

### Your Right To Complain

Every effort is made to ensure you receive a high standard of service. If you are not satisfied with the service you have received, you should contact:-

Customer Relations Manager

AIG UK Limited

2-8 Altyre Road

Croydon

CR9 2LG

Email: [uk.customer.relations@aig.com](mailto:uk.customer.relations@aig.com)

To help us to deal with your comments quickly, please quote your Policy/Claim Number and Policyholder/Insured Name

We will do our best to resolve any difficulty directly with you, but if we are unable to do this to your satisfaction you may be entitled to refer any dispute to the Financial Ombudsman Service who will review your case. The address is:

Financial Ombudsman Service

South Quay Plaza

183 Marsh Wall

London

E14 9SR

The complaints procedure for Section 4B (Management Protector – Commercial Legal Expenses) is set out in that Section.

### Definitions Applicable to all Sections

<b>Insurer</b>	means AIG UK Limited.
<b>Insured</b>	means the party referred to in Item 1 of the Schedule.
<b>Insured Person(s)</b>	means any director, partner, or employee of the Insured and, where the Insured is a sole proprietor of the business, the Insured or principal
<b>Period of Insurance</b>	means the period set out in the Schedule.
<b>Business</b>	means the business set out in the Proposal Form.
<b>Policy Territory</b>	means Great Britain, Northern Ireland, Isle of Man and the Channel Islands.
<b>Premises</b>	means the premises referred to in the Proposal Form.
<b>Damage</b>	means physical loss or destruction of, or damage to, tangible property.
<b>The Policy</b>	means the Employers' Liability, Public and Products Liability, Management Protector, Contract works and Tools & Material sections contained herein.

The definitions of Insurer, Insured and Period of Insurance for the purposes of Section 2B (Management Protector - Commercial Legal Expenses) are set out in that Section along with additional definitions applying only to that Section.

See also Definitions applicable to individual sections of The Policy.

**SECTION 1**

**Employers ,Public & Products Liability**

**Employers Liability**

1. The Insurer will indemnify the Insured against
  - i. all sums which the Insured shall become legally liable to pay as damages and claimants' costs and expenses in respect of Bodily Injury sustained by any Employee arising out of and in the course of their employment by the Insured in the Business and caused during the Period of Insurance within the Policy Territory, or to Employees employed in the Policy Territory and temporarily engaged elsewhere. Provided that any action for damages is brought against the Insured in a court of law in Great Britain Northern Ireland the Channel Islands the Isle of Man or elsewhere within the European Union.
  - ii. 2)
    - a) the payment of solicitors fees for the representation at any coroner's inquest or inquiry or proceedings in any court arising out of Bodily Injury which may be the subject of indemnity under this Section
    - b) all other costs and expenses in relation to any matter which may form the subject of a claim under this Section incurred with the Insurer's prior written consent.
2. The liability of the Insurer for all amounts payable under this Section of the Policy (including all Extensions and Endorsements to this Section) shall not exceed the limit of indemnity stated in the Schedule this limit being inclusive of all costs and expenses whether they be claimants' legal costs and expenses which the Insured becomes legally liable to pay or costs and expenses incurred by the Insured with the Insurer's prior written consent.
3. The Insured shall repay to the Insurer all sums that the Insurer would not have had to pay but for the provisions of any law relating to compulsory insurance of liability to employees in Great Britain Northern Ireland the Channel Islands or the Isle of Man or within the Continental Shelf around those countries

**Public and Products Liability**

1. The Insurer will indemnify the Insured in respect of
  - i. all sums which the Insured shall become legally liable to pay as damages in respect of
    - a) accidental Personal Injury to any person
    - b) accidental Damage

- c) accidental nuisance accidental trespass or accidental interference with any easement right of air light water or way which occurs during the Period of Insurance within the Policy Territory and arises from and in the course of the Business Provided that the action for damages is brought against the Insured in a court of law within the Policy Territory.
  - ii. legal liability for claimants' costs and expenses in connection with i. above
  - iii.
    - a) the payment of solicitors fees for the representation at any coroner's inquest or inquiry or proceedings in any court arising out of a breach or alleged breach of statutory duty resulting in any occurrence specified in 1. above which may be the subject of indemnity under this Section
    - b) all other costs and expenses in relation to any matter which may form the subject of a claim under this Section incurred with the Insurer's prior written consent
2. The liability of the Insurer for all damages payable under this Section 3 Public and Products Liability (including all Extensions and Endorsements ) relating to all and any claimants in respect of an Event shall not exceed the limit of indemnity stated in the Schedule.

**Extensions - Employers Liability**

Each of the following Extensions is subject to its own provisos and to the Exclusions - Employers Liability, the General Conditions in Respect of Employers Liability and Public and Products Liability, and the General Conditions and General Exclusions to the Policy.

1. **Unsatisfied Court Judgements** – The Insurer at the request of the Insured will pay to the Employee or the personal representatives of the Employee the amount of any damages and awarded costs to the extent that they remain unsatisfied in whole or in part six months after the date of a Judgement being obtained within any court in Great Britain Northern Ireland the Channel Islands or the Isle of Man
  - i. by any Employee or the personal representatives of any Employee in respect of Bodily Injury sustained by the Employee arising out of and in the course of their employment by the Insured in the Business and caused during the Period of Insurance, and
  - ii. against any company or individual operating from premises within Great Britain Northern Ireland the Channel Islands or the Isle of Man Provided always that
    - a) there is no appeal outstanding against such Judgement

