited to all individual losses arising in

respect of a continuous period of seventy two (72) hours of which the proximate cause is the same **act of terrorism**.

You may choose the date and time when any such period of seventy two (72) hours shall commence provided that no two periods overlap and no period commences earlier than the date and time of the happening of the first recorded individual loss to **you** as a result of the **act of terrorism**.

Should any such seventy two (72) consecutive hour period extend beyond the expiry or cancellation date, **we** shall be liable as if such period had fallen entirely within the **period of insurance** of the **policy**.

20.85 Official body

Any regulator, disciplinary body, criminal authority, government body, government agency, official trade body, or any other body that is empowered by statute to investigate **your** affairs.

20.86 Offshore

Offshore means from the time of embarkation onto a conveyance at the point of final departure from land to any offshore rig or any offshore platform and until such time of disembarkation from a conveyance onto land upon return from any offshore rig or any offshore platform.

20.87 Outside company

Any company or non-profit entity to which the **director or officer** was or is appointed as a **director or officer** at the request, order or direction of the **company** provided that such outside company is not:

- a) a subsidiary;
- b) incorporated or domiciled in the **North America**;
- c) or has its securities listed on a security exchange or market within **North America**.
- d) is a bank, clearing house, credit institution, undertaking for collective investment in securities, investment firm, investment advisor/manager, investment fund or mutual fund, private equity or venture capital company, stock brokerage firm, insurance company or similar entity.

20.88 Outsource

20.88.1 Outsource shall mean **your** retention and authorisation of a person or an organisation to perform a normal administrative service on **your** behalf, provided that:

- a) such service is performed under a written contract; and
- b) **you** retain the right to audit the performance of such service; and
- c) **you** can demonstrate that they have vetted the person or organisation for competency financial stability and honesty prior to **your** retention and authorisation of such person organisation to perform such service.

20.89 Parent

Parent means a company which by itself, or in concert with other companies with the same majority ownership or control as itself:

20.89.1 controls the composition of the board of directors, of the **insured**; or

20.89.2 controls more than half the voting power of the **insured**; or

20.89.3 holds more than half of the issued share capital of the **insured**.

20.90 Pension trustee

20.90.1 any natural person who was, now is or shall be:

- a) a **pension trustee** or administrator of the **plan** or constructive trustee of the **plan**;

- b) a director or officer or **employee** of a **company, plan** or corporate **pension trustee company** established to act as a **pension trustee** of the **plan**, but not an external auditor or insolvency office-holder;

but solely while acting in the capacity as a **pension trustee** or administrator of any **plan**.

20.90.2 any corporate pension trustee company established to act as a **pension trustee** or administrator of the **plan**;

20.90.3 any natural person who was, is or during the **period of insurance** becomes responsible for internal dispute resolution procedures of a **plan** as defined in section 50 of the Pensions Act 1995.

20.91 Period of insurance

Period of insurance means the period shown as such on the **schedule** which time is taken as Greenwich Mean Time unless otherwise stated.

20.92 Person insured

For Section – Legal expenses, person insured means **you** and the **ARAG** directors, partners, managers, employees and any other individuals declared to **ARAG** by **you**.

20.93 Phishing

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

20.94 Plan

20.94.1 any past, present or future employee benefit or welfare benefit plan; or

20.94.2 any past or present pension plan; established, administered or sponsored by **you** for the sole benefit of **your employees**;

20.94.3 any pension, employee benefit or welfare benefit plan merged, transferred or terminated prior to or during the **period of insurance**;

20.94.4 any pension, employee benefit or welfare benefit plan created or acquired by **you** during the **period of insurance**.

20.95 Policy

Policy means this document, the **schedule** (including any **schedules** issued in substitution) and any endorsements attaching to this document or the **schedule**.

20.96 Pollutant

Pollutant means any solid, liquid, gaseous, biological, radiological or thermal irritant, toxic or hazardous substance or contaminant including, but not limited to, asbestos, lead, smoke, vapour, dust, fibres, mould, spores, fungi, germs, soot, fumes, acids, alkalis, chemicals and waste. Waste is deemed to include materials to be recycled, reconditioned or reclaimed. Legionella bacteria are deemed not to be a pollutant for the purpose of this insurance.

