

13 Trustees' and management liability

The schedule will show if this section applies and the cover in force

Note (not forming part of the policy)

Cover is on a 'claims made' basis, which means it covers claims made against you – and notified to us – during the period of insurance. It is therefore most important that as soon as you become aware of any claim being made against you, or any circumstances that may give rise to a claim, you notify us in writing.

Definitions

Each time any of the following words or phrases appear in this section in bold italic type (or in capital letters in the schedule) they will take the specific meaning shown below

Where words or phrases are not highlighted in this manner the normal everyday meaning of the word or phrase will apply

Act of terrorism

means an act including but not limited to the use of force or violence and/or the threat thereof of any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) committed for political religious ideological or similar purposes including the intention to influence any government and/or to put the public or any section of the public in fear

Bodily injury

means bodily injury death disease or illness

Document

means any deed will certificate plan book letter agreement or document of any type (other than any bearer bond coupon bank or currency note or other negotiable instrument) produced in any printed written or electronic format which relates to the ***organisation*** or ***related body***

Employee

means anyone employed by the ***organisation related body*** or ***trustee*** under a contract of service or apprenticeship or directly engaged by the ***organisation*** or ***related body*** without payment to carry out at any time

- (a) on behalf of the ***trustee*** any duty concerning the ***organisation*** or ***related body*** or
- (b) any other managerial or supervisory duty concerning the ***organisation*** or ***related body*** or
- (c) any other work wholly or mainly for the charitable purposes of the ***organisation***

Environmental defence costs

means legal costs charges and expenses reasonably incurred in obtaining advice and representation in the defence of any criminal proceedings which are initiated during the ***period of insurance*** in respect of any actual alleged or threatened seepage pollution or contamination of any kind

Investigation costs

means legal costs charges and expenses reasonably incurred in obtaining advice and representation concerning any proceedings which are initiated during the ***period of insurance*** by any government department or agency to investigate or examine the affairs of the ***organisation*** or ***related body***

Loss

means

- (a) damages and costs which are payable to another person as a result of a claim made by that person during the **period of insurance**
- (b) legal costs charges and expenses reasonably incurred in defending or appealing the claim described in (a) above or other legal proceedings initiated during the **period of insurance**

Organisation

means the charity community interest company or other voluntary not-for-profit organisation which is named or identified in the schedule

Outside trustee

means any **trustee** acting in the capacity of a trustee formally appointed on the written authority and request of the **organisation** to the board or equivalent position in any voluntary not-for-profit entity other than

- (a) the **organisation**
- (b) any entity
 - (i) having its securities listed or traded on any US exchange or
 - (ii) possessing any tangible or intangible asset located within the United States of America

Related body

means any trust (other than a pension or retirement fund trust) or incorporated or unincorporated company or association which

- (a) exists wholly or mainly for the charitable purposes of the **organisation** or
- (b) is a trustee director officer or member of the management committee of the **organisation** or any body within (a) above

Subsidiary companies

means any company or companies that is **your** subsidiary as defined by the Companies Act 2006

Trustee**Applicable to Cover 1**

means anyone who is at any time a trustee director officer or member of the management committee of the **Insured**

Applicable to Cover 2

means anyone who is at any time a trustee director shadow director officer or member of the management committee of the **organisation** or the **related body** and who is not

- (a) a trust corporation or
- (b) the receiver administrator administrative receiver liquidator or external auditor of that **organisation** or **related body**

Wrongful act

means any actual or alleged act which is wrongfully committed or attempted by the **trustee** when carrying out his or her duties on or after the appropriate Wrongful Act Date (if any) stated in the schedule

You/your**Applicable to Cover 1**

means the **Insured** named in the schedule

Applicable to Cover 2

means anyone who is entitled to make a claim for indemnity under this section

Cover 1 Trustees' liability

Cover

- (a) **We** will indemnify
- (i) the **trustee** against all sums which the **trustee** becomes legally liable to pay as damages and all other costs and expenses as a result of the **wrongful act** which gives rise to a claim made against the **trustee** and notified to **us** during the **period of insurance**
 - (ii) the **Insured** against all sums which the **Insured** is required or permitted by law to pay to or on behalf of the **trustee** for the **trustee's** legal liability for damages and all other costs and expenses as a result of the **wrongful act** which gives rise to a claim made against the **trustee** and notified to **us** during the **period of insurance**
- (b) **We** will indemnify the **Insured** or **trustee** against all sums which the **Insured** or **trustee** becomes legally liable to pay as damages and all other costs and expenses including reasonable costs incurred for restoration as a result of a document relating to the **business** being subject to **damage** which is discovered during the **period of insurance** and notified to **us** within 30 days

Exclusions

We will not provide any indemnity in respect of

- (i) anything for which indemnity is provided under any other section of or extension to this policy or by any other source
- (ii) anything which was done when known to be a **wrongful act** or ignoring that possibility
- (iii) the consequences of any circumstances known by the **Insured** or **trustee** at the commencement of this cover which may give rise to a claim
- (iv) liability arising from **bodily injury** to any person **damage** to property (other than as provided under paragraph (b) of this cover) or infringement of intellectual property rights
- (v) liability arising from the rendering of any counselling advice or other service
- (vi) anything done in the capacity of **trustee** or administrator of any pension fund or scheme
- (vii) any person committing or condoning any criminal dishonest or fraudulent act or omission
- (viii) liability assumed by agreement unless liability would have attached without such agreement
- (ix) liability arising from any failure to arrange or maintain insurance
- (x) any legal action brought in a court of law outside the **geographical limits**
- (xi) liability arising from any allegation of unfair or wrongful dismissal and any other employment dispute
- (xii) liability arising from anything manufactured sold or supplied by or on behalf of the **Insured**
- (xiii) liability arising from any **wrongful act** subsequent to the effective date of takeover or merger of the **Insured** by or with any other entity
- (xiv) any actual or alleged legal liability arising directly or indirectly from
 - (a) exposure to or
 - (b) inhalation of or
 - (c) fears of the consequence of exposure to or inhalation of or
 - (d) damage to property or any other loss arising from **asbestos**
- (xv) any actual or alleged legal liability for the costs of cleaning up or removal of **asbestos**
- (xvi) (a) the failure of any computer or other electronic processing device or of any program instruction or data for use in any computer or other electronic processing device equipment or system to function in the way expected or intended
 - (b) the transmission or receipt of any virus program or code that causes loss or damage to any computer system and/or prevents or impairs its proper function or performance

- (xvii) any loss damage cost or expense
 - (a) directly or indirectly caused by contributed to by resulting from or arising out of or in connection with any **act of terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss
 - (b) 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 **act of terrorism**

If **we** allege that by reason of this exclusion any loss damage cost or expense is not covered by this policy the burden of proving the contrary shall be upon **you**
- (xviii) liability arising from any
 - (a) personal guarantee or assurance given by the **trustee** to anyone (other than the **trustee** giving assurance that the **trustee** has the authority to do something) or
 - (b) agreement that the **trustee** shall pay any penalty or fixed sum of money to anyone unless the **trustee** would still be legally liable even if that guarantee assurance or agreement did not exist
- (xix) the first £250 of each and every claim made under this cover

Limit

The most **we** will pay in the **period of insurance** in respect of paragraph (b) is £50,000 and for all other claims £100,000

All claims resulting from a single **wrongful act** will be deemed to have been made during the period in which the first claim was accepted by **us**

Conditions

Personal cover

- (a) **We** will treat
 - (i) the application for this insurance as a separate application for cover by each **trustee**
 - (ii) each claim made against any **trustee** and each loss suffered by any **trustee** as personal to that **trustee**
 - (iii) each claim for indemnity by any **trustee** as personal to that **trustee**

and the right of each **trustee** to indemnity shall not be affected by the situation or conduct of anyone else
- (b) If the legal liability of the **trustee** is imputed or transferred to the lawful spouse of the **trustee** or any person deriving similar status in law **we** will provide to that person the personal indemnity to which the **trustee** would be otherwise entitled under this cover
- (c) If the **trustee** should die become insolvent or mentally incapacitated **we** will provide to the estate heirs legal representatives or assigns of the **trustee** the personal indemnity to which the **trustee** is entitled under this cover
- (d) If the lawful spouse of the **trustee** or any person deriving similar status in law is entitled to any indemnity under (b) above and dies becomes insolvent or mentally incapacitated **we** will provide that person's estate heirs legal representatives or assigns the personal indemnity to which that person is so entitled

2 Special Condition

- (a) The **Insured** shall submit annual reports and accounts to their appropriate regulatory authority in accordance with prescribed timescales
- In the event of **your** auditor or independent examiner qualifying their opinion or expressing concerns about **your** accounts accounting procedures or financial position in any of **your** Report and Accounts notification of such qualification and subsequent action taken by **you** and **your** regulatory authority is to be notified to **us** as soon as reasonably possible

- (b) The cover provided is only in force if **you** have the authority to acquire this type of cover and **you** have fulfilled any requirements of **your** Charity Regulator

Cover 2 Trustees' and management liability

Cover

If **you** make a valid claim under any of the paragraphs (a) (b) or (c) below **we** will provide the indemnity described in that paragraph by making a payment in the manner described in Cover paragraphs (d) and (e)

If **you** have met (or will be meeting) the liability and/or cost of a valid claim **we** will reimburse **you** with a corresponding payment

- (a) Trustee liability
We will indemnify the legal liability of the
- (i) **trustee** for **loss** or **environmental defence costs** which results from his or her **wrongful act** as **trustee**
 - (ii) **employee** for **loss** or **environmental defence costs** which results from his or her **wrongful act** when acting on behalf of the **trustee**
 - (iii) **trustee** or **employee** for **investigation costs**
- (b) Organisation liability
We will indemnify the legal liability of the
- (i) **organisation** or **related body** for **loss** or **environmental defence costs** which results from a **wrongful act** by a **trustee**
 - (ii) **organisation** or **related body** for **loss** or **environmental defence costs** which results from a **wrongful act** by an **employee** when acting on behalf of the **trustee**
 - (iii) **organisation** or **related body** for **investigation costs**
- (c) Loss of documents
We will indemnify
- (i) the legal liability of the **organisation related body** or **trustee** for **loss** which results from **damage** to the **document** provided that this **damage**
 - (a) occurs while that **document** is held by or is being sent to or from any of them their agent or the **employee** and
 - (b) is discovered during the **period of insurance**
 - (ii) any reasonable and necessary cost incurred by that **organisation related body** or **trustee** in restoring or replacing that **document**
- (d) Payment
- (i) If **you** are the **organisation** or **related body** and **you** are required by law to indemnify the **trustee** or **employee** or another person for any legal liability of that **trustee** or **employee** which **we** cover under Cover paragraph (a) (b) or (c) above **we** will make on **your** behalf the payment as required by law
 - (ii) If **you** are the **organisation** or **related body** and **you** are permitted by law to indemnify the **trustee** or **employee** for any legal liability of that **trustee** or **employee** which **we** cover under Cover paragraph (a) (b) or (c) above **we** will make on **your** behalf the payment **you** are permitted to make
 - (iii) If **you** are the **trustee** or **employee** and **you** are required by law to indemnify another person for any legal liability **you** have which **we** cover under Cover paragraph (a) (b) or (c) above **we** will make on **your** behalf the payment as required by law
 - (iv) If none of (i) (ii) or (iii) above applies **we** will make the appropriate payment direct to the **Insured** for what **we** cover under Cover paragraph (a) (b) or (c) above
- (e) Death or incapacity
- (i) If **you** die or become insolvent or mentally incapacitated **we** will provide to **your** estate heirs legal representatives or assigns the personal indemnity to which **you** are entitled under this section