- b) if any payment is made under the terms of this Extension the Employee or the personal representatives of the Employee shall assign the benefits of such Judgement to the Insurer. The liability of the Insurer for all amounts payable under this Extension relating to any claimant or number of claimants in respect of an Event shall not exceed the limit of indemnity stated in the Schedule
2. **Compensation for Court Attendance** – In the event of any of the undermentioned persons attending court as a witness at the request of the Insurer in connection with a claim in respect of which the Insured is entitled to indemnity under Section 3 the Insurer will provide compensation to the Insured at the following rates per day for each day on which attendance is required
- i. any Insured Person, save for an Employee £250
  - ii. any Employee £100.
3. **Health and Safety at Work - Legal Defence Costs** – The Insurer will indemnify the Insured and if the Insured so requests any Insured Person in respect of legal costs and other expenses incurred with the Insurer's prior written consent in the defence of any criminal proceedings brought or in an appeal against conviction arising from such proceedings in respect of a breach or alleged breach of the current relevant Health and Safety Regulations in the absence of Bodily Injury Provided always that:
- i. the proceedings relate to an offence alleged to have been committed during the Period of Insurance and in the course of the Business
  - ii. the proceedings relate to the health safety and welfare of any Employee
  - iii. the indemnity will not apply
    - a) to proceedings consequent upon any deliberate act or omission by or on behalf of the Insured if the result could reasonably have been expected having regard to the nature and circumstances of such act or omission
    - b) to any fines or penalties of any kind
    - c) where indemnity is provided by any other insurance
    - d) to proceedings which arise out of any activity or risk excluded by this Section
    - e) to any Deductible stated in the Schedule
- The liability of the Insurer for all amounts payable under this Extension relating to all or any claimant(s) in respect of an Event shall not exceed the limit of indemnity stated in the Schedule.

### Extensions – Public and Products Liability

Each of the following Extensions is subject to the provisos and Exclusions - Public and Products Liability, the General Conditions in Respect of Employers Liability and Public and Products Liability, and the General Conditions and General Exclusions to the Policy.

1. **Compensation for Court Attendance** – In the event of any of the undermentioned persons attending court as a witness at the request of the Insurer in connection with a claim in respect of which the Insured is entitled to indemnity under Section 3 Public and Products Liability the Insurer will provide compensation to the Insured at the following rates per day for each day on which attendance is required
  - i. any director or partner of the Insured £250
  - ii. any Employee £100.
2. **Health and Safety at Work - Legal Defence Costs** – The Insurer will indemnify the Insured and if the Insured so requests Insured Person in respect of legal costs and other expenses incurred with the Insurer's prior written consent in the defence of any criminal proceedings brought or in an appeal against conviction arising from such proceedings in respect of a breach or alleged breach of the relevant Health and Safety legislation or any similar legislation in the absence of Personal Injury or Damage Provided always that:
  - i. the proceedings relate to an offence alleged to have been committed during the Period of Insurance and in the course of the Business
  - ii. the proceedings relate to the health safety and welfare of any person other than an Employee
  - iii. the indemnity will not apply
    - a) to proceedings consequent upon any deliberate act or omission by or on behalf of the Insured if the result could reasonably have been expected having regard to the nature and circumstances of such act or omission
    - b) to any fines or penalties of any kind
    - c) where indemnity is provided by any other insurance
    - d) to proceedings which arise out of any activity or risk excluded by this Section 3 Public and Products Liability
    - e) to any Deductible stated in the Schedule.

The liability of the Insurer for all amounts payable under this Extension relating to all or any claimants in respect of an Event shall form part of the limit of indemnity stated in the Schedule.

3. **Consumer Protection Act - Legal Defence Costs** – The Insurer will indemnify the Insured and if the Insured so requests any director or partner of the Insured or Employee in respect of legal costs and other expenses incurred with the Insurer's prior written consent in the defence of any criminal proceedings brought or in an appeal against conviction arising from such proceedings in respect of a breach or alleged breach of Part II of the Consumer Protection Act 1987 or any similar legislation and the costs of any proceedings awarded against the Insured Provided always that
- i. the proceedings relate to an offence alleged to have been committed during the Period of Insurance and in the course of the Business
  - ii. the indemnity will not apply
    - a) to proceedings consequent upon any deliberate act or omission by or on behalf of the Insured if the result could reasonably have been expected having regard to the nature and circumstances of such act or omission
    - b) to any fines or penalties of any kind
    - c) where indemnity is provided by any other insurance
    - d) to proceedings which arise out of any activity or risk excluded by this Section
    - e) to any Deductible stated in the Schedule.
- The liability of the Insurer for all amounts payable under this Extension relating to all or any claimants in respect of an Event shall form part of the limit of indemnity stated in the Schedule.
4. **Data Protection Act** – The Insurer will indemnify the Insured in respect of damages and claimants' costs and expenses arising from any claim or claims under the relevant Data Protection legislation first made against the Insured in writing during the Period of Insurance. Provided always that
- i. the Insured is registered in accordance with the Act
  - ii. the indemnity will not apply
    - a) to liability caused by or arising from any incident or circumstances known to the Insured at inception or renewal of this Section and which could seriously and reasonably be expected to give rise to a claim
    - b) to any claim(s) made by or on behalf of any Insured Person in connection with employment in the Business
    - c) to proceedings consequent upon any deliberate act or omission by or on behalf of the Insured if the result could reasonably have been expected having regard to the nature and circumstances of such act or omission
    - d) iv) to any fines or penalties of any kind
    - e) v) where indemnity is provided by any other insurance
    - f) to proceedings which arise out of any activity or risk excluded by this Section
    - g) to any Deductible stated in the Schedule.
- The liability of the Insurer for all amounts payable under this Extension relating to all or any claimants in respect of an Event shall form part of the limit of indemnity stated in the Schedule.
5. **Contingent Motor Liability** – Notwithstanding Exclusion 3(i) to Section 3 Public and Products Liability the Insurer will indemnify the Insured and no other party or parties against legal liability arising out of the use by any director or Employee of any private motor vehicle including any trailer or apparatus attached thereto not the property of nor provided by the Insured and being used in the course of the Business. Provided always that indemnity will not apply to liability
- i. in respect of which the Insured is entitled to indemnity under any other insurance
  - ii. in connection with any private motor vehicle while being used outside Great Britain Northern Ireland the Channel Islands or the Isle of Man
  - iii. in respect of Damage to any such private motor vehicle or its contents.
6. **Defective Premises Act** – The indemnity provided by this Section 3 Public and Products Liability shall include liability attaching to the Insured by virtue of relevant defective premises legislation or similar legislation Provided always that the Insurer shall not indemnify against liability in respect of the cost of remedying any defect or alleged defect of premises disposed of by the Insured.
7. **Overseas Personal Liability** – The Insurer will indemnify the Insured and if the Insured so requests any
- i. Insured Person
  - ii. spouse partner or dependant of the Insured Person who are accompanying such persons against legal liability in respect of Personal Injury or Property Damage incurred in a personal capacity by such individuals whilst temporarily outside their normal country of residence in connection with the Business Provided always that indemnity will not apply to liability
    - a) arising out of the ownership or occupation of land or buildings
    - b) where indemnity is provided by any other insurance
    - c) arising out of the ownership possession or use by or on behalf of such individuals of any mechanically propelled vehicle including any trailer or apparatus attached thereto and any vessel or craft made or intended to be airborne or waterborne.
8. **Indemnity to other persons** – The Insurer shall indemnify subject to the terms of the Policy in so far as they can apply any officer director or partner of the Insured at your request in respect of private work undertaken by an employee for such officer director partner or with the Insured's prior consent