20.97 Pollution

Pollution means:

20.97.1 the actual alleged or threatened discharge, seepage, migration, dispersal, release or escape of **pollutants** at any time;

20.97.2 any cost, expense, claim or suit arising out of any request demand or order as a result of actual alleged or threatened discharge, seepage, migration, dispersal, release or escape of **pollutants** at any time that **you** or any other insured party test for monitor, clean up, remove, contain, treat, detoxify or neutralise or in any way respond to or assess the effects of **pollutants**.

20.98 Preferred law firm

For **section** – Legal expenses, preferred law firm means a law firm, barrister or tax expert **ARAG** chooses to provide legal or other services. These specialists are chosen as they have the proven expertise to deal with the **person insured's** claim and must comply with **ARAG's** agreed service standard levels, which **ARAG** audit regularly. They are appointed according to the **ARAG Standard Terms of Appointment**.

20.99 Premises

Premises means the buildings and land shown in the **schedule** being occupied by **you** for the purpose of the **business**.

20.100 Pre-investigation

Pre-investigation means:

- 20.100.1 a raid or on-site visit to any **company** by an **official body**, first occurring during the **period of insurance**, that involves the production, review, copying or confiscation of records, or the interview of any **insured person**; or
- 20.100.2 an internal enquiry by the **company** into the affairs of the **company** or an **insured person** requested by a regulator or official body (except for employment practices related bodies), following a formal written notification by the **company** informing the regulator of an actual or potential material breach of an **insured's** legal or regulatory duties, in which an **insured person** in his capacity as such is requested in writing to participate;
- 20.100.3 but pre-investigation shall not include any routine or regularly scheduled regulatory or internal supervision, inspection, compliance, review, examination, production or audit, including any request for mandatory information from a regulated entity, conducted in a **company's** and/or regulator's normal review or compliance process.

20.101 Pre-investigation costs

Pre-investigation costs means the reasonable legal fees, costs and expenses of each **insured person** (but not including any remuneration of any **insured person** or employee of the **company**) incurred directly with respect to preparing any written notice or reports to any official body in connection with any **pre-investigation**, up to the sub-limit of indemnity specified in the **schedule**. These will be part of, and not in addition to, the **limit of indemnity**.

20.102 Product

Product means any property including packaging, containers, labels and instructions for use after it has left **your** custody or control which has been designed, specified, formulated, manufactured, constructed, installed, sold, supplied, distributed, treated, serviced altered, or repaired by or on **your** behalf.

20.103 Property

For Section – Terrorism, Property means all property whatsoever, but excluding:

- a) Any land or building which is wholly or partially occupied as a private residence, unless:
 - i) insured under the same contract of direct insurance as the remainder of the building which is not a private residence;
 - ii) not insured in the name of an individual; or
 - iii) insured in the name of an individual, and the commercial element of the building occupies more than twenty percent (20%) of the building.

For the purpose of this clause, a trustee, beneficiary, executor of a will or sole trader is not deemed to be an individual unless they occupy the premises or any part thereof as their own private residence.

- b) any **nuclear installation** or **nuclear reactor** and all fixtures and fittings situated thereon and attached thereto and all pipes wires cables drains or other conduits or service media

of any description which are affixed or connected to or in any way serve such **nuclear installation** or **nuclear reactor**.

For the purposes of clause 13.2.1, **property** shall exclude:

- c) any money, currency, electronic cryptographic or virtual currency including Bitcoin or anything similar, negotiable or non-negotiable instruments, financial securities or any other financial instrument of any sort whatever; and
- d) any **data**.

For Section - Crime, property means property but excluding **money**, **tangible securities** or **funds**.

20.104 Property damage

Property damage means physical loss, destruction or damage of tangible property including the loss of use thereof.

20.105 Property insured

Tangible property described in the **schedule** to this **policy** that includes a specific **sum insured** against each or all of them and which is more specifically defined therein

20.106 Public authority

Public Authority means any national, regional, local or municipal government or any national or international organisation with the responsibility to promote and protect public health.

20.107 Public relations consultants

Public relations consultants approved by **us** but retained by **you**.

20.108 Public relations services

Services provided by the **public relations consultants** directly to mitigate the adverse effect or potential adverse effect on an **insured person's** reputation.

20.109 Ransom

Ransom means any money, products, goods, services or property of the **insured**.

