

IMPORTANT – UPDATES TO YOUR POLICY WORDING

Effective Date:

Policy Number:

Insured:

How these changes affect your policy.

Because we aim to revise our policies regularly, it is necessary to make changes to the policy we have issued.

These are the amendments that apply to your policy – please keep them with your policy booklet.

If you have any questions please contact us.

Summary of Changes

The following changes can be found in this document

- 1. The Financial Services Authority**
- 2. Asbestos Liability Exclusion**
- 3. Financial Services Compensation Scheme**

1. The Financial Services Authority

From 14 January 2005, the UK Insurance Industry falls under the regulation of the FSA, which replaces the General Insurance Standards Council. The FSA's broad task is to achieve a market place that is run in an efficient, orderly and clean manner whilst ensuring that consumers receive a fair deal by being properly informed and appropriately protected. The following information on the Financial Services Compensation Scheme is provided to support the FSA's aim of informing the public.

01/01/05

2. Asbestos liability exclusion

Following further developments within the insurance industry an additional change to the asbestos exclusion applying to the liability section of your policy (excluding employers' liability) has been made.

16/05/05

3. Financial Services Compensation scheme

This scheme was set up under the terms of the Financial Services and Markets Act 2000.

Its aim is to protect private and small business/charity customers should an insurer go out of business and be unable to meet its liabilities or pay claims. You may be entitled to compensation depending upon your income and the number of people you employ.

If so, FSCS may arrange to transfer your policy to another insurer, provide a new policy or, if these actions are not possible, provide compensation. The maximum level of compensation you can receive from the scheme for a claim against an insurance firm depends on the type of insurance policy.

For compulsory insurance (such as Employers' liability cover) the full amount of the claim or unused premiums is protected. For non-compulsory insurance such as property damage, the first £2,000 of the claim or policy is covered in full followed by 90% of the remainder.

For further information on the scheme you can visit the website at www.fscs.org.uk or write to Financial Services Compensation Scheme, 7th Floor, Lloyds Chambers, 1 Portsoken Street, London E1 8BN. Tel: 020 7892 7300.

01/01/05

Details of changes to the policy

Asbestos Exclusion

Applicable to any section or part of a section insuring legal liability to third parties

No indemnity will be provided by the Company in respect of any liability, other than bodily injury to any employee which arises in the course of the business, arising directly or indirectly from

- A. mining, processing, manufacturing, removing, handling, disposing of, treatment of, distributing or storing of asbestos.

However, this shall not apply where removing, handling or disposing of asbestos does not form part of the Insured's usual business or any contract work undertaken and

- the Insured has complied with any legal obligations to manage asbestos and
- any discovery of asbestos by the Insured is unintentional and accidental and
- where, upon discovery of asbestos, all work immediately stops and
- a HSE licensed asbestos removal contractor is employed
 - i. to make safe the area in which the discovery is made as soon as is practicable and
 - ii. who has Employers' and Public Liability insurance in force which provides Limits of Indemnity no less than those provided by your policies and which do not exclude the work to be carried out.

- B. fears of the consequences of exposure to, or inhalation of asbestos.

Asbestos

means asbestos, asbestos fibres or any derivatives of asbestos including any product containing any asbestos, asbestos fibres or any derivatives of asbestos.