9. **Cross Liabilities** – If the Insured comprises more than one party the Company will provide indemnity to each in the same manner and to the same extent as if a separate policy had been issued to each provided that the total liability of the Company for liability sustained by any or all of the Insured shall not exceed the amount for which the Company would have been liable had such liability been sustained by any one of the Insured

**Definitions – Employers, Public & Products Liability**

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1. Bodily Injury shall mean injury sickness or disease or death resulting from such injury sickness or disease and shall include mental injury mental anguish and shock.
2. Business shall mean the business of the Insured as described in the Statement of fact and shall also include
  - i. ownership repair and maintenance of the Premises of the Insured
  - ii. the provision and management of canteen social sports and welfare organisations for the benefit of Employees fire first aid medical security and ambulance services
  - iii. private work carried out with the consent of the Insured for any director partner or senior official of the Insured by an Employee.
3. Employee shall mean
  - i. any person under a contract of service or apprenticeship with the Insured
  - ii. any labour master or labour only sub-contractor or person supplied by them
  - iii. any self-employed person
  - iv. any person hired or borrowed by the Insured from another employer under an agreement by which the person is deemed to be employed by the Insured
  - v. any person under a work experience or similar scheme while engaged and working under the direction and control of the Insured in connection with and in the course of the Business.
  - vi. Any voluntary worker.
4. Event shall mean the happening of an injury or loss or damage. Any one claim or series of claims against the Insured resulting from one originating cause (including but not limited to continuous or repeated injurious exposure to substantially the same general conditions) shall be regarded as a single Event for the purposes of this Policy.
5. Financial Loss shall mean a pecuniary or economic loss or expense.

6. Insured shall mean
  - i. the Insured stated in the Schedule
  - ii. at the request of the Insured and in respect of legal liability for which the Insured would have been entitled to indemnity under this Policy if the claim had been made against the Insured:
    - a) any Insured Person
    - b) any officer committee member or voluntary helper of the Insured’s canteen social sports and welfare organisations first aid medical security fire and ambulance services (but excluding medical practitioners while working in a professional capacity).
    - c) any principal in respect of legal liability arising out of work performed for or on behalf of such principal by the Insured and then only in respect of legal liability for which and only to the extent that the Insured would have been entitled to indemnity under this Policy if the claim had been made against the Insured
7. Legal Proceedings shall mean litigation arbitration mediation adjudication or any other process of dispute resolution.
8. Notice of adjudication shall mean any notice issued by a party to a contract to which the Housing Grant Construction and Regeneration Act 1996 applies stating an intention to refer a dispute under the contract to adjudication.
9. Personal Injury shall include but not by way of limitation Bodily Injury false arrest invasion of the right of privacy detention false imprisonment false eviction discrimination libel slander or defamation of character.
10. Products shall mean any goods or products. manufactured constructed repaired serviced treated sold supplied or distributed by the Insured after they have ceased to be in the possession or under the control of the Insured including any container thereof or instructions provided therewith.
11. Offshore Work shall mean embarkation onto a conveyance until disembarkation from such conveyance onto land for the purpose of travel to or from transit between work on any offshore structure platform installation or accommodation vessel.

**General Conditions – Employers, Public and Products Liability**

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The Insurer will not make any payment under this insurance if the Insured fails to comply with the following Special Conditions or fails to observe the terms of this Policy insofar as they relate to anything to be done or complied with.

1. **Reasonable Care** – The Policyholder shall take and/ or cause to be taken all reasonable care
  - i. in the selection and supervision of Employees
  - ii. to make good or remedy any defect or danger which becomes apparent and take such additional precautions as the circumstances may require

- iii. to prevent injury or loss or damage.
- 2. **Maintenance of Assets** – The Insured shall maintain premises machinery plant equipment vehicles and other business assets in good repair and shall comply with all applicable statutes obligations regulations and requirements imposed by any authority.
- 3. **Claims Notification and Steps to be Taken** – Upon the happening of an Event which may give rise to a claim under this Policy the Insured shall:
  - i. as soon as reasonably practicable notify the Insurer of such Event providing in writing as required such particulars and information as the Insurer may request
  - ii. immediately, on receipt, forward to the Insurer every letter claim writ summons process Notice of Adjudication or other document served on the Insured or their representative and notify the Insurer of any impending prosecution inquest inquiry or proceedings in any court
  - iii. as the Insurer may require retain anything connected therewith and provide all assistance.
  - iv. promptly take at his own expense all reasonable steps to prevent other Personal Injury or Damage arising out of the same conditions (such expense shall not be recoverable under this Policy).
- 4. **Admission of Liability** – The Insured shall not make admission of liability take any action which may be construed as an admission of liability or repudiate or settle any claim or waive any rights of recovery without the prior written consent of the Insurer.
- 5. **Conduct and Control of Claims** – The Insurer shall have the right to
  - i. defend any claim against the Insured
  - ii.
    - a) take over and conduct the defence or settlement of any claim
    - b) prosecute for its own benefit any claim for indemnity or damages or otherwise in the name of the Insured
  - iii. subrogation of all the Insured's rights of recovery whether before or after indemnification by the Insurer
  - iv. exercise full discretion in the conduct of any proceedings and in the settlement of any claim whether before or after indemnification by the Insurer.
- 6. **Alteration of Risk** – The Insured shall notify the Insurer in writing of any material changes to the Business or risk during the Period of Insurance. The Insurer reserves the right to accept or deny coverage at the time of such notification and to establish a separate rate and premium for any such coverage.