20.110 Reasonable prospects

For Section – Legal Expenses, reasonable prospects means:

20.110.1 For civil cases, that the prospects the **person insured** will recover losses or damages or a reduction in tax or National Insurance liabilities (or obtain any other legal remedy that **ARAG** have agreed to, including an enforcement of judgment), or make a successful defence, must be at least 51%. **ARAG** or a **preferred law firm** or tax consultancy on their behalf, will assess whether there are **reasonable prospects**.

20.110.2 For criminal cases there is no requirement for there to be prospects of a successful outcome

20.110.3 For civil and criminal appeals the prospects of a successful outcome must be at least 51%.

20.111 Retroactive date

Retroactive date means the date (if any) stated in the **schedule**

20.111.1 Unlimited retroactive cover – where no retroactive date is specified in the **schedule**, coverage under this **policy** shall be in respect of acts, errors or omissions committed or alleged to have been committed irrespective of when such acts, errors or omissions were committed or alleged to have been committed;

20.111.2 Limited retroactive cover – where a retroactive date is specified in the **schedule**, then coverage under this **policy** shall only be in respect of acts, errors or omissions first committed or alleged to have been first committed after the retroactive date.

20.112 Robbery

Robbery means the unlawful taking by a third party (not being an **employee**) from the custody of an **employee**, or any other person authorised by **you**, by violence or threat of violence, in the presence of such person.

20.113 Safe burglary

Safe burglary means the unlawful forcible or violent entry by a third party (not being an **employee**) as shown by visible marks on a locked safe or vault situate on the **insured's premises**.

20.114 Schedule

Schedule means the document titled **schedule** that includes **your** name and address of, the premium and other variables to this **policy** (including endorsement clauses) and is incorporated in this **policy** that **you** have accepted. Schedules may be re-issued from time to time where each successor overrides the earlier document.

20.115 Section

Section means all or any individual sections of this **policy** that forms part of the insurance contract but only if stated as 'operative' in the **schedule**.

20.116 Series of claims

Series of claims means all **claims**, loss, liability, expenses, and costs resulting from:

20.116.1 one and the same act error or omission; or

20.116.2 a series of acts, errors or omissions arising out of or attributable to the same originating cause, source or event; or

20.116.3 the acts, errors or omissions of one person or persons acting together or in which such person or persons is/are concerned or implicated; shall jointly constitute one claim under this insurance, and only one **excess** shall be applicable in respect of such claim.

20.117 Specified losses

Specified losses means:

- a) the cost of reinstatement, replacement or repair in respect of damage to or destruction of **property insured by you**; or
- b) the amount of business interruption loss suffered directly by **you** by way of loss of or reduction in profits, revenue or **turnover** or **increased cost of working** as a direct result of either damage to or destruction of **property** as a direct result of denial, prevention or hindrance of access to or use of the **property** by reason of an **act of terrorism** causing damage to other property within one mile of the **property** by **you** to which access is affected.

20.118 Specified perils

Specified perils means fire, explosion, flood, escape of water from any tank, apparatus or pipe (including any sprinkler system), impact of aircraft or any aerial devices or articles dropped from them, impact of any sea-going or water-going vessel or of any vehicle whatsoever or of any goods or cargo carried in or on such vessel or vehicle, destruction of, damage to or movement of buildings or structures, plant or machinery other than any **computer system, data or money**.

20.119 Statement of fact

Statement of fact means all and any information supplied to **us** by or on **your** behalf.

20.120 Stock offering

Stock offering means the initial public offer of any of the **company's** own securities, or if in the United States of America any offering of securities by the **company** except pursuant to Rule 144A of the Securities and Exchange Commission.

20.121 Sub-contractors

Sub-contractors means a business the **insured** does not own, operate, or control, but that the **insured** hires for a fee under a written contract to perform **business services** on behalf of the **insured**.

20.122 Subsidiary company

Subsidiary company means:

- 20.122.1 any company in respect of which the **insured** (either directly or indirectly through one or more of its subsidiary companies):
- a) controls the composition of the board of directors; or
 - b) controls more than half the voting power at a general meeting of shareholders; or
 - c) holds more than half of the issued share capital (regardless of class of share);
- 20.122.2 any company as defined above (other than any company part of whose issued share capital is offered to the public or otherwise traded on a recognised exchange in **North America**) which is acquired or created on or subsequent to the inception date of this **policy** and of which the total assets do not exceed the amount stated on the **schedule**.
- 20.122.3 any other company that the **insurer** has given prior written consent to for its inclusion as a subsidiary company under this **policy**.