- (ii) If **your** lawful spouse or any person deriving similar status in law is entitled to any indemnity under (i) above and dies or becomes insolvent or mentally incapacitated **we** will provide to that person's estate heirs legal representatives or assigns the personal indemnity to which that person is so entitled

Exclusions

No indemnity will be provided in respect of

- (a) any claim resulting from a situation which existed prior to the **period of insurance** and which **you** the **organisation related body** or **trustee** knew or should have known might result in any type of claim for indemnity hereunder
- (b) any claim where **you** are entitled to indemnity from any other source or would be entitled but for this insurance
- (c) the **trustee's** or **employee's**
- (i) liability to the **organisation** or **related body** or
- (ii) costs in any proceedings in which either that **trustee** or **employee** is convicted of a criminal offence or such a conviction is upheld on appeal resulting from the conduct as **trustee** of that **trustee** or **employee** who either knew or must be assumed to have known that such conduct was not in the best interests of the **organisation** or **related body** or did not care whether or not this was so
- (d) **your** claim arising from something that **you** actually did which was intended to provide improper financial gain for anyone or was malicious
This exclusion shall only apply where such acts are established by a final decision of a court or tribunal or any formal admission by **you**
- (e) (i) fines or penalties
(ii) liquidated damages
(iii) any compensation awarded by a court of criminal jurisdiction
(iv) multiplied aggravated exemplary or punitive damages other than exemplary damages awarded in an action for libel or slander
- (f) any claim for which legal action is brought outside the European Union Channel Islands or Isle of Man
- (g) any actual or alleged legal liability for
- (i) **damage** to or loss of use of any property (other than the **document**) or
- (ii) infringement of any intellectual property rights or
- (iii) breach of any duty owed to anyone in providing any professional service
- (h) any actual or alleged legal liability
- (i) for seepage pollution or contamination of any kind other than to the extent of the **environmental defence costs** or
- (ii) arising directly or indirectly from
- (a) exposure to or
- (b) inhalation of or
- (c) fears of the consequence of exposure to or inhalation of or
- (d) damage to property or any other loss arising from **asbestos** or
- (iii) for the costs of cleaning up or removal of **asbestos**
- (i) (i) the failure of any computer or other electronic processing device or of any program instruction or data for use in any computer or other electronic processing device equipment or system to function in the way expected or intended
- (ii) the transmission or receipt of any virus program or code that causes loss or damage to any computer system and/or prevents or impairs its proper function or performance
- (j) **your** claim arising from **your** failure to arrange or maintain insurance for the **organisation related body** or **trustee**

- (k) **your** claim arising from any
 - (i) personal guarantee or assurance **you** give to anyone (other than **your** assurance that **you** have authority to do something) or
 - (ii) agreement that **you** shall pay any penalty or fixed sum of money to anyone unless **you** would still be legally liable even if that guarantee assurance or agreement did not exist
 - (l) any claim resulting directly or indirectly from **you** acting in the capacity as trustee or administrator of any pension or retirement fund or scheme
 - (m) any claim arising from any **wrongful act** subsequent to the effective date of takeover or merger of the **organisation** by or with any other entity
 - (n) any claim under cover paragraph (b) (i) or (ii) arising out of any
 - (i) actual or alleged breach of any contract or agreement
 - (ii) trading losses or liabilities or debts incurred by any business managed by or carried out by the **organisation**
 - (o) any actual or alleged legal liability for anyone's **bodily injury** mental anguish or emotional distress
 - (p) any actual or alleged legal liability for **loss** directly resulting from anything manufactured sold or supplied by the **organisation related body** or **trustee**
 - (q) any actual or alleged legal liability for **loss** relating to any claim for unfair or wrongful dismissal or any other employment dispute
 - (r) any loss damage cost or expense
 - (i) directly or indirectly caused by contributed to by resulting from or arising out of or in connection with any **act of terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss
 - (ii) 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 **act of terrorism**
- If **we** allege that by reason of this exclusion any loss damage cost or expense is not covered by this policy the burden of proving the contrary shall be upon **you**

Limits and excess

- (a) If a particular **wrongful act** or other event results in more than one claim by **you** under this section **we** will treat all the claims concerned as if they were a single claim made at the time of the earliest of the corresponding
 - (i) claims made against **you** which result in **loss** or
 - (ii) proceedings which are initiated against **you** which result in **investigation costs** or **environmental defence costs** or
 - (iii) losses (other than **loss investigation costs** or **environmental defence costs**) which **you** discover **you** have suffered
- (b) Unless (c) below applies **we** will deduct from what **we** pay **you** for each single claim the amount stated in the schedule as being the **excess** applicable to the particular Cover under which **you** make the claim However if that single claim involves more than one Cover and more than one **excess** applies **we** will only deduct the largest **excess** from the total **we** pay **you**
You must bear the amount of every **excess** which **we** deduct
- (c) If upon conclusion of all legal proceedings (including all appeal proceedings) relating to **your** single claim **you** are neither found to have any legal liability to pay any damages to anyone nor convicted of any offence for which **you** have been tried **we** will not deduct any **excess** from what **we** pay **you** for that single claim
- (d) After the deduction of any **excess** that applies the most **we** will pay **you** for the total of all **your** claims in the **period of insurance**
 - (i) for **environmental defence costs** is £250,000
 - (ii) under Cover paragraph (c) Loss of documents is £100,000
 - (iii) under this section is the amount stated in the schedule as the Limit of indemnity

Conditions

(a) Notification of claims

It is a **condition precedent to liability** that **you**

(i) give **us** written notice of every

(a) situation **you** become aware of during the **period of insurance** which might reasonably result in any claim under this section

(b) loss **you** discover or claim made against **you** during the **period of insurance** for which there may be cover under this section

as soon as possible and always within one month of **you** becoming aware of it

If anything **you** notify under (i) (a) above does result in a claim under this section that claim will be treated as having resulted from a claim made or legal proceedings initiated against **you** within the **period of insurance**

(ii) send **us** immediately and unanswered every letter claim form summons or similar document concerning **your** claim which **you** receive

(iii) give **us** as soon as possible all the information documents and assistance **we** need to deal with everything **you** notify under (a) above and **your** claim

(iv) do not make any admission of liability or any offer promise or payment of indemnity to anyone without **our** consent

(b) Conduct and settlement of claims

(i) **You** shall not have to carry on any legal proceedings or settle any claim unless counsel (whom **you** and **we** agree to appoint) considers that this is in **your** best interests

(ii) **We** will be entitled at any time to take over and conduct in **your** name the defence or settlement of any claim or the pursuit for **our** benefit of any claim **you** may have against someone else

If **we** do this **you** must give **us** any information or assistance **we** reasonably need to carry on legal proceedings or settle claims which **we** will do in the way **we** think best

(iii) **We** will advance legal costs charges and expenses incurred with **our** prior written consent provided that if it is finally established that **you** are not entitled to any such advance payments of the sums advanced they shall be repaid to **us**

(c) Personal cover

(i) **We** will treat

(a) the application for this insurance as a separate application for cover by each of **you**

(b) each claim made against **you** and each loss suffered by **you** as personal to **you**

(c) each claim **you** make for indemnity as personal to **you**

and the right of each of **you** to indemnity shall not be affected by the situation or conduct of anyone else

(ii) **Our** liability under any and all contracts of insurance evidenced or deemed to be evidenced by this section shall be the liability so specified in this section as applicable to any one such contract and shall not (except as so specified) be varied or deemed varied because of the number or type of individuals or bodies insured by this section or their claims

(iii) If **your** legal liability for any **loss investigation costs** or **environmental defence costs** is by operation of law imputed or transferred to **your** lawful spouse or any person deriving similar status in law **we** will provide to that person the personal indemnity to which **you** would be otherwise entitled under this section in respect of that liability

(d) Notices

(i) **You** must send notices to **us** at the address stated in the schedule or any other address **we** have given **you** for that purpose

(ii) **We** will send notices to **you** at the latest address **you** have given **us** or (if **we** do not have this address) at the latest address **we** have for the **Insured**

Extensions

1 Extended reporting period

If **we** or the **Insured** cancels or **we** refuse to offer renewal of this section of the policy and **you** do not replace the cover by any other similar policy with another insurer then **you** shall be entitled to an extension of the expiring period of cover provided by this section of

- (i) 30 days or
- (ii) 12 months at 50% of the latest annual premium

in respect of claims made after the effective date of such cancellation or refusal to renew provided that

- (a) written notice is given to **us** within 15 days of the effective date of cancellation or non-renewal of this section
- (b) payment is made to **us** within 30 days of the effective date
- (c) the claim arises from a **wrongful act** prior to the date of cancellation or refusal to renew

The offer by **us** of terms conditions or limits of indemnity that differ from those of the expiring period of insurance shall not constitute a refusal to renew

This extension does not apply in the event that the policy is cancelled for non-payment of premium

2 Retired trustees

In the event that the **Insured** does not renew this section of the policy and only in respect of any **trustee** or **employee** who retires prior to the date of non-renewal this section of the policy will continue in force for a period of 72 months from the date of non-renewal provided that

- (a) cover will only apply to claims arising from any **wrongful act** prior to the date of retirement of the **trustee** or **employee**
- (b) the period will run concurrently with any Extended reporting period
- (c) no indemnity is provided by any other insurance

3 Outside boards

This cover shall extend to any **wrongful act** committed in the capacity of **outside trustee** but only in excess of the aggregate of any other potentially applicable cover whether or not it actually responds

4 Emergency costs and expenses

In the event **you** are unable to contact **us** to obtain consent to authorise costs and expenses following a claim **we** agree to reimburse **you** for emergency costs and expenses for an amount of up to 10% of the limit of indemnity

For the avoidance of doubt the above is a sub-limit which does not increase the limit of indemnity

14 Cyber

The schedule will show if this section applies and the cover in force

Definitions

Each time any of the following words or phrases appear in this section in bold italic type (or in capital letters in the schedule) they will take the specific meaning shown below

Where words or phrases are not highlighted in this manner the normal everyday meaning of the word or phrase will apply

Act of terrorism

means an act including but not limited to the use of force or violence and/or the threat thereof of any person or group(s) of persons whether acting alone or on behalf of or in connection with any organisation(s) or government(s) committed for political religious ideological or similar purposes including the intention to influence any government and/or to put the public or any section of the public in fear

Business income

means

- (a) the amount of net income (profit or loss before taxes) which ***you*** would have earned if the ***cyber event*** had not happened
- (b) normal operating expenses that continue including ordinary payroll

Computer system

means ***hardware data*** computer networks websites intranet and extranet sites

Computer virus

means malware program code or programming instruction designed to have a damaging effect on a ***computer system***