#### Warranties – Employers, Public and Products Liability

1. **Burning and Welding Warranty** – It is warranted that on each and every occasion when any of the under-mentioned items of equipment are in use by the Insured away from the Premises the following precautions shall be complied with:
  - i. Blowlamps or Blow Torches, Hot Air Guns or Hot Air Strippers –
    - a) The area in which they are to be used is cleared of loose combustible material;
    - b) Lighted blowlamps and / or blow torches are continuously attended;
    - c) Blowlamps and Blow Torches are filled only in the open, and not lit until immediately before use;
    - d) A suitable multi-purpose dry powder fire extinguisher be kept available for immediate use
    - e) A thorough examination is made in and about the working area immediately after each period of work and again between 30 and 60 minutes after termination of such work for the day.
  - ii. Welding or Flame Cutting Equipment –
    - a) The area in which the equipment is to be used is cleared of loose combustible material;
    - b) Other combustible material including floors in the area in which the equipment is to be used is covered with overlapping sheets of incombustible material;
    - c) Before applying heat to metal work built into or projecting through walls, partitions, ceilings or floors examination is to be made to ensure that the other side of the metal work is not in hazardous proximity to combustible material which may be ignited by direct or conducted heat;
    - d) The occupier shall be informed of the proposed safety precautions and asked for specified authority to proceed;
    - e) A suitable multi-purpose dry powder fire extinguisher be kept available for immediate use;
    - f) A responsible Employee of the Insured or of the occupier be made aware of the location of any fire fighting equipment and be appointed to act solely as fire watcher whilst welding or flame cutting is carried out;
    - g) A thorough examination is made in and about the working area including behind walls, partitions, ceilings or floors immediately after each period of work and again between 30 and 60 minutes after termination of such work for the day.

- iii. Vessels for Heating of Bituminous Compounds or Lead –
  - a) Such vessels are continuously attended whilst heating is taking place;
  - b) Such vessels are used only in the open whilst heating is taking place, and if carried out on a roof, the vessel must be placed on a non-combustible heat insulating base.
- iv. Excess – The insurer will not pay for the first £500 of any claim.
- 2. **Bona Fide Sub Contractors** – It is warranted that when the insured enters into any form of contract with a Bona-fide Subcontractor, the insured shall:
  - i. Obtain written evidence that the Bona-fide Subcontractor has a current Public Liability insurance policy in force which is equal to or greater than the insured's Public Liability Indemnity Limit as detailed within this insurance. This should include:
    - a) Details of the Insurer providing public liability cover.
    - b) The policy number relating to public liability cover provided by the insurer.
    - c) The Inception and Expiry date of the insurance policy.
    - d) Details of the Public Liability Indemnity Limit provided by this insurance.
  - ii. That the insured retains such written evidence for a period of no less than 5 years
- 3. **Underground Services Warranty** – It is warranted that the Insured prior to undertaking digging, boring or excavation has:
  - i. taken or caused to be taken all reasonable measures to identify the location of such cables, pipes and services before any work is commenced which may involve a risk of damage thereto. Reasonable measures including contacting the appropriate authorities where it is possible cables, pipes or services are under the site.
  - ii. retained a written record of the measures which were taken to locate such cables pipes or other services.
  - iii. conveyed the location of such cables, pipes and services to those who are carrying out such work on behalf of the insured.
  - iv. In respect of each and every claim against the insured for loss of or damage to optical fibre cables the Insured shall bear the first 10% of any such claim or £250 whichever is the greater subject to a maximum of £2,500 per claim

In respect of each and every claim against the insured for loss of or damage to other cables, pipes or services located underground the Insured shall bear the first £500 of any such claim or any lesser amount claimed

#### Exclusions – Employers Liability

##### **The following exclusions shall apply in respect of Employers Liability only**

The Insurer will not indemnify the Insured in respect of legal liability (or costs and expenses):

1. **Radioactive Contamination** – directly or indirectly arising from, caused by or contributed to by
  - i. ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
  - ii. the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof where such legal liability is
    - a) the liability of any principal
    - b) liability assumed by the Insured by agreement and which would not have attached in the absence of such agreement.
2. **Road Traffic Act** – for which with effect from 1 July 1994 compulsory motor insurance or security is required under relevant Road Traffic legislation or any other similar compulsory legislation.
3. **Offshore Work** – In respect of Bodily Injury sustained by any Employee whilst engaged in Offshore Work.

#### Exclusions – Public and Products Liability

##### **The following exclusions shall apply in respect of Public and Products Liability only**

The Insurer will not indemnify the Insured in respect of legal Liability (or costs and expenses):

1. **Employers Liability** – In respect of Personal Injury sustained by an Employee which arises out of and in the course of his employment by the Insured in the Business.
2. **Workmen's Compensation** – In respect of workmen's compensation attaching to the Insured or his insurer under any workmen's compensation unemployment compensation or disability benefits law or under any similar law.
3. **Automobile Liability Marine Liability Aviation Liability** – In respect of the ownership possession or use by or on behalf of the Insured of
  - i. any mechanically propelled vehicle including any trailer or apparatus attached thereto in circumstances where the Insured is responsible for insurance or equivalent security under any legislation governing the use of such vehicle or where indemnity is provided by any other insurance

- ii. any vessel or craft made or intended to be airborne or waterborne other than
    - a) watercraft not owned by but used by the Insured for Business entertainment unless the Insured is responsible for insurance
    - b) hand propelled or sailing watercraft not exceeding 8 metres in length used in territorial waters.
  - 4. **Advice Design Specification and Professional Duty** – In respect of
    - i. advice
    - ii. design
    - iii. specification given for a fee or in circumstances where a fee would normally be charged.
  - 5. **Care Custody and Control** – for Damage to property belonging to the Insured or in the care custody or control of the Insured or any Employee other than
    - i. personal effects including vehicles and their contents belonging to managers’ principles’ directors’ partners’ voluntary workers’ and employees’ or visitors of the Insured
    - ii. premises including fixtures and fittings leased or rented to the Insured unless liability is assumed under agreement and would not have attached in the absence of such agreement
    - iii. premises and their contents not belonging to or leased or rented to the Insured at which the Insured is undertaking work in connection with the Business.
  - 6. **Property Being Worked Upon** - for Damage to that part of any property upon which the Insured is or has been working if the loss or damage arises from such work.
  - 7. **Damage to Products** –
    - i. for Damage to Products
    - ii. for any cost or expense incurred in the inspection repair replacement removal or recall of Products if attributable to any defect therein or the harmful nature or unsuitability thereof.
  - 8. **Aviation Products** –In respect of any Products which with the knowledge of the Insured are incorporated into any craft made or intended to be airborne.
  - 9. **Pollution** – In respect of
    - i. pollution directly or indirectly caused by or contributed to by or arising from the discharge dispersal release or escape of smoke vapours soot fumes acids alkalis toxic chemicals liquids or gases waste materials or other irritants contaminants or pollutants into or upon land the atmosphere or any watercourse or body of water
    - ii. the cost of removing nullifying or cleaning up smoke vapours soot fumes acids alkalis toxic chemicals liquids or gases waste materials or other irritants contaminants or pollutants discharged dispersed released or escaped into or upon land the atmosphere or any watercourse or body of water
  - iii. fines penalties punitive exemplary or multiple damages relating to the circumstances detailed in (i) above. However this Exclusion does not apply to:
    - a) the discharge dispersal release or escape of smoke vapours soot fumes acids alkalis toxic chemicals liquids or gases waste materials or other irritants contaminants or pollutants into or upon land the atmosphere or any watercourse or body of water
    - b) the cost of removing nullifying or cleaning up smoke vapours soot fumes acids alkalis toxic chemicals liquids or gases waste materials or other irritants contaminants or pollutants discharged dispersed released or escaped into or upon land the atmosphere or any watercourse or body of water where the Insured can prove both of the following (A) that the discharge dispersal release or escape is sudden unintended and unexpected and immediately follows and is caused by the puncturing splitting or other breach of or sudden escape from the container holder or other confining structure (B) that the discharge dispersal release or escape begins within the Period of Insurance.
- The foregoing shall not extend this Section 3 Public and Products Liability to cover any liability which would not have been covered under the said Section had this Exclusion not been included.
- Expenses for the prevention of any contamination or pollution as herein described shall also form part of this Exclusion and shall not be recoverable hereunder.
- 10. **Contractual Liability** – In respect of liability which is assumed by the Insured under a contract or agreement and
    - i. arises under any penalty clause or in respect of (A) fines or liquidated damages, or
    - ii. arises out of the sole negligence of third parties, or
    - iii. relates to a legal liability for which compulsory insurance is required by law from a third party unless such liability would have attached to the Insured in the absence of the contract or agreement.
  - 11. **Libel and Slander** – In respect of a libel or slander
    - i. made prior to the effective date of this insurance
    - ii. made by or at the direction of the Insured with the knowledge of the defamatory character thereof
    - iii. related to advertising broadcasting or telecasting activities including Internet activity other than electronic mail conducted by or on behalf of the Insured.
  - 12. **Financial Loss** – for Financial Loss unless such loss is a direct result of Personal Injury or Damage for which indemnity is provided by this Section 3 Public and Products Liability.

13. **Radioactive Contamination** – In respect of liability directly or indirectly caused by or arising from
  - i. ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
  - ii. the radioactive toxic explosive or other hazardous properties of any nuclear assembly or nuclear component thereof.
14. **War** – for any consequence of war invasion act of a foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power.
15. **North America** – arising in connection with:
  - i. occurrences in the United States of America or Canada
  - ii. occurrences in respect of which legal action or litigation is brought in a court of law within the countries specified in (a) above or where action or litigation is brought in a court of law outside those countries to enforce a judgement therein whether by way of reciprocal agreement or otherwise.
16. **Asbestos** – directly or indirectly caused by or alleged to be caused by or contributed to in whole or in part by or arising out of the manufacture of mining of use of sale of installation of survey or investigation of management of removal of distribution of existence of or exposure to asbestos products asbestos fibres or asbestos dust or property or materials containing any of the foregoing including without limitation all liability to pay claimants' or the Insured's legal costs and expenses or any other costs and expenses howsoever incurred in the investigation defence and/or settlement of any claim against an Insured or in respect of any other inquest inquiry enforcement action or proceedings in which the Insured may be involved in relation to any of the foregoing
17. **Efficacy** – In respect of all liability arising from the failure of Products to correctly fulfil their intended use or function and/or meet the level of performance quality fitness or durability warranted or represented
18. **Hazardous Work** – In respect of work on:
  - i. roofs other than of private dwellings shops offices boarding houses or hotels consisting of not more than three floors(including the ground floor) and attic
  - ii. gasholders towers steeples bridges viaducts blasts furnaces colliery winding gear and hangars used for any purpose
19. **Depth Limit** – In respect of work undertaking the making of excavations exceeding in any part a depth of 3 metres from the surface
20. **Demolition** – In respect of work undertaking demolition or partial demolition of a building or structure unless such work forms part of a contract for the erection reconstruction alteration or repair of buildings or structures by the insured
21. **Piling Explosives Hazardous Works** – In respect of piling or the use of explosives
22. **Alarm Installers** – In respect of all liability arising from the failure of alarm or smoke detectors to correctly fill their intended use or function
23. **Aerial Erection** – In respect of any claims arising in connection with the erection of external aerials
24. **Tree Felling** – In respect of any claim arising in connection with the felling or lopping of trees or sawing or carting in connection therewith
25. **Height Restriction** – for all work undertaken by the insured at heights in excess of 15 metres from the immediate floor or ground below
26. **High Risk Premises** – In respect of any claim arising out of or in connection with any work undertaken on or in the following
  - i. power stations, nuclear installations or establishments
  - ii. refineries, bulk storage or production premises in the oil, gas or chemical industries
  - iii. offshore structures or work underground or underwater
  - iv. computers or computer rooms
  - v. aircraft, hovercraft, aerospace systems or watercraft (other than work on watercraft in docks, harbours, boatyards or inland waterways not involving the use of heat)
  - vi. railways, railway stations or airports