20.123 Sum insured

Sum insured means the sum specified as the sum insured in the **schedule**.

20.124 Take-over or merger

Take-over or merger means:

- 20.124.1 any sale of the majority of the issued share capital of the **insured**; or
- 20.124.2 the **insured's** merger with or acquisition by another entity such that the **insured** is not the surviving entity and no longer:
- a) controls the composition of the board of directors; or
 - b) controls more than half the voting power; or
 - c) holds more than half of the issued share capital.
- Except that this definition shall not apply if any sale of the **insured's** shares alters the status of the **insured** from that of a private company to that of a public company or vice versa.
- 20.124.3 in the case of an **insured** which is a partnership, a merger with another partnership or the appointment of new partners (other than from existing **employees** of the partnership **insured**) such that the number of partners in the partnership immediately after such merger or appointment(s) is more than two hundred percent (200%) of the number of partners in the partnership **Insured** immediately before such merger or appointment(s).
- 20.124.4 In the case of a **trust scheme** the merger of the **company** or the **trust scheme** with or acquisition by another entity such that the **trust scheme** is wound up or merged with another **trust scheme** or otherwise loses its identity.

20.125 Tangible securities

Tangible securities shall mean all negotiable or non-negotiable instruments or contracts, including any note, stock, bond, debenture, evidence of indebtedness, share or other equity or debt security representing either **money** or **property**.

20.126 Tangible securities fraud

Tangible securities fraud means the forging, counterfeiting or fraudulent alteration of **tangible securities** which the **insured** or financial institution acting on their behalf has relied upon.

20.127 Tax enquiry

A written notice of enquiry, issued by HM Revenue & Customs, to carry out an Income Tax or Corporation Tax compliance check which either:

- a) includes a request to examine any aspect of **your** books and record; or
- b) advises of a check of **your** whole tax return.

20.128 Territorial limits

20.128.1 For Section – Terrorism, territorial limit means England, Scotland and Wales;

20.128.2 For **sections** – Employers' liability and Section – Public and Products liability only, territorial limit means:

- a) anywhere within the **United Kingdom** but excluding **offshore**;
- b) elsewhere in the world (excluding **offshore**) in connection with temporary visits undertaken in the course of the **business** by any person normally resident in the **United Kingdom**;
- c) elsewhere in the world in respect of **products**.

20.128.3 For Section – Legal expenses, territorial limit means:

- a) for insured incidents Legal Defence (excluding -Statutory notice appeals), and Bodily injury:

the **United Kingdom** of Great Britain and Northern Ireland, the European Union, the Isle of Man, the Channel Islands, Albania, Andorra, Bosnia and Herzegovina, Croatia, Gibraltar, Iceland, Liechtenstein, Monaco, Montenegro, North Macedonia, Norway, San Marino, Serbia, Switzerland and Turkey.

- b) for all other insured incidents:

the United Kingdom of Great Britain and Northern Ireland, the Isle of Man and the Channel Islands

20.128.4 For all other **sections** territorial limit means Worldwide excluding **North America**.

20.129 Territory

means England and Wales and Scotland but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987, nor Northern Ireland nor the Isle of Man nor the Channel Islands.

20.130 Terrorism

20.130.1 For **sections** – Contents, Buildings, Business interruption and Terrorism, terrorism means an **act of terrorism**;

For all other **sections** terrorism means:

an activity that involves a violent act or the unlawful use of force or an unlawful act dangerous to human life, tangible or intangible property or infrastructure, or a threat thereof; and appears to be intended to:

- a) intimidate or coerce a civilian population, or
- b) disrupt any segment of the economy of a government de jure or de facto, state, or country, or
- c) overthrow, influence, or affect the conduct or policy of any government de jure or de facto by intimidation or coercion, or
- d) affect the conduct or policy of any government de jure or de facto by mass destruction, assassination, kidnapping or hostage-taking.