Cyber event

means

- (a) loss corruption accidental or malicious deletion of or change to unauthorised access to or theft of ***data***
- (b) ***damage*** to websites intranet or extranet sites
- (c) ***damage*** or disruption caused by ***computer virus hacking*** or ***denial of service attack*** or
- (d) failure of or variation in the supply of electricity or telecommunications affecting ***your computer system*** the ***computer system*** of a ***service provider*** or customer of ***yours***

Damage(d)

means total or partial loss damage destruction breakdown or corruption

Damages

means

- (a) financial compensation ***you*** have to pay except for fines penalties liquidated damages (agreed damages or penalties ***you*** have to pay under a contract) punitive or exemplary damages (extra damages to punish ***you***) or aggravated damages (more severe damages to reflect the seriousness of an offence) or
- (b) third parties' costs and expenses ***you*** have to pay as a result of a claim being brought against ***you***

Data

means facts concepts information ideas text recordings and images which are converted to a form which can be processed by ***hardware*** but not including software and programs

Data privacy obligations

means legal obligations relating to securing managing and preventing unauthorised access or use of **data** and arising under

- (a) relevant data-protection regulations anywhere in the world associated with the confidentiality of access to control of and use of **personal data** which are in force at the time **you** discover **you** have failed to keep **your** data privacy obligations
- (b) guidance from the Information Commissioner's Office or similar organisations worldwide
- (c) the Payment Card Industry Data Security Standard or other contractual obligations relating to handling credit card and debit card information
- (d) privacy statements and confidentiality agreements

Defence costs

means costs and expenses **we** agree in writing for investigating settling or defending a claim against **you**

Denial of service attack

means malicious and unauthorised attack which overloads any **computer system**

Directors and officers

means directors officers principals partners or members while they are employed by **you** and under **your** control in connection with the **business**

Employee

means any

- (a) person employed borrowed or hired by **you** including apprentices
- (b) labour master or labour-only subcontractor (or a person supplied by any of them)
- (c) self-employed person
- (d) person taking part in any government or otherwise authorised work experience training study exchange or similar scheme
- (e) **authorised volunteer** or
- (f) person supplied to **you** under a contract or agreement which states that they are in **your** employment when they are working for **you** in connection with **your business** but not including **your directors and officers**

Hacking

means unauthorised or malicious access to any **computer system** by electronic means

Hardware

means any

- (a) computers and associated equipment telecommunications equipment and software and programs used to process **data** but not including
 - (i) equipment controlling manufacturing processes or forming part of machinery or
 - (ii) equipment held as stock or which **you** have manufactured and is intended for sale or repair in the course of **your** business
- (b) laptops palmtops notebooks and tablet computers removable satellite-navigation systems digital cameras and smartphones and associated software and programs
- (c) photocopiers fax machines shredders addressing machines franking machines televisions and associated equipment DVD and CD recorders and players video and audio conferencing and projection equipment and associated software and programs

Indemnity period

means the period during which **you** suffer a loss of **business income** or have to pay extra costs starting on the date of **cyber event** and ending no later than the last day of the **indemnity period** shown in the schedule

Personal data

means information which could identify a person or allow identity theft or other fraud to take place

Service provider

means a business that **you** hire under a written contract to perform services on **your** behalf in connection with **your business**

Time excess

means the time period as shown in the schedule **we** will not pay any loss of **business income** for

Cover

For the purposes of (1) – Cyber liability the definition of **you** shall also include any of **your employees** or **directors and officers**

Cyber liability

We will pay **damages** and **defence costs** arising from a claim first made against **you** and notified to **us** during the **period of insurance** and which arises out of conduct of **your business** as the result of

- (a) **you** or **your service provider** failing to secure or prevent unauthorised access to publication of or use of **data** (including any interference with any right to privacy or publicity breach of confidence or **your data privacy obligations**)
- (b) **you** unintentionally transmitting or failing to prevent or restrict the transmission of a **computer virus hacking** attack or **denial of service attack** from **your computer system** to a third party or
- (c) loss of reputation (including that of a product) or intellectual property rights being breached as a result of
 - (i) the content of any emails distributed by **your computer system**
 - (ii) the content of **your** website
 - (iii) online promotional marketing material or
 - (iv) other **data** processed or distributed by **your computer system**

Data-breach expense

We will pay the following if during the course of **your business** it is discovered that **you** have failed to keep to **your data privacy obligations**

- (a) The cost of hiring professional legal and forensic information-technology services to investigate and tell **you** how **you** should respond
- (b) The cost of informing affected parties the data privacy regulator and other relevant third parties or organisations worldwide
- (c) The cost of providing the following support services to affected parties as the result of **you** failing to keep to **your data privacy obligations**
 - (i) Credit file monitoring identity theft assistance and helping the affected parties to correct their credit records and take back control of their personal identity
 - (ii) Providing a helpline to respond to enquiries after informing affected parties

These services will only be provided for 12 months and only if

 - (1) the **data privacy obligations you** have failed to keep to relate to **personal data** or
 - (2) **you** must provide the relevant service under **your data privacy obligations**
- (d) Public relations and crisis management expenses if **we** have given **our** written permission for communicating with the media **your** customers and the public to minimise damage to brands and business operations and any damage to **your** reputation

3 Computer system damage data extra cost and business income

We will pay for the following arising as a result of a **cyber event you** discover and notify to **us** during the **period of insurance**

- (a) the cost of investigating reconfiguring and rectifying any **damage to your computer system** or the **computer system** of a **service provider** and restoring and recreating **data**

This does not include the value of **data to you** even if the **data** cannot be restored or recreated

- (b) extra costs to prevent or reduce the disruption to the functions carried out by **your computer system** during the **indemnity period**
- (c) **your** loss of **business income** during the **indemnity period**

The amount of loss of **business income we** pay will be

- (i) based on **your business income** during the 12 months before the **cyber event** as recorded in **your** accounts
- (ii) adjusted to reflect trends and circumstances which may affect the **business income** or which would have affected the **business income** had the **cyber event** not occurred

The following cover is optional and the schedule will show if it applies

4 Cyber crime

We will pay for the following circumstances which arise and are notified to **us** during the **period of insurance**

- (a) **Your** financial loss as the result of a fraudulent input destruction or modification of **data in your computer system** or the **computer system** of **your service provider** which results in
- (i) money being taken from any account
- (ii) goods services property or financial benefit being transferred or
- (iii) any credit arrangement being made

as long as **you** have not received any benefit in return and **you** cannot recover the loss from a financial institution or other third party

We will also pay the cost of proving that transactions are fraudulent and that contracts or agreements were entered into fraudulently

- (b) **Your** liability to make any payment to **your** telephone service provider as the result of **hacking into your computer system**
- (c) The cost of employing specialist support to verify that a threat is genuine and to help **you** to respond if anyone threatens to
- (i) cause **damage** to or disrupt **your computer system** by introducing a **computer virus** or to initiate a **hacking attack** or **denial of service attack** against **you**
- (ii) release publish corrupt delete or alter **data** from **your computer system** if this would cause **you** commercial or financial harm or damage **your** reputation
- (iii) fraudulently or maliciously use **your computer system** to cause a loss to **you** or a third party as long as **you** can demonstrate that **you** have good reason to believe that the threat is not a hoax and **you** have reported it to the police

Exclusions

We will not pay for any **damages** liability expense or **defence costs** arising from

- (1) loss of **business income** during the **time excess**
- (2) any claim brought against **you** by
 - (a) another person named as **Insured** in the schedule
 - (b) any of **your** parent or subsidiary companies or
 - (c) any company which **you** are a director officer partner or employee of and have a financial interest in

This exclusion does not apply to **personal data** relating to **employees** or **directors and officers** as long as any benefit they receive is no more than any third party would receive
- (3) defamatory or disparaging statements or publications made deliberately or recklessly if it could be anticipated by a reasonable person that the statements could result in a claim against **you**
- (4) **you** failing to keep to any obligation **you** have to your **employees** or **directors and officers** unless this is specifically insured by this section after **your data privacy obligations** have not been met
- (5) any mistakes in financial statements or representations concerning **your business**
- (6) **you** actually or allegedly breaking any taxation competition restraint of trade competition or anti-trust law or regulation
- (7) infringement of any patent without the patent holders permission
- (8) goods products or software sold supplied manufactured constructed installed maintained repaired altered or treated by **you**
- (9) inadequate or incorrect advice or services **you** have provided
- (10) the cost of correcting any failings in procedures systems or security
- (11) loss of **business income** or any other cost resulting from a deliberate act or decision of a gas or electricity supplier grid operator or telecommunications operator except where that act or decision was necessary to protect life or prevent damage to property
- (12)
 - (a) circumstances which existed before any cover provided by **your** policy started and which **you** knew about
 - (b) claims or circumstances which **you** have already reported or which **you** should have reported to a previous insurer before the **period of insurance**
- (13) **your** property being confiscated or **damaged** by or under the order of any government public or police authority other than
 - (a) to protect life or prevent damage to property or
 - (b) as the result of a regulatory investigation after **you** have failed or allegedly failed to keep to **your** data privacy obligations
- (14) any extortion blackmail or ransom payments or demands other than in connection with cover provided under Cover section (4) – 'Cyber crime'
- (15)
 - (a) fines or penalties
 - (b) punitive aggravated exemplary or multiplied damages
- (16) penalties **you** have to pay under a contract for any delay or in connection with guarantees of performance or efficiency
- (17) any deliberate act or failure to act by **you** or **your directors and officers** unless the act or failure to act is a measure to prevent or minimise injury **damage** to **your hardware** loss of **business income** or a claim for **damages**
- (18) the cost of normal **computer system** maintenance
- (19) atmospheric or environmental conditions causing temporary interference with any satellite signal
- (20) **your** commercial decision to stop trading or the decision of a **service provider** customer or supplier of **yours** to stop or reduce trade with **you** or restrict services

(21) Losses due to

- (a) wear and tear gradual deterioration or rust
- (b) scratching or chipping of painted or polished surfaces
- (c) erosion or corrosion or
- (d) gradual reduction in performance

However **we** will pay for loss resulting from the causes above which **we** would otherwise have paid under this section

(22) **your** insolvency or bankruptcy(23) the failure or interruption of any electrical power supply network or telecommunication network not owned and operated by **you**

This exclusion shall not apply to any cost or loss caused by or resulting from physical damage if otherwise insured by this section to the electrical power supply network telecommunication network or other property Telecommunications networks include but not limited to the internet internet service providers Domain Name System service providers cable and wireless providers internet exchange providers search engine providers internet protocol networks (and similar networks that may have different designations) and other providers of telecommunications or internet infrastructure

This exclusion applies to cover (3) 'Computer system damage data extra cost and business income' only

(24) any loss damage cost or expense

- (a) directly or indirectly caused by contributed to by resulting from or arising out of or in connection with any **act of terrorism** regardless of any other cause or event contributing concurrently or in any other sequence to the loss
- (b) 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 **act of terrorism**

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

Computer virus hacking or **denial of service attack** will not be regarded as an **act of terrorism**

(25) any financial loss resulting from actual or alleged fraudulent use of credit or debit card

This exclusion applies to cover section (4) 'Cyber crime'

What we will pay

Limit of liability

The most **we** will pay for all claims **we** accept under this section in total for the **period of insurance** is the limit of indemnity noted in the schedule

The limits shown below under Extensions are in addition to the limit of indemnity