**SECTION 2**

**Management Protector**

**Part A: Personal Accident, Directors & Officers Liability and Employee Dishonesty**

**Insuring Agreement**

Subject to all of the terms, conditions and exclusions to this Section, and the General Conditions and General Exclusions to the Policy:

**Personal Accident**

If an Eligible Person sustains accidental bodily injury whilst on the Premises or undertaking Business within the Policy Territory during the Period of Insurance which within two years solely and independently of any other cause results in death or disablement, the Insurer will pay the Insured the percentage amount appropriate of the Benefit as follows:

Loss of:	% of Benefit Sum Insured:
Life	100%
Both Hands of Both Feet:	100%
Either Hand or Foot and Sight of One Eye	100%
One Hand and One Foot	100%
Sight of Both Eyes	100%
Either Hand or Foot	50%
Sight of One Eye	50%
Thumb and Index Finger of Same Hand	25%

If more than one Loss results from any one accidental bodily injury, only one amount, the largest, will be paid. The maximum amount the Insurer will pay in the aggregate under this and any other Policy of Personal Accident Insurance issued by the Insurer in the Insured's name in respect of all Eligible Persons suffering bodily injury in the same accident or series of accidents contributed to, caused by, or consequent upon the same original cause, event or circumstance £50,000. If a claim exceeds this amount, the Insurer will pay an amount which is proportionately reduced until the total does not exceed £50,000.

**Directors & Officers Liability**

The Insurer will pay the Loss of each Insured Director resulting from any Claim first made against them and notified to the Insurer during the Period of Insurance, by reason of any Wrongful Act occurring on or after the Continuity Date, in their capacity as a director or officer of the Insured. This Insurance cover 1 shall not apply to any loss arising out of an Employment Practice Violation. The Insurer shall advance (subject to the limit of liability and retention) to each Insured Director Defence Costs incurred before the final disposition of the Claim. Such payments shall be repaid to the Insurer by the Insured Directors severally, according to their respective interests and

responsibilities, in the event and to the extent that the Claim is ultimately determined not to be covered or is resolved on terms or in a manner which excludes it from cover under The Policy.

**Employee Dishonesty**

The Insurer shall indemnify the Insured for its direct financial Loss which occurs during the Period of Insurance as a direct result of an act or series of related acts of fraud or dishonesty committed during the Period of Insurance by any identified employee, who is paid wholly or mainly by salary or wages, (acting alone or in collusion with others) with the principal intent to cause the Insured to sustain a loss and to obtain financial benefit for such employee (other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or other employee benefits earned in the normal course of employment) which is First Discovered by the Insured during the Period of Insurance.

**Definitions – Personal Accident**

1. Benefit means £10,000 in respect of Insured Persons, and £5,000 in respect of all other Eligible Persons.
2. Eligible Person means any Insured Person and all pupils enrolled at the school or in the custody or control of the school
3. Loss with regard to:
  - i. hand or foot means actual severance through or above the wrist or ankle joints respectively;
  - ii. eye means entire and irrevocable loss of sight;
  - iii. thumb and index finger means actual severance through or above the joint that meets the hand at the palm.

Loss shall not include any civil or criminal fines or penalties.

**Definitions – Director & Officers Liability**

1. Claim means any demand made by a third party upon an Insured Director for damages. All Claims arising out of the same set of facts or circumstances shall be deemed to be one Claim made in the Period of Insurance in which the Claim is first made or deemed to be made against the Insured Director.
2. Continuity date means the date from which the Insured has maintained uninterrupted Directors & Officers Liability cover with the Insurer.
3. Defence costs means any reasonable fees, costs and out of pocket expenses incurred by any Insured Director, with the prior written consent of the Insurer, in the investigation, defence, settlement or appeal of any Claim.
4. Eligible Person means any Insured Person referred to in the Proposal Form in respect of Personal Accident.

5. Employment practice violation means any actual or alleged;
- i. unfair or wrongful dismissal, discharge or termination, either actual or constructive, of an employment relationship or agreement in a manner which is against the law, misleading representation or advertising relating to employment;
  - ii. failure to employ or promote, unfair deprivation of a career opportunity, unfair discipline, failure to grant tenure or negligent employee evaluation;
  - iii. sexual harassment in the workplace or workplace harassment of any kind (including the alleged creation or permission of a harassing workplace environment);
  - iv. employment-related denial of natural justice, invasion of privacy, defamation, wrongful infliction of emotional distress, or discrimination on any legally prohibited basis.
6. Insured Director means any natural person who is a past, present or future director, secretary or executive officer of the Insured. However, it does not include any externally appointed officers such as receivers, managers, liquidators, administrators, mortgagees in possession and the like.  
For the avoidance of doubt, Insured Director shall not include external auditors appointed in accordance with Section 384 of the Companies Act 1985 (UK) or any similar legislation in any other jurisdiction.
7. Knowledge, First Discovered or Discovery means that the knowledge or discovery of a Loss occurs when the Insured becomes aware of facts which would cause a reasonable person to believe that a Loss covered by The Policy has been or may be incurred, even though the exact amount or details of the Loss may not then be known. Knowledge possessed or discovery made by any director or officer thereof shall constitute knowledge possessed or discovery made by the Insured.
8. Loss for the purpose of Insurance covers 1 means:
- i. damages or judgments, but not punitive, aggravated or exemplary damages;
  - ii. legal costs and expenses awarded against any Insured Director in respect of any Claim;
  - iii. Defence costs;
  - iv. settlements negotiated with the Insurer's prior written consent;
- But shall not include any non compensatory damages, taxes, any amount for which the Insured is not legally liable, or matters which are uninsurable under the law to which The Policy shall be construed.  
Loss, damages, judgments, settlements and defence costs incurred in more than one Claim against an Insured Director but resulting from a Single Wrongful act shall constitute a single Loss.
9. Single act or Single wrongful act means an act or any related or continuous or repeated acts, whether committed by an individual or group of individuals, and whether directed to or affecting one or more person or legal entity.
10. Transaction means any of the following events:
- a) the Insured consolidates with or merges with any other person, entity or group of persons, and/or entities acting in concert; or
  - b) the Insured becomes a subsidiary of another entity by virtue of any applicable law.
11. Wrongful act means any actual or alleged act, error, omission, mis-statement, misleading statement, misleading conduct, neglect or breach of duty (excluding an Employment practice violation) made, committed, by any Insured Director.  
All related or continuous or repeated Wrongful acts shall be deemed to be one Wrongful act for the purpose of the cover provided by The Policy