20.131 Theft

20.131.1 Solely in relation to **section - Crime** theft shall mean fraud, dishonest taking or obtaining of the **property, money, tangible securities** and **funds** provided for in the relevant insuring clause with the intention of permanently depriving the owner of such **property, money, tangible securities** and **funds**.

20.131.2 Solely in relation to **section – Pension trustees Liability** theft shall mean the taking without lawful authority, or the dishonest appropriation of, money, negotiable instruments, bearer bonds or coupons, stamps, bank or currency notes belonging to or held in trust for the **trust scheme**, or for which the **trust scheme**, or the **trustees**, are legally responsible.

20.132 Trustee(s)

Trustee(s) shall mean any natural person or **corporate body trustee** who was or is or may hereafter become a trustee of the **trust scheme**, including any director of a **corporate body trustee**.

20.133 Trust scheme

Trust scheme shall mean a trust scheme (as defined by Section 124 of the Pensions Act 1995).

20.134 Turnover

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

20.135 United Kingdom

United Kingdom means Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.

20.136 VAT dispute

For Section – Legal expenses, VAT dispute means a dispute with HM Revenue & Customs following the issue of an assessment, written decision or notice of a civil penalty relating to **your** VAT affairs.

20.137 Virus or similar mechanism

Virus or similar mechanism means a computer program, program code, programming instruction or any set of instructions intentionally constructed with the ability to damage, interfere with or otherwise adversely affect computer programs, data files or operations, whether involving self-replication or not. The definition of virus or similar mechanism includes but is not limited to any file virus, boot sector virus, macro virus, hostile applet, trojan horse program, java virus, ActiveX virus, worms, logic bombs or other executable program which contains instructions to initiate an event on the infected computer, causing modification of or damage to data, memory or data media or otherwise adversely affecting the operation of any information and communications technology system.

For Section - Terrorism

Virus or similar mechanism means program code, programming instruction or any set of instructions constructed with the purpose and ability, or purposely used, to damage, interfere with, adversely affect, infiltrate or monitor computer programs, **computer systems, data** or operations, whether involving self-replication or not. Virus or similar mechanism includes but is not limited to, trojan horses worms and logic bombs and the exploitation of bugs or vulnerabilities in a computer program to damage, interfere with, adversely affect, infiltrate or monitor as above.

20.138 War

War means war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, mutiny, revolution, rebellion, insurrection, uprising, military

or usurped power or confiscation by order of any public authority or government de jure or de facto or martial law but not including **terrorism**.

20.139 Wrongful act

Wrongful act means any actual or alleged wrongful act or omission including any:

20.139.1 misstatement;

20.139.2 misrepresentation;

20.139.3 breach of trust;

20.139.4 breach of duty;

20.139.5 breach of warranty of authority;

20.139.6 libel or slander;

20.139.7 by the **trustees** or **administrator** or any matter claimed against them by reason solely of such person's capacity as **trustee** or **administrator**.

21 Complaints

21.1 Complaints to QBE

You can complain about this **policy** by contacting **your** broker or where **your policy** is insured by QBE Europe SA/NV, QBE UK Limited or where **your insurer** is or includes a Lloyd's syndicate write to:

Customer Relations, QBE European Operations, 30 Fenchurch Street, London EC3M 3BD

Email: CustomerRelations@uk.qbe.com

Telephone: 020 7105 5988

21.2 Complaints to ARAG

For complaints relating to **section** – Legal expenses write to:

Customer Relations Department, ARAG Legal Expenses Insurance Company Limited, Unit 4a, Greenway Court, Bedwas, Caerphilly, CF83 8DW

Email: customer-relations@arag.co.uk

Telephone 0344 893 9013

Online: www.arag.co.uk/complaints.

21.3 The UK Financial Ombudsman Service (UK FOS)

If **you** feel that **your** complaint has not been satisfactorily resolved, **you** may be eligible to contact the UK FOS to review the complaint. Information about the eligibility criteria is available on the UK FOS website:

<http://www.financial-ombudsman.org.uk/consumer/complaints.htm>.

21.4 Financial Services Compensation Scheme (FSCS)

You may be entitled to compensation from the FSCS if **we** are unable to meet **our** obligations under the **policy**. Further information is available from www.fscs.org.uk, or **you** can write to the Financial Services Compensation Scheme, PO Box 300, Mitcheldean, GL17 1D.

QBE European Operations



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