Defence costs

Any **defence costs we** pay will be within not on top of the limit of indemnity

Paying out the limit of indemnity

For any and all claims arising for the **period of insurance we** may pay the full limit of indemnity that applies

When **we** have paid the full limit of indemnity **we** will not pay any further amounts for any claims or for associated **defence costs** arising after **we** pay the full limit of indemnity

For any claim the total amount **we** will pay will not be more than the limit of indemnity regardless of the number of people or organisations insured by the policy

Any claim **we** pay will not include Value Added Tax (VAT) unless **you** cannot recover part or all of the VAT **you** have paid

Extensions

1 Avoiding corruption

We will pay

- (a) the cost of locating and removing a **computer virus** from **your computer system** which has not necessarily caused any **damage** or disruption and
- (b) the cost of hiring professional consultants to make recommendations on how to prevent **your computer system** from being infected by **computer virus** or to prevent **hacking** when a **computer virus** or hacking attack has affected **your computer system** during the **period of insurance**

with **our** prior written consent

The most **we** will pay for all claims in total for the **period of insurance** is £15,000

2 Security audit

We will pay the cost of a professional consultant to carry out an audit of **your computer system** to assess security weaknesses and advise **you** on how to make improvements if **your** failure to keep to **data privacy obligations** insured by this section resulted from security weaknesses in **your computer system**

The most **we** will pay for all claims in total for the **period of insurance** is £15,000

3 Investigation cost

We will pay the cost of investigating possible repair replacement or restoration with **our** prior written consent provided we accept a claim for **damage** or other loss

The most **we** will pay for all claims in total for the **period of insurance** is £15,000

4 Loss-prevention measures

We will pay the cost of preventing or minimising actual or expected **damage** or other loss covered by this section provided that

- (a) **damage** or other loss would be expected if the measures were not taken
- (b) **we** are satisfied that the **damage** or other loss has been prevented or minimised by these measures and
- (c) the cost is limited to the cost of **damage** or other loss which would have been caused

The most **we** will pay for all claims in total for the **period of insurance** is £15,000

5 Temporary and fast-tracked repair

We will pay the cost of making temporary repairs and fast-tracking a permanent repair replacement or restoration provided **we** have accepted a claim for **damage** or other loss

The most **we** will pay for all claims in total for the **period of insurance** is £15,000

6 Accountants' fees

We will pay the cost of

- (a) extra staffing costs and
- (b) extra fees charged by **your** usual auditors or accountants

incurred by **you** as a result of providing the information **we** need to work out the amount **we** should pay

The most **we** will pay for all claims in total for the **period of insurance** is £15,000

Non-invalidation

The cover by this section shall not be invalidated by any act failure to act or change in circumstance which increases the risk of **damage** loss of **business income** a claim for damages or other loss covered by this section which **you** could not have known about or controlled

Provided that as soon as **you** (or anyone acting for **you**) become aware of any act failure to act or change in circumstance which may affect the policy **you**

- (a) tell **us** as soon as possible and
- (b) keep to any extra terms and conditions **we** set

This applies to any change of circumstance which arises whether before or during the **period of insurance** including before **we** renew this section

Special conditions

You must keep to the following conditions

If **you** do not keep to any condition of this Section and that condition is relevant to **your** claim **we** may refuse to pay part or all of **your** claim

1 Reporting a claim

As soon as **you** know about any incident or circumstance that may result in a claim **you** must

- (a) tell the person who arranged **your** policy (or **us**) providing full details within 14 days in the case of **you** knowing about an incident or circumstance that has resulted in or may result in **you** receiving
 - (i) a claim against **you**
 - (ii) a demand for **damages**
 - (iii) a notice of regulatory action against **you**
 - (iv) a notice of other arbitration process seeking **damages**
- (b) tell the person who arranged **your** policy (or **us**) providing full details within 7 days in the case of **damage** loss of **business income** or other loss covered by this section and caused by riot civil commotion strikers locked-out workers or people taking part in labour disturbances
- (c) keep any **damaged hardware** other property covered by this policy and other evidence and allow **us** to inspect it
- (d) give **us** details of any other insurances **you** have which may cover **damage** loss of **business income** **damages defence costs** or other loss covered by this section
- (e) tell **us** if **you** recover money from a third party (**you** may need to give the money to **us**)

You must not admit responsibility or liability or agree to pay any money or provide any services on **our** behalf without **our** written consent

2 Protecting data

You must make sure that the appropriate procedures are in place for disposing of and destroying **hardware** and hard copy files in order to protect **data**

3 Controlling defence

We can but do not have to take control of investigating settling or defending any claim made against **you**

We will take this action in **your** name

If necessary **we** will appoint an adjuster solicitor or any other appropriate person to deal with the claim

We may appoint **your** solicitor but only on a fee basis similar to that of **our** own solicitor and only for work done with **our** permission in writing

We will only defend claims if **we** think that there is a reasonable chance of being successful and after taking the costs of the defence into account

4 Salvage and Recoveries

- (a) If **you** have made a claim and **you** later recover money from a third party **you** must tell **us** immediately
If **we** have paid the claim **you** may have to give the money to **us**
- (b) If **we** have paid a claim and **we** then recover money from a third party **we** will give **you** any proceeds above the amount **we** paid **you** in connection with the claim

Any amount due from **you** or **us** must be paid as soon as reasonably possible

5 Reasonable care

You must

- (a) make sure that **your hardware** is maintained inspected and tested as recommended by the manufacturer
- (b) keep a record of all maintenance and **data** back-up procedures and maintenance carried out and let **us** check those records
- (c) take all reasonable steps and precautions to prevent or reduce **damage** or other loss covered in this section and
- (d) not continue to use **hardware** after **damage** unless **we** have given **our** written permission

If **you** do not keep to this condition **we** may

- (i) refuse to pay part or all of **your** claim and
- (ii) cancel **your** policy in accordance with **our** rights under General Condition 12 Cancellation

6 Defence software

Your computer system must be protected by a

- (a) virus-protection software package which is
 - (i) licensed to **you**
 - (ii) paid for and not freely available and
 - (iii) updated at least every 7 days
- (b) firewall on all external gateways to the internet and that firewall must be maintained

7 Data backup

You must

- (a) back up original **data** at least every 7 days
- (b) take precautions to make sure that all **data** is stored safely
- (c) make sure that the terms of the contract between **you** and the **service provider** allow **data** to be backed up in line with this condition if a **service provider** processes or stores **data** for **you**

If **you** have failed to keep to this condition **we** may still pay a claim if **you** can show that formal procedures are in place to keep to this condition and that the failure was an accidental oversight or as a result of circumstances beyond **your** control

8 More than one insured

If more than one party is named as the **Insured** in the schedule the first named **Insured** will receive all notices and agree any changes to the policy and will be treated as acting for all the named **Insureds**

We will not remove any named **Insured** without their permission

9 Right to survey

At **our** request **you** must give **us** access to **your premises** at an agreed date and time to carry out a risk survey

If **you** do not keep to this condition **we** may cancel **your** policy in accordance with **our** rights under General Condition 12 Cancellation

15 Legal expenses

The schedule will show if this section applies and the cover in force

Note (not forming part of the policy):

To ensure an expert service the cover under this section has been arranged through DAS Legal Expenses Insurance Company Limited (DAS).

We are responsible for paying any claims under this section but DAS manage all claim matters and correspondence on our behalf. The legal advice service and claims handling service is provided by DAS Law Limited and/or a preferred law firm on behalf of DAS.

If you wish to speak to DAS about a legal problem or make a claim, please phone:

0345 268 9124

DAS will ask you about your legal issue and if necessary call you back to give you legal advice.

If your issue cannot be dealt with through legal advice and needs to be dealt with as a potential claim under this section of the policy, DAS will give you a reference number. At this point they will not be able to tell you whether the claim is covered or not but will pass your information to their claims-handling teams and explain what to do next.

Please notify DAS as soon as possible of your potential claim. We will not pay any legal costs that you may have incurred through contacting a lawyer, accountant or anyone else prior to DAS' acceptance of a claim.

DAS Head and Registered Office:

DAS Legal Expenses Insurance Company Limited
DAS House
Quay Side, Temple Back
Bristol BS1 6NH

Registered in England and Wales, company number 103274. DAS Legal Expenses Insurance Company Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority (FRN202106) and the Prudential Regulation Authority.

Website: www.das.co.uk

DAS Law Limited Head and Registered Office:

DAS Law Limited
North Quay
Temple Back
Bristol BS1 6FL

Registered in England and Wales, number 5417859. DAS Law Limited is authorised and regulated by the Solicitors Regulation Authority (registered number 423113)

Website: www.daslaw.co.uk

DAS Data Protection

In addition to any other data processing notice provided in relation to this policy, data under this policy will be processed by DAS Legal Expenses Insurance Company Limited (DAS), who are committed to processing the insured person's personal information fairly and transparently. This section is designed to provide a brief understanding of how DAS collect and use this information.

DAS may collect personal details, including the insured person's name, address, date of birth, email address and, on occasion, dependent on the type of cover the insured person has, sensitive information such as medical records. This is for the purpose of managing the insured person's products and services, and this may include underwriting, claims handling and providing legal advice. DAS will only obtain the insured person's personal information either directly from them, the third party dealing with the insured person's claim or from the authorised partner who sold them the policy.

Who DAS are

DAS is part of DAS Legal Expenses Insurance Company Limited which is part of DAS UK Holdings Limited (DAS UK Group). The uses of the insured person's personal data by DAS and members of the DAS UK Group are covered by their individual company registrations with the Information Commissioner's Office. DAS has a Data Protection Officer who can be contacted through dataprotection@das.co.uk.

How DAS will use your information

DAS may need to send the insured person's information to other parties, such as lawyers or other experts, the court, insurance intermediaries, insurance companies, appointed service providers, specialist agencies so they may contact the insured person to ask for their feedback, or members of the DAS UK Group. If the insured person's policy includes legal advice DAS may have to send the information outside of the European Economic Area (EEA) in order to give legal advice on non-European Union law. Dependent on the type of cover the insured person has, their information may also be sent outside the EEA so the service provider can administer their claim.

DAS will take all steps reasonably necessary to ensure that the insured person's data is treated securely and in accordance with this Privacy Notice. Any transfer outside of the EEA will be encrypted using SSL technology.

DAS will not disclose the insured person's personal data to any other person or organisation unless they are required to by their legal and regulatory obligations. For example, DAS may use and share the insured person's data with other organisations and public bodies, including the police and anti-fraud organisations, for the prevention and detection of crime, including fraud and financial sanctions. If false or inaccurate information is provided and fraud is identified, details will be passed to fraud prevention agencies to prevent fraud and money laundering. Further details explaining how the information held by fraud prevention agencies may be used can be obtained by writing to, or telephoning DAS. A copy is also accessible and can be downloaded via their website.

What is DAS' legal basis for processing your information?

It is necessary for DAS to use the insured person's personal information to perform their obligations in accordance with any contract that they may have with the insured person. It is also in their legitimate interest to use the insured person's personal information for the provision of services in relation to any contract that they may have with you.

How long will your information be held for?