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#### Definitions – Employee Dishonesty

1. Loss for the purpose of this Insurance means direct financial Loss (other than salary or other remuneration) of money, securities or tangible property owned by the Insured, or in the care, custody or control of the Insured and for which the Insured is liable, in connection with any act or series of related acts of fraud or dishonesty. Loss shall not include costs, fees or other expenses incurred in establishing the existence or amount of any Loss.

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#### General Conditions – Personal Accident

1. **Acceptance of Benefit** – If the Insurer has paid a claim under the Personal Accident Section of The Policy and the Insured has accepted payment then the Insurer will not have to make any further payments for the same claim.
2. **Claims Evidence** – The Insured must provide at their own expense any evidence in support of a Loss. An Eligible Person must undergo as many medical examinations in connection with any claim as the Insurer may require at its own expense.
3. **Disappearance** – If an Eligible Person disappears and after a suitable period of time it is reasonable to believe that he has died as a result of accidental bodily injury the benefit will be paid providing the Insured signs an agreement that if it is later found to be wrong, any amount paid will be refunded to the Insurer.
4. **Exposure** – Death or Dismemberment resulting from exposure to the elements will be considered to have been caused by accidental bodily injury.

**General Conditions – Directors & Officers Liability:**

1. **Defence and Settlement** – In respect of Directors & Officers Liability the Insurer does not assume any duty to defend any Claim brought against an Insured Director that is covered by The Policy. The Insured Director shall defend and contest any Claim made against them, however the Insurer is entitled to effectively associate with the Insured Director and the Insured in defence of any Claim that appears likely to involve them including but not limited to effectively associating in the negotiation of any settlement.  
In relation to any Claim for which cover is sought under Directors & Officers Liability the Insured Director shall not incur any Defence costs without the prior written consent of the Insurer. Only those settlements, stipulated judgments and Defence costs which have been consented to by the Insurer shall be recoverable as Loss under the terms of The Policy.  
The Insured Director and the Insured shall give the Insurer full co-operation and all information as it may reasonably require as a condition precedent to the Insurer's liability for Loss under The Policy.
2. **Limit of Liability and retentions** – The Insurer's liability for all Loss sustained by any or all of the Insured Directors or Insured shall not exceed the amount for which the Insurer would be liable had all such loss been sustained by any one of the Insured Directors or Insured. Regardless of the number of years this policy shall continue in force and the number of premiums which shall be payable or paid the limit of liability as specified in the Schedule shall not be cumulative from year to year or Period of Insurance to Period of Insurance. Defence costs are part of and not in addition to these limits of liability.  
The Insurer shall only pay for the amount of any loss, fees, costs or expenses which is in excess of the Retention specified in the Schedule as being applicable to the relevant Insurance cover. A single Retention amount shall apply to any Loss or claim arising from an act, series of related acts, Single act, or Claims alleging a Single Wrongful act.
3. **Change in Control of Insured** – If, during the Period of Insurance a Transaction takes place, then the cover provided under Directors & Officers Liability is amended to apply only to Wrongful acts occurring prior to the effective date of the Transaction.  
The Insured shall give the Insurer written notice of the Transaction as soon as practicable, but not later than 30 days after the effective date of the Transaction.

**General Conditions – Employee Dishonesty**

1. **Cancellation as to any Employee** – Insurance cover 2 shall be deemed cancelled in respect of any employee (a) immediately upon discovery by the Insured, or by any director or officer thereof not in collusion with such employee, of any dishonest or fraudulent act on the part of such employee, and further dishonest or fraudulent acts committed by such employee are excluded.
2. **Recoveries** – Under Insurance cover 2 recoveries, less the actual cost of recovery, made after loss will be distributed as follows; first, the Insured shall be reimbursed for Loss exceeding the limit of liability or settlement (whichever is less) and the retention amount (if applicable); second, the Insurer shall be reimbursed for the settlement made; third, the Insured shall be reimbursed for Loss equal to the retention amount.
3. **Management Controls** – It is a condition precedent to the liability of the Insurer under Insurance cover 2 that the Insured shall at all times comply with the following statements, evidence of which must be available at the time of claim:
  - i. The statutory accounts are independently audited.
  - ii. Stock is independently and physically checked, (at least once every six months), by an employee not responsible for daily stock handling or ordering.
  - iii. Cheque requisition/payment instructions and payment authorisation are segregated functions undertaken by separate people.
  - iv. The ordering, certification of receipt, and verification of supporting documentation before cheque or payment instructions are authorised for goods or services are performed by different employees acting independently.
  - v. Cash in hand and petty cash shall be checked independently of employees responsible at least monthly.
  - vi. Monthly reconciliation is performed on all bank accounts and debtors accounts, independently of employees in a position to receive payment of an account.
  - vii. Written references are obtained and checked for all new employees (except school-leavers) covering at least the preceding 2 years of continuous employment, where the employee is to be responsible for money, securities, stock or accounts.
4. **Change in Control of Insured** – If, during the Period of Insurance a Transaction takes place, then the cover provided under Employee Dishonesty is amended to apply only acts committed which give rise to a loss occurring prior to the effective date of the Transaction. The Insured shall give the Insurer written notice of the Transaction as soon as practicable, but not later than 30 days after the effective date of the Transaction.