DAS will retain the insured person's personal data for 7 years. DAS will only retain and use personal data thereafter as necessary to comply with their legal obligations, resolve disputes, and enforce their agreements. If you wish to request that DAS no longer use the insured person's personal data, please contact DAS at dataprotection@das.co.uk.

What are your rights?

The insured person has the following rights in relation to the handling of their personal data:

- the right to access personal data held about them
- the right to have inaccuracies corrected for personal data held about them
- the right to have personal data held about them erased
- the right to object to direct marketing being conducted based upon personal data held about them
- the right to restrict the processing for personal data held about them, including automated decision-making
- the right to data portability for personal data held about them

Any requests, questions or objections should be made in writing to the Data Protection Officer:-

Data Protection Officer
 DAS Legal Expenses Insurance Company Limited
 DAS House
 Quay Side
 Temple Back
 Bristol

BS1 6NH

Or via Email: dataprotection@das.co.uk

How to make a complaint

If the insured person is unhappy with the way in which their personal data has been processed, the insured person may in the first instance contact the Data Protection Officer using the contact details above.

If the insured person remains dissatisfied then they have the right to apply directly to the Information Commissioner's Office for a decision. The Information Commissioner can be contacted at: -

Information Commissioner's Office
 Wycliffe House
 Water Lane
 Wilmslow
 Cheshire
 SK9 5AF
www.ico.org.uk

Definitions

Each time any of the following words or phrases appear in this section in bold italic type (or in capital letters in the schedule) they will take the specific meaning shown below

Where words or phrases are not highlighted in this manner the normal everyday meaning of the word or phrase will apply

Appointed representative

means the ***preferred law firm or tax consultancy*** law firm accountant or other suitably qualified person ***we*** will appoint to act on the ***insured person's*** behalf in accordance with the terms of this section

Charity Commission enquiry/enquiries

means an investigation carried out by the Charity Commission into the **Insured's** business accounts

Costs and expenses

means

- (1) All reasonable and necessary costs chargeable by the **appointed representative** and agreed by **DAS** in accordance with the **DAS Standard Terms of Appointment**
- (2) The costs incurred by opponents in civil cases if the **insured person** has been ordered to pay them or the **insured person** pays them with the agreement of **DAS**

Countries covered

means

For **insured event 2** – Legal defence (excluding 2(f) – Statutory notice appeals) and **insured event 6(b)** – Personal injury

The European Union the Isle of Man the Channel Islands Albania Andorra Bosnia Herzegovina Gibraltar Iceland Liechtenstein Macedonia Monaco Montenegro Norway San Marino Serbia Switzerland and Turkey

For all other **insured events**

The United Kingdom of Great Britain and Northern Ireland the Isle of Man and the Channel Islands

DAS

means DAS Legal Expenses Insurance Company Limited

DAS Standard Terms of Appointment

means the terms and conditions (including the amount **we** 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 as an **appointed representative** the amount is currently £100 per hour

This amount may vary from time to time

Date of occurrence

means

- (1) For civil cases (other than under **insured event 7** – Tax protection) 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 an **insured person** first became aware of it)
- (2) For criminal cases the date the **insured person** began or is alleged to have begun to break the law
- (3) For **insured event 2(e)** – Legal defence Formal investigations and Disciplinary hearings the date when an **insured person** first receives formal notice of such investigation or disciplinary hearing
- (4) For **insured event 2(f)** – Legal defence Statutory notice appeals the date when the **insured person** is issued with the relevant notice and has the right to appeal
- (5) For **insured event 3** – Statutory licence appeal the date when the **Insured** first became aware of the proposal by the relevant licensing or regulatory authority to suspend alter the terms of or refuse to renew or cancel the **Insured's** licence or mandatory registration or British Standard Certificate of Registration
- (6) For **insured event 7** – Tax protection the date when HM Revenue & Customs or the relevant authority first notifies the **Insured** of its intention to carry out an enquiry
For **VAT disputes** or **employer compliance disputes** the date the dispute arises following the issue of an assessment written decision or notice of a civil penalty
- (7) For **insured event 7(b)** – Tax protection for **Charity Commission enquiries** the date the **Insured** receives notification from the Charity Commission that they are to conduct an investigation

Employer compliance dispute(s)

means a dispute with HM Revenue & Customs concerning the **Insured's** compliance with Pay As You Earn Social Security Construction Industry or IR35 legislation and regulations

Insured event(s)

means the circumstances in which the insurance provided by this section will operate as described in each separate cover

Insured person

means

- (1) The **Insured** and the directors trustees partners managers employees and volunteers of the **Insured**
- (2) The estates heirs legal representatives or assigns of any person mentioned in (1) above in the event of such person dying
- (3) A person contracted to perform work for the **Insured** who is in other respects insured by the **Insured** on the same basis as the **Insured's** employees and performs work under supervision and direction of the **Insured**

Limit of indemnity

means the most **we** will pay in **costs and expenses** and any compensation awards payable by **us** for all claims resulting from one or more events arising at the same time or from the same originating cause

Please refer to the policy schedule for this amount

The most **we** will pay for the total of all compensation awards in respect of employment disputes in any one **period of insurance** shall not exceed £1,000,000

This aggregate limit will form part of and not be in addition to the **Limit of Indemnity**

Period of insurance

means the period for which **we** have agreed to cover the **Insured**

Preferred law firm or tax consultancy

means a law firm barristers' chambers or tax expert **DAS** choose to provide legal or other services

These specialists are chosen as they have the proven expertise to deal with the **insured person's** claim and must comply with **DAS'** agreed service standard levels which they audit regularly

They are appointed according to the **DAS Standard Terms of Appointment**

Reasonable prospects

means

- (1) For civil cases arising from all **insured events** (other than **insured events** 1 - Employment Practices Legal Protection and Compensation Awards and 2 - Legal Defence) the prospects that the **insured person** will recover losses or damages or a reduction in tax or National Insurance liabilities (or obtain any other legal remedy that **DAS** has agreed to including an enforcement of judgment) make a successful defence or make a successful appeal or defence of an appeal must be at least 51%
DAS or a **preferred law firm or tax consultancy** on **DAS'** behalf will assess whether there are **reasonable prospects**
- (2) For criminal cases there is no requirement for there to be prospects of a successful outcome however for appeals the prospects of a successful outcome must be at least 51%

Tax enquiry

means a written notice of enquiry issued by HM Revenue & Customs to carry out an Income Tax or Corporation Tax compliance check which either

- (i) includes a request to examine any aspect of the **Insured's** books and records or
- (ii) advises of a check of the **Insured's** whole tax return

VAT dispute(s)

means a dispute with HM Revenue & Customs following the issue of an assessment written decision or notice of a civil penalty relating to the **Insured's** VAT affairs

Cover

We will indemnify the **Insured** (or where specified the **insured person**) in respect of any **insured event** arising in connection with the **business** subject to the terms conditions exclusions and limitations set out in this policy provided that

- (a) **reasonable prospects** exist for the duration of the claim and
- (b) the **date of occurrence** of the **insured event** happens during the **period of insurance** or
- (c) the **date of occurrence** of the **insured event** happens during the currency of a previous equivalent legal expenses insurance policy provided that
 - the previous legal expenses insurance policy required the **Insured** to report claims during its currency
 - the **Insured** could not have notified a claim previously as they could not have reasonably been aware of the insured incident
 - cover has been continuously maintained in force
 - **we** will not cover any claim that should have been reported under a previously operative legal expenses insurance policy
 - the available **Limit of Indemnity** shall be limited to the lesser of the sums payable under this or **your** previous policy and
- (d) the insured event happens within the countries covered and
- (e) any legal proceedings or investigation will be dealt with by one of the following within the **countries covered**
 - a court
 - an employment tribunal or employment appeal tribunal
 - an arbitration proceeding where parties to a dispute appoint an arbitrator to determine the evidence and issue a decision which is recognised by and enforceable through a court
 - the Equality and Human Rights Commission or the Equality Commission for Northern Ireland
 - any other body which replaces any of the above or which **DAS** agree to

What we will pay

We will pay an **appointed representative** on the **Insured's** behalf **costs and expenses** incurred following an **insured event** and any compensation awards that **DAS** has agreed to provided that

- (1) the most **we** will pay for **costs and expenses** including compensation awards in respect of all claims resulting from one or more events arising at the same time or from the same originating cause is shown as the **Limit of Indemnity** in the policy schedule
- (2) 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 as an **appointed representative** is currently £100 per hour - this amount may vary from time to time)
- (3) in respect of an appeal or the defence of an appeal the **Insured** must tell **DAS** within the time limits allowed that they want to appeal
Before **we** pay the **costs and expenses** for appeals **DAS** must agree that **reasonable prospects** exist
- (4) in respect of an enforcement of judgment to recover money and interest due to the **Insured** after a successful claim under this section of the policy **DAS** must agree that **reasonable prospects** exist

- (5) 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 **costs and expenses** is the value of the likely award
- (6) in respect of **insured event 2(g)** – Legal defence Jury service and court attendance the maximum **we** will pay is the **insured person's** net salary or wages for the time that the **insured person** is absent from work less any amount the **Insured** court or tribunal pays to them

What we will not pay

- (1) In the event of a claim if the **Insured** decides not to use the services of a **preferred law firm or tax consultancy** the **Insured** will be responsible for any costs that fall outside the **DAS Standard Terms of Appointment** and these will not be paid by **us**
- (2) The first £500 of any contract dispute claim where the amount in dispute exceeds £5,000 (including VAT)
 - If the **Insured** is using a **preferred law firm or tax consultancy** the **Insured** will be asked to pay this within 21 days of their claim having been assessed as having reasonable prospects
 - If the **Insured** is using their own law firm this will be within 21 days of their appointment (following confirmation the claim has **reasonable prospects**)
 - If the **Insured** does not pay this amount the cover for the claim could be withdrawn

Insured events

Employment disputes and compensation awards

(a) Employment disputes

Costs and expenses to defend the **Insured's** legal rights

- (1) 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
- (2) in any unfair dismissal dispute under the ACAS Arbitration Scheme or
- (3) in legal proceedings in respect of any dispute relating to
 - (i) a contract of employment with the **Insured** or
 - (ii) an alleged breach of the statutory rights of an employee ex-employee or prospective employee under employment legislation

Exclusions

- (i) Any employment dispute where the originating cause of action arises within the first 90 days of the commencement of this section
- (ii) Any redundancy or alleged redundancy or unfair selection for redundancy arising within the first 180 days of the commencement of this section
- (iii) Employee internal disciplinary or grievance procedures
- (iv) Any claim in respect of damages for personal injury or loss of or damage to property
- (v) Any claim arising from or relating to any transfer of business which falls within the scope of the Transfer of Undertakings Regulations (TUPE) or the Transfer of Employment (Pension Protection) Regulations

If a claim is made under **insured event 1(a)** exclusions (i) and (ii) above will not be enforced if the **Insured** can provide written evidence of continuous and equivalent employment legal expenses insurance immediately prior to inception of this section

(b) Compensation awards

Where **DAS** have accepted a claim under **insured event** 1(a) **we** will pay up to the **Limit of Indemnity** for the following

- (1) any basic and compensatory award and/or
- (2) an order for compensation or damages following a breach of the **Insured's** statutory duties under employment legislation

Provided that the compensation award is awarded by a court or tribunal or through ACAS Arbitration Scheme under a judgement made after full argument and otherwise than by consent or default or is payable under settlement approved in writing in advance by **DAS**

Exclusions

- (i) Any compensation award relating to the following
 - (a) Trade union activities trade union membership or non-membership
 - (b) Pregnancy or maternity rights paternity parental or adoption rights
 - (c) Health & Safety related dismissals brought under Section 44 of the Employment Rights Act 1996
 - (d) Statutory rights in relation to trustees of occupational pension schemes
- (ii) Non-payment of money due under a contract of employment or a statutory provision
- (iii) Any award ordered because the **Insured** has failed to provide relevant records to employees under National Minimum Wage legislation
- (iv) Any compensation award or increase in 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) Employee civil legal defence

Costs and expenses to defend the **insured person's** (other than the **Insured's**) legal rights if an event arising from their work as an employee leads to civil action being taken against them

- (1) under legislation for unlawful discrimination or
- (2) as trustee of a pension fund set up for the benefit of the **Insured's** employees

We will only provide cover for an **insured person** (other than the **Insured**) at the **Insured's** request

(d) Service occupancy

Costs and expenses to pursue a dispute with an employee or ex-employee to recover possession of premises owned by or for which the **Insured** is responsible

Exclusion

Any claim relating to defending the **Insured's** legal rights other than defending a counter-claim

2 Legal defence

Costs and expenses to defend the **insured person's** legal rights in respect of the following

- (a) Criminal pre-proceedings cover

Prior to the issue of legal proceedings when dealing with the Police Health & Safety Executive and/or Local Authority Health & Safety Enforcement Officer where it is alleged that the **insured person** has or may have committed a criminal offence

(b) Criminal prosecution defence

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

Provided that

- (1) for claims relating to the Health and Safety at Work etc Act 1974 the **countries covered** shall be any place where the Act applies
- (2) **we** will only cover criminal investigations and/or prosecutions which arise in direct connection with the activities of the **business** - please see Cover

(c) Data protection

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

- (1) an individual
We will also pay any compensation award up to the **Limit of Indemnity** in respect of such a claim
- (2) a 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
We will not pay any compensation award in respect of such a claim

Provided that

- (1) in respect of (c)(1) any sum of money in settlement of a dispute is awarded by a court under a judgment made after full argument and otherwise than by consent or default or is payable under settlement approved in advance by **us**
- (2) **we** will not cover the cost of fines imposed by the Information Commissioner or any other regulatory and/or criminal body

(d) Wrongful arrest

Civil action taken against the **Insured** for wrongful arrest in respect of an accusation of theft alleged to have been carried out during the **period of insurance**

(e) Formal investigations and disciplinary hearings

In representing the **insured person**

- (1) throughout a formal investigation conducted by the Equality and Human Rights Commission or Equality Commission for Northern Ireland following a complaint against an **insured person**
- (2) throughout a formal investigation or disciplinary hearing conducted by any other relevant business association professional or regulatory body

(f) Statutory notice appeals

An appeal against the imposition or terms of any Statutory Notice issued under legislation affecting the **Insured's** business

We will also pay for

(g) Jury service and court attendance

An **insured person's** absence from work

- (1) to perform jury service
- (2) to attend any court or tribunal at the request of the **appointed representative**

Provided that for each of the above sections of **insured event 2** - Legal defence the **Insured** requests that **DAS** provides cover for the **insured person**

Exclusions

- (i) For (a) Criminal pre-proceedings cover any criminal investigation or enquiry by with or on behalf of HM Revenue & Customs
- (ii) For (a) Criminal pre-proceedings cover and (b) Criminal prosecution defence cover any claim relating to a parking offence
- (iii) For (c) Data protection cover any claims relating to
 - (1) the loss alteration corruption or distortion of or damage to stored personal data or
 - (2) 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
- (iv) For (f) Statutory notice appeals cover
 - (1) any Statutory Notice issued by an **insured person's** regulatory or governing body
 - (2) any appeal against the imposition or terms of any Statutory Notice issued in connection with an **Insured's** licence mandatory registration or British Standard Certificate of Registration

3 Statutory licence appeal

Costs and expenses in appealing 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 the **Insured's** licence mandatory registration or British Standard Certificate of Registration

Exclusions

- (i) Assistance with the application process either in relation to an original application or application for renewal of a statutory licence mandatory registration or British Standard Certificate of Registration
- (ii) Any licence appeal relating to the ownership driving or use of a motor vehicle

4 Contract disputes

Costs and expenses in a contractual dispute arising from that agreement or that alleged agreement which has been entered into by or on behalf of the **Insured** for the purchase hire sale or provision of goods or of services

Provided that

- (1) the amount in dispute exceeds £250 (including VAT)
- (2) if the amount in dispute exceeds £5,000 (including VAT) the **Insured** must pay the first £500 of any claim
 - If the **Insured** is using a **preferred law firm** the **Insured** will be asked to pay this within 21 days of the claim having been assessed as having **reasonable prospects** - if the **Insured** does not pay this amount cover could be withdrawn
 - If the **Insured** is using their own law firm this will be within 21 days of their appointment following confirmation the claim has **reasonable prospects**
- (3) if the dispute relates to money owed to the **Insured** a claim under this section is made within 90 days of the money becoming due and payable
- (4) if the amount in dispute is payable in instalments the instalments due and payable at the time of making the claim exceed £250 (including VAT)

Exclusions

- (i) Unless equivalent legal expenses insurance was continuously in force immediately prior to the inception of this section any dispute arising from an agreement entered into prior to the start of this section if the **date of occurrence** is within the first 90 days of the cover provided by this section
- (ii) Any claim relating to the following
 - (a) A dispute over the settlement amount payable under an insurance policy (**we** will cover a dispute if the **Insured's** insurer refused the **Insured's** claim but not for a dispute over the amount)

- (b) The
 - sale
 - purchase
 - terms of a lease
 - licence
 - tenancy
 of land or buildings other than a dispute with a professional advisor in connection with these matters
- (c) A loan mortgage pension guarantee or any other financial product and choses in action
- (d) A motor vehicle owned by or hired by or leased to the **Insured** other than agreements relating to the sale of motor vehicles where the **Insured** is engaged in the business of selling motor vehicles
- (iii) A dispute with an employee or ex-employee which arises out of or relates to a contract of employment with the **Insured**
- (iv) A dispute which arises out of
 - the sale or provision of computer hardware software systems or services
 - the purchase or hire of computer hardware software systems or services tailored by a supplier to the **Insured's** own specification
- (v) A dispute arising from a breach or alleged breach of professional duty by an **insured person**
- (vi) The recovery of money and interest due from another party other than disputes where the other party intimates that a defence exists

Debt recovery

Costs and expenses in a dispute relating to the recovery of money and interest due from the sale or provision of goods or services including enforcement of judgments

Provided that

- (1) the debt exceeds £250 (including VAT)
- (2) the claim is made within 90 days of the money becoming due and payable
- (3) **DAS** has the right to select the method of enforcement or to forego enforcing judgement if they are not satisfied that there are or will be sufficient assets available to satisfy judgement

Exclusions

- (i) Unless equivalent legal expenses insurance was continuously in force immediately prior to the inception of this section any debt arising from an agreement entered into prior to the start of this section if the debt is due within the first 90 days of the cover provided by this section
- (ii) Any claim relating to the following
 - (a) The settlement payable under an insurance policy
 - (b) The
 - sale
 - purchase
 - terms of a lease
 - licence
 - tenancy
 of land or buildings
 - (c) A loan mortgage pension guarantee or any other financial product and choses in action
 - (d) A motor vehicle owned by hired by or leased to the **Insured** other than agreements relating to the sale of motor vehicles where the **Insured** is engaged in the business of selling motor vehicles
- (iii) A dispute which arises out of the supply hire sale or provision of computer hardware software systems or services
- (iv) The recovery of money and interest due from another party where the other party intimates that a defence exists
- (v) Any dispute which arises from debts the **Insured** has purchased from a third party

6 Property protection and personal injury

(a) Property protection

Costs and expenses in a civil dispute relating to material property which is owned by or the responsibility of the **Insured** provided that the **Insured** has established the legal ownership or right to the land that is the subject of the dispute following

- (1) any event which causes physical damage to such material property
or
- (2) a legal nuisance (meaning any unlawful interference with the **Insured's** use or enjoyment of their land or some right over or in connection with it)
or
- (3) a trespass

Exclusions

Any claim relating to the following

- (i) A contract entered into by the **Insured**
- (ii) Goods in transit or goods lent or hired out
- (iii) Goods at premises other than those occupied by the **Insured** unless the goods are at such premises for the purpose of installations or use in work to be carried out by the **Insured**
- (iv) Mining subsidence
- (v) Defending the **Insured's** legal rights other than in defending a counter-claim
- (vi) A motor vehicle owned by or used by or hired by or leased to an **insured person** (other than damage to motor vehicles where the **Insured** is engaged in the business of selling motor vehicles)
- (vii) The enforcement of a covenant by or against the **Insured**

(b) Personal injury

At the **Insured's** request **we** will pay **costs and expenses** for an **insured person's** and their family members' legal rights following a specific or sudden accident that causes the death of or bodily injury to them

Exclusions

Any claim relating to the following

- (i) Any illness or bodily injury that develops gradually
- (ii) Psychological injury or mental illness unless the condition follows a specific or sudden accident that has caused physical bodily injury
- (iii) Defending an **insured person's** and their family members' legal rights other than in defending a counter-claim
- (iv) Clinical negligence

7 Tax protection

Costs and expenses to negotiate on behalf of the **Insured** and at the request of the **Insured** the directors trustees and partners of the **Insured** in the event that one of the following enquiries is undertaken in direct connection with the activities of the **business**

- (a) a **tax enquiry**
- (b) a **Charity Commission enquiry**
- (c) an **employer compliance dispute**
- (d) a **VAT dispute**

Provided that the **Insured** has taken reasonable care to ensure that all returns are complete and correct and that such returns are submitted within the statutory time limits allowed

Exclusions

Any claim

- (i) arising from a tax avoidance scheme
- (ii) caused by the failure to register for Value Added Tax or Pay As You Earn
- (iii) arising from any investigation or enquiries by with or on behalf of HM Revenue & Customs Special Investigation Section Special Civil Investigations Criminal Investigations Unit Criminal Taxes Unit under Public Notice 160 or by the Revenue and Customs Prosecution Office
- (iv) arising from any investigation or enquiry by HM Revenue & Customs into alleged dishonesty or alleged criminal offences
- (v) relating to import or excise duties and import VAT

Conditions

- 1 (a) On receiving a claim if representation is necessary **DAS** will appoint a **preferred law firm or tax consultancy** as the **Insured's appointed representative** to deal with the **Insured's** claim
They will try to settle the **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 **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 **Insured** may choose a law firm or tax expert to act as the **appointed representative**
DAS will choose the **appointed representative** to represent the **Insured** in any proceedings where **we** are liable to pay a compensation award
- (c) If the **Insured** chooses a law firm as their **appointed representative** who is not a **preferred law firm or tax consultancy** **DAS** will give the **Insured's** 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 **DAS Standard Terms of Appointment**
The amount **we** will pay a law firm (where acting as the **appointed representative**) is currently £100 per hour
This amount may vary from time to time
- (d) The **appointed representative** must co-operate with **DAS** at all times and must keep **DAS** up to date with the progress of the claim
- 2 An **insured person** must
 - (a) co-operate fully with **DAS** and the **appointed representative**
 - (b) give the **appointed representative** any instructions that **DAS** ask them to
- 3 (a) An **insured person** must tell **DAS** if anyone offers to settle a claim and must not negotiate or agree to any settlement without written consent from **DAS**
- (b) If an **insured person** does not accept a reasonable offer to settle a claim **we** may refuse to pay further **costs and expenses**
- (c) **We** may decide to pay an **insured person** the reasonable value of the claim that the **insured person** is claiming or is being claimed against them instead of starting or continuing legal action
In these circumstances an **insured person** must allow **DAS** to take over and pursue or settle a claim in their name
An **insured person** must allow **DAS** to pursue at **our** expense and for **our** benefit any claim for compensation against any other person and an **insured person** must give **DAS** all the information and help **DAS** need to do so
- 4 (a) An **insured person** must instruct the **appointed representative** to have **costs and expenses** taxed assessed or audited if **DAS** ask for this
- (b) An **insured person** must take every step to recover **costs and expenses** and court attendance and jury service expenses that **we** have to pay and must pay **us** any amounts that are recovered

- 5 If the **appointed representative** refuses to continue acting for an **insured person** with good reason or if an **insured person** dismisses the **appointed representative** without good reason the cover **we** provide will end immediately unless **DAS** agree to appoint another **appointed representative**
- 6 If an **insured person** settles a claim or withdraws their claim without **DAS's** 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
- 7 **DAS** may require the **Insured** to get at the **Insured's** own expense an opinion from an expert that **DAS** consider appropriate on the merits of the claim or proceedings or on a legal principle
The expert must be approved in advance by **DAS** and the cost agreed in writing between the **Insured** and **DAS**
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 **Insured** will recover damages (or obtain any other legal remedy that **DAS** have agreed to) or make a successful defence
- 8 If there is a disagreement between the **Insured** and **DAS** about the handling of a claim and it is not resolved through **DAS'** internal complaints procedure the **Insured** can contact the Financial Ombudsman Service for help
This is a free arbitration service for eligible consumers small businesses charities and trusts (details available from www.financial-ombudsman.org.uk)
If the dispute is not covered by the Financial Ombudsman Service there is a separate arbitration process available
The arbitrator will be a barrister solicitor or other suitably qualified person chosen jointly by the **Insured** and **DAS**
If there is a disagreement over the choice of arbitrator **DAS** 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 **Insured** and **DAS** or may be paid by either the **Insured** or **DAS**
- 9 An **insured person** must
- (a) keep to the terms and conditions of this section of the policy
 - (b) take reasonable steps to avoid and prevent claims
 - (c) take reasonable steps to avoid incurring unnecessary costs
 - (d) send everything **DAS** ask for in writing
 - (e) give **DAS** full and factual details of any claim and give **DAS** any information they need and
 - (f) report any claim to **DAS** within 180 days of the date the **insured person** should have known about the **insured event**
- 10 All Acts of Parliament mentioned in this section of the policy include equivalent laws in Scotland Northern Ireland the Isle of Man and the Channel Islands as appropriate

Exclusions

- 1 **Costs and expenses** incurred before the written acceptance of a claim by **DAS**
- 2 Fines penalties compensation or damages which the **insured person** is ordered to pay by a court or other authority other than compensation awards as covered under **insured event** 1(b) – Compensation awards and **insured event** 2 (c) – Legal defence
- 3 Any claim relating to patents copyrights trademarks merchandise marks registered designs intellectual property secrecy and confidentiality agreements
- 4 Any claim relating to rights under a franchise or agency agreement entered into by the **Insured**
- 5 Any **insured event** deliberately or intentionally caused by an **insured person**
- 6 A dispute with **us** or **DAS** not otherwise dealt with under Condition 8 of this section
- 7 Any claim relating to a shareholding or partnership share in the **Insured's** business

- 8 **Costs and expenses** arising from or relating to judicial review coroner's inquest or fatal accident inquiry
This exclusion does not apply to **insured event** 6(b) – Personal injury
- 9 Any legal action an **insured person** takes which **DAS** or the **appointed representative** have not agreed to or where the **insured person** does anything that hinders **DAS** or the **appointed representative**
- 10 Any claim where either at the start of or during the course of a claim
 - (a) the **Insured** is declared bankrupt
 - (b) the **Insured** has filed a bankruptcy petition
 - (c) the **Insured** has filed a winding-up petition
 - (d) the **Insured** has made an arrangement with the **Insured's** creditors
 - (e) the **Insured** has entered into a deed of arrangement
 - (f) the **Insured** is in liquidation
 - (g) part or all of the **Insured's** affairs or property are in the care or control of a receiver or administrator
- 11 Any claim relating to written or verbal remarks that damage the **insured person's** reputation
- 12 Any claim where an **insured person** is not represented by a law firm barrister or tax expert

16 Fidelity

The schedule will show if this section applies and the cover in force

Definitions

Each time any of the following words or phrases appear in this section in bold italic type (or in capital letters in the schedule) they will take the specific meaning shown below

Where words or phrases are not highlighted in this manner the normal everyday meaning of the word or phrase will apply

Acting in collusion

means all circumstances where two or more ***employees*** are concerned or implicated together or materially assist each other in an act of ***theft***

Commencement date

means the operative date of insurance cover for a named ***employee*** or category of ***employees*** other than as provided in relation to any superseded fidelity insurance

Electronic instructions

means electronic instructions issued from a computer on ***your*** premises to a bank or financial institution at which ***you*** hold an account directing them to make a payment for a fixed amount from ***your*** account to the account of a third party

Employee(s)

means any person normally resident within the ***geographical limits*** who is

- (1) under a contract of service or apprenticeship with ***you***
- (2) engaged as a work experience student or youth training scheme participant while under ***your*** direct control and supervision
- (3) a director of ***yours*** if such person
 - (i) is also employed by ***you*** under a contract of service and
 - (ii) controls no more than 5 per cent of the issued share capital of ***your*** company
- (4) a person retired from full-time employment with ***you*** who is working for ***you*** as a consultant under ***your*** control or direction
- (5) a volunteer working under ***your*** control or direction provided that volunteers are specified as insured in the schedule

One claim

means all acts of ***theft*** during the periods of insurance which this section (and any substituted section or policy) shall remain in force committed by an individual ***employee*** or by ***employees acting in collusion***

Theft

means any act of fraud or dishonesty by any ***employee*** committed with the clear intent of obtaining an improper financial gain for themselves or for any other person or organisation intended by the ***employee*** to receive such gain other than salaries fees commission or other employee benefit earned in the normal course of employment

Cover

We will indemnify ***you*** against loss of money or goods belonging to or held in trust by ***you*** caused directly as a result of any act of ***theft*** by any ***employee*** described in the schedule relating to their employment with ***you*** in the ***business*** and committed during the currency of this section after the ***commencement date*** applicable to such ***employee***

Exclusions

We shall not be liable for

- (i) any **theft** committed by any **employee** subsequent to **your** discovery of actual or suspected **theft** by such **employee**
- (ii) any **excess**
- (iii) any loss of interest or consequential loss of any kind
- (iv) any unexplained shortages

Basis of settlement

We will pay up to the value of the money or goods at the time of the loss or at **our** option the replacement or reinstatement of such goods

Limit of indemnity

Our liability under this section

- (a) in respect of any **one claim**
 - (i) caused by one **employee** shall not exceed the limit of indemnity stated in the schedule applicable to that **employee**
 - (ii) caused by two or more **employees acting in collusion** shall not exceed whichever of the individual limits of indemnity applicable to the **employees** concerned is largest and in any event not exceed the aggregate limit of indemnity shown in the schedule
 - (iii) irrespective of the number of periods of insurance during which the insurance by this section (and any insurance issued in substitution thereof) shall remain in force shall not exceed the limit of indemnity stated in the schedule
- (b) in respect of any one period of insurance shall not exceed the aggregate limit of indemnity stated in the schedule

Special conditions

- 1 It is a **condition precedent to liability** that **you** shall operate the following Minimum standard of control All **employees** with responsibility for money accounts goods computer operation or computer programming shall be instructed as to their duties and responsibilities in respect of the Minimum standard of control and be expected to comply with it

Minimum standard of control

- (i) Funds transfer
 - (a) All cheques or other bank instruments exceeding £10,000 shall require two manually applied signatures to be added after the amount has been inserted
You shall advise **your** bankers accordingly
No cheque or instrument shall be signed until one signatory has examined the supporting documentation
 - (b) In respect of funds transfers involving **electronic instructions**
 - 1 no one **employee** shall complete a funds transfer payment from beginning to end
 - 2 all **employees** involved will require unique passwords to access the computer or system which must be kept confidential to the user and changed at least every 30 days

- 3 password resets will be carried out by an **employee** who does not have access to or other involvement in the fund transfer process
- You** will comply with all process and security controls agreed with the bank or other financial institution through which **your** transfers are made
- (ii) At least quarterly and independently of persons responsible the payroll shall be checked to minimise the possibility that fictitious names and enhanced payments have been included
 - (iii) **Employees** receiving cash and cheques in the course of their duties shall be required to remit all monies received and/or bank in full on the day of receipt or next banking day
 - (iv) Statements of account for all amounts due will be issued at least monthly and direct to customers independently of **employees** receiving or collecting monies
Action by management shall be taken if an account becomes three months overdue
 - (v) Independently of the responsible **employees** bank statements receipts counterfoils and supporting documents shall be checked at least monthly against the cash book entries and the balance tested with cash and unpresented cheques
 - (vi) Cash in hand and petty cash shall be checked independently of the responsible **employees** at least monthly and additionally without warning every six months
 - (vii) There will be a physical check on all stock and materials held against verified stock records independent of the responsible **employees** at intervals of not more than 12 months except where otherwise stated
 - (viii) Different **employees** acting independently shall be responsible for the ordering of stock and materials the recording of receipt of such and the authorising of payment for them
 - (ix) Security checks will be built into all computer functions with reconciliations made as necessary
 - (x) Responsibilities for
 - (a) authorisation of transaction
 - (b) processing of transactions and
 - (c) handling of output
 shall be exercised by different **employees**
 - (xi) **Your** accounts including the account of any subsidiary companies shall be examined by external auditors every 12 months
All recommendations or alternatives acceptable to the auditors shall be implemented without unreasonable delay
 - (xii) Every **employee** who is responsible for money goods accounts computer operations or programming must take an uninterrupted break of at least two weeks in each calendar year during which
 - (a) they carry out no duties on **your** behalf and
 - (b) other than electronic mail they have no means of external access to **your** computer systems and
 - (c) they stay away from any of **your** premises
 - (xiii) All supplier/creditor accounts received for payment should be carefully and independently (of those **employees** placing orders or settling such accounts) checked and validated directly with the supplier/creditor before payment is authorised
No instructions or requests to change any supplier's/creditor's settlement account details shall be accepted or implemented without
 - (a) the supplier or creditor in question being contacted independently and directly to confirm the change
 - (b) written confirmation of the change being obtained from a suitably authorised and recognised contact at the supplier/creditor
 - (c) written confirmation of the change being received independently and directly from the supplier's/creditor's bank