**Exclusions – Personal Accident**

Insurance cover Personal Accident does not provide cover for any loss:

1. caused by intentional self-injury, suicide or attempted suicide, sexually transmitted conditions, mental or nervous disorder, anxiety, stress or depression, AIDS or HIV infection.
2. caused by or arising directly or indirectly from serving in any branch of the Military or Armed Forces.
3. caused by or arising directly or indirectly from being under the influence of drugs, alcohol or other intoxicants.
4. arising directly or indirectly from participation in any crime, riot or civil commotion.
5. caused by flying as a pilot or member of aircrew.
6. caused by flying as a passenger in any aircraft that is not a multi-engined fixed wing aircraft licensed by a Civil Aviation Authority which flies according to a published service frequency and timetable showing departure days and departure and arrival times.
7. caused by or arising directly or indirectly from the dispersal, release, or application of pathogenic or poisonous biological or chemical materials.
8. caused by or arising directly or indirectly from self exposure to needless peril (except in an attempt to save human life).
9. caused by or arising directly or indirectly from participation in winter sports, skydiving / parachuting, hang gliding, bungee jumping, scuba diving, mountain climbing (where ropes or guides are customarily used), riding or driving in races or rallies using a motorized vehicle or bicycle, caving or pot-holing, hunting or equestrian activities, skin diving or other underwater activity, rafting or canoeing involving white water rapids, yachting or boating outside coastal waters (2 miles), participation in any sport which provides the individual's major source of income, any sporting activity not authorized or regulated by the school.
10. caused by or arising directly or indirectly from sickness or disease (not resulting from accidental bodily injury), any naturally occurring condition or degenerative process, any gradually operating cause, or any physical or medical condition which existed in the 24 months prior to inception of cover.
11. caused by or arising directly or indirectly from medical or surgical treatment except as may be necessary solely as a result of injury.
12. caused by or arising directly or indirectly from any injury which shall result in hernia.
13. of any person after the expiry of the Period of Insurance during which that person reaches age 75 years.

**Exclusions – Director & Officers Liability**

Insurance cover Directors & Officers Liability does not provide cover for any Loss;

1. arising out of, based upon, attributable to, or in any way involving, directly or indirectly;
  - i. the actual, alleged, imminent or threatened discharge, dispersal, seepage, release or escape of pollutants, or
  - ii. any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralise pollutants, nuclear material or nuclear waste.
2. arising out of bodily injury, sickness, disease, death or emotional distress of any person, or damage to or destruction of any property, including the loss of use of it.
3. arising out of any criminal, dishonest, fraudulent, wilful, intentional or malicious acts or omissions, or any knowing or wilful violation of any statute or regulation, or the gaining in fact of any profit or advantage to which the Insured or Insured Director was not legally entitled; however, this exclusion shall only apply if such conduct has been established by final adjudication to have, in fact, occurred. It is agreed that Defence costs will be provided until such final adjudication but may then be recovered from each Insured Director as a debt by the Insurer if this Exclusion is to apply.
4. arising out of or in any way connected to any:
  - i. litigation, material circumstances or other facts disclosed as contingent liabilities in the Report & Accounts of the Insured unless previously agreed in writing by the Insurer
  - ii. any alleged facts or circumstances of which notice was given or ought reasonably to have been given under any policy in force prior to the Continuity date; or
  - iii. pending or prior litigation or derived from the same or essentially the same facts as might be alleged in such pending or prior litigation, as at the Continuity date; or
  - iv. Transaction of which the Insured had Knowledge, or had reason to expect, as at the date of inception of The Policy unless previously agreed in writing by the Insurer

For purposes of this exclusion, the term litigation shall include, but not be limited to, any civil or criminal proceeding as well as any administrative or regulatory proceeding or official investigation or arbitration or adjudication.
5. in connection with any Claim made against an Insured Director which is brought by or on behalf of the Insured, or any other Insured Director; provided however, that this Exclusion shall not apply to:
  - i. defence costs;
  - ii. any Claim brought or maintained by a liquidator, receiver, administrative receiver derivatively on behalf of the Insured without the solicitation or participation of any Insured Director.

6. arising out of any legal action or litigation brought in a court within the USA or Canada or out of any legal action or litigation brought in a court outside of the USA or Canada to enforce a judgment handed down in a court within the USA or Canada whether by way of reciprocal agreement or otherwise.
7. in connection with any Claim made against an Insured Director directly or indirectly arising out of, or in connection with any public or private offering, issue or sale of shares, debentures, promissory notes or any other form of negotiable or non-negotiable security for the raising of capital by equity, debt or any other means.
8. in connection with any Claim made against an Insured Director brought by, at the instigation of, or on behalf of any past or present shareholder or stockholder who had or has direct or indirect ownership of or control over 15% or more of the voting shares or rights of the Insured.
9. in connection with any Claim made against an Insured Director arising out of any Claim or any developments thereof for or in respect of or in any way arising out of a breach of duty owed, or malpractice, in a professional or medical capacity.
10. in a capacity as trustee or fiduciary under law (statutory or non- statutory including common) or administrator of any pension, profit sharing or employee benefits programme.
8. caused by any broker, factor, commission, consignee, contractor or any other agent or representative of the same general character.
9. due to loss of and/or damage to proprietary information, trade secrets, confidential processing methods, or other confidential information of any kind.
10. Loss the Insured First Discovered prior to, or subsequent to, the Period of Insurance.
11. arising from any act or any series of related acts committed outside the Policy Territory.
12. in connection with any Loss committed by any employee who at the time of committing the fraudulent or dishonest act owns or controls more than 5% of the issued share capital of the Insured.

#### Exclusions – Employee Dishonesty

Insurance cover Employee Dishonesty