- 2 **You** shall obtain satisfactory references to confirm the honesty of all **employees** who are
- responsible for money goods accounts computer operations or computer programming and
 - engaged after the commencement of this section
 - subject to an indemnity of greater than £5,000
- Such references shall be obtained directly from former employers for the three years immediately preceding engagement and before the **employee** is entrusted without supervision
- Reference need not be obtained in respect of **employees** who have satisfactorily and continuously served **you** for at least one year in another capacity before being entrusted with the duties referred to above
- In respect of **employees** joining directly from school or Government sponsored youth training schemes one character reference shall be obtained
- The original of each written reference shall be retained by **you** and shall be made available for inspection by **us** on request
- 3 Any money of the **employee** held by **you** upon discovery of any loss and any money which but for the **employee's theft** would have been due to the **employee** from **you** shall be deducted from the amount of the loss before a claim is made under this insurance
- Any recoveries which are made by **you** less any costs incurred in recovery shall be applied in the following order
- in the event that **your** claim has exceeded the limit of indemnity first to **your** benefit to reduce or extinguish the amount of **your** loss (but not in respect of the amount of the **excess**)
 - thereafter to **our** benefit to the extent of the claim paid or payable
 - finally to **your** benefit where an **excess** has been deducted from the claim
- 4 Upon the termination of service of any **employee you** shall take all reasonable precautions to prevent a loss as insured by this section including but not limited to
- the changing of all alarm and other security codes or passwords the **employee** had or may have had knowledge of
 - the deletion or invalidation of any access codes or passwords the **employee** has to access computer or other systems

Extensions

1 Auditors fees and rewriting of system records

As a direct result of loss of money or goods resulting in a valid claim under this section **we** will also pay for

- auditors fees incurred with **our** written consent solely to substantiate the amount of the claim
- the reasonable cost incurred with **our** written consent of rewriting or amending the software programs or systems where such rewriting or amending is necessary to correct the programs or amend the security codes following the fraudulent use of computer hardware or software programs or computer systems which are the subject of a claim for which liability is admitted under this section

Provided that **our** total liability including any amount payable under the provisions of this extension shall not exceed the limit of indemnity

2 Previous insurance

If this insurance immediately supersedes a fidelity insurance effected by **you** (the 'superseded insurance') **we** will indemnify **you** in respect of any loss discovered during the continuation of this insurance but committed during the continuation of the superseded insurance if the loss is not recoverable under the superseded insurance solely because the period allowed for such discovery has expired

Provided that

- (a) such insurance had been continuously in force from the time of the loss until commencement of this section
- (b) the loss would have been insured by this insurance had it been in force at the time of the loss
- (c) **our** liability shall not exceed
 - (i) the amount recoverable under the insurance in force at the time of the loss or
 - (ii) the limit of indemnity under this insurancewhichever is the less

In any event **our** total liability in respect of any **one claim** continuing through both the term of the superseded insurance and the continuation of this insurance shall not exceed the limit of indemnity applicable under this section

3 Pension fund trustees

At **your** request **we** will indemnify the Trustees of any pension fund or other **employee** benefit scheme set up to provide benefit to **your employees** in respect of any loss of money or goods which the Trust may incur as a result of any act of **theft** as otherwise insured by this section committed by an **employee** of **yours**

4 Temporary agency staff

The term **employee** shall include any person provided by a staff or employment agency who by arrangement with such agency is working for **you** on a temporary or part-time basis in connection with the **business** to perform the function and duties of an **employee** under **your** control or direction but excluding persons employed

- (a) as drivers
 - (b) in connection with warehouse duties
 - (c) with computer operations or computer programming
- unless specifically stated as insured in the schedule

Provided that

- (i) **we** shall not be liable for any loss caused by any such person if such loss is also covered for **your** benefit by any insurance or guarantee held by the staff or employment agency providing the person concerned
- (ii) the amount of wages and salaries declared shall include the total amount of fees paid to staff and employment agencies in respect of temporary agency staff described above
- (iii) Special condition 2 (References) shall not apply to the temporary agency staff described above

17 Terrorism

The schedule will show if this section applies

Definitions

Each time any of the following words or phrases appear in this section in bold italic type (or in capital letters in the schedule) they will take the specific meaning shown below

Where words or phrases are not highlighted in this manner the normal everyday meaning of the word or phrase will apply

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 Her Majesty's government in the United Kingdom or any other government de jure or de facto

Business interruption

means loss arising from interruption or interference with the ***business*** carried on by ***you*** at the ***premises*** as a result of damage to or destruction of ***property insured*** used by ***you*** at the ***premises*** for the purpose of the ***business***

Computer systems

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

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

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***

Event

means all individual losses arising in respect of a continuous period of 72 hours of which the proximate cause is the same ***act of terrorism***

The date and time that any such period of 72 hours shall commence shall be set by ***us***

Hacking

means unauthorised access to any ***computer system*** whether ***your*** property or not

Losses

means all losses arising under any operative section or extension to this policy for material damage business interruption or book debts as a result of damage to or the destruction of ***property insured*** in the ***territorial limits*** the proximate cause of which is an ***act of terrorism***

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

1. the production or use of atomic energy
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
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

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

Phishing

means any access or attempted access to **data** made by means of misrepresentation or deception

Property

means all property whatsoever but excluding

1. any property which is occupied as a private residence and which is
 - a. a private dwelling house or
 - b. self-contained unit insured as part of a block of units i.e. a block of flats
 unless such property
 - i. is not insured in the name of a private individual
 - ii. is insured in the name of a **sole trader** or a trustee or an executor of a will and is not occupied by such persons or by any beneficiary of the trust or will in question
 - iii. is of mixed residential and commercial usage and the commercially occupied portion of the property exceeds 20% (as defined by **us**) of the whole of such building
2. property including fine art collections which are the subject of
 - a. a trust of any kind or
 - b. an executorship of a will
 and where the use or benefit of the property is for private domestic purposes only and enjoyed by a beneficiary or a trustee of the trust or a beneficiary or an executor of the will
3. 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**

The noting of the interest of any lender (by including as joint insured or otherwise) shall not prejudice the definition of property as defined above

Property insured

means **property** which is insured under other sections of this policy

Sole trader

means

1. a self-employed individual registered as a sole trader with HM Revenue & Customs or
2. a private individual or individuals operating as a landlord and taxed as a business or
3. a private individual or individuals who have made an active decision to become a landlord and receive or intend to receive an income from **property insured**

Territorial limits

means England Wales and Scotland but not the territorial seas adjacent thereto as defined by the Territorial Sea Act 1987

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

This 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

Cover

We will pay **you** for

1. damage to or the destruction of **property**
2. **business interruption** or book debts
3. loss caused by cancellation abandonment postponement interruption curtailment or relocation of an event as a result of damage to or destruction of **property**

as insured by any other section of this policy occasioned by or happening through or in consequence of an **act of terrorism** within the **territorial limits**

Provided always that the insurance by this section is

1. not subject to
 - a. any of the General exclusions of this policy
 - b. any long term agreement or undertaking which may otherwise apply
 - c. any terms in this policy which provide for adjustments of premium
2. subject
 - a. otherwise to all the terms provisions definitions and conditions of this policy except where expressly varied within this section
 - b. to a maximum period of insurance of 12 months from the inception or renewal date of this policy
Any subsequent period of cover provided by this section whether for 12 months or less is deemed to constitute a new period of insurance provided that
 - i. no subsequent period of insurance by this section shall extend beyond the next renewal date of this policy
 - ii. the renewal premium due in respect of this section has been received by **us**

Basis of settlement

As described in the relevant section of this policy in respect of damage to or destruction of the **property insured** or **business interruption** or book debts or loss caused by cancellation abandonment postponement interruption curtailment or relocation of an event

The most **we** will pay for any one **event** is the lesser of

1. the total sum insured or
2. for each item its individual sum insured or
3. any other limit of liability

as stated in the relevant section of this policy less the **excess**

The **excess** applicable to losses under this Terrorism section shall be equal to the **excess** applied in respect of the risk of fire and/or explosion under the other sections of this policy

Exclusions

We will not be liable for any losses whatsoever

1. 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
2. arising under
 - a. marine aviation and transit policies
 - b. motor insurance policies
 - c. bankers blanket bond
3. directly or indirectly caused by contributed to by or arising from or occasioned by or resulting from
 - a. damage to or the destruction of any **computer system** or
 - b. any alteration modification distortion erasure or corruption of **data**

whether **your** property or not where such loss is directly or indirectly caused by or contributed to by or arising from or occasioned by or resulting from **virus or similar mechanism** or **hacking** or **phishing** or **denial of service attack**

Extension for act of terrorism triggered by remote digital interference

Definitions specific to this extension

Property/Property insured

means as defined in this section but also excludes for the purposes of this extension

- a. any money (including money as defined in any Money (or Money with assault) section of this policy) currency electronic cryptographic or virtual currency including Bitcoin or any similar negotiable or non-negotiable instruments financial securities or any other financial instrument of any sort whatever and
- a. any **data**

Specific events

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**

Exclusion **3.** will not apply to **losses** provided that such **losses**

1. result directly (or solely as regards **3. c.** below indirectly) from **specific events** and
2. are 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 and
3. comprises
 - a. the cost of reinstatement replacement or repair in respect of damage to or destruction of **property insured** or
 - b. the amount of **business interruption** or book debts 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 insured** or as a direct result of denial prevention or hindrance of access to or use of the **property insured** by reason of an **act of terrorism** causing damage to or destruction of other **property** within one mile of the **property insured** to which access is affected or
 - c. the amount of loss caused by the cancellation abandonment postponement interruption curtailment or relocation of an event as a result of damage to or destruction of **property** and any additional costs or charges reasonably and necessarily paid by **you** to avoid or diminish such loss

Notwithstanding the exclusion of **data** from **property** and **property insured** to the extent that damage to or destruction of **property** and **property insured** within the meaning of sub-paragraph **1.** above indirectly results from any alteration modification distortion erasure or corruption of **data** because the occurrence of one or more **specific events** results directly or indirectly from any alteration modification distortion erasure or corruption of **data** that shall not prevent cost or business interruption loss directly resulting from damage to or destruction of such **property** and **property insured** and otherwise falling within sub-paragraphs **1.** and **3.** above from being recoverable under this policy

In no other circumstances than the previous sentence however will any loss(es) 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 Terrorism section

Condition

If **we** allege that any other loss is not covered by this section the burden of proving that such loss is covered shall be upon **you**

Notwithstanding the above the burden of proof shall be upon **us** to prove or establish all the matters referred to in sub-paragraph **2.** of the Extension for act of terrorism triggered by remote digital interference

Notes

Notes

This contract is underwritten by:
Ecclesiastical Insurance Office plc.

Our FCA register number is 113848.
Our permitted business is general insurance.

**You can check this on the
FCA's register by visiting the
FCA's website**

www.fca.org.uk/register

**or by contacting the FCA on
0800 111 6768**

If you would like this booklet in large print, braille, on audio tape or computer disc please call us on **0345 777 3322**.

You can also tell us if you would like to always receive literature in another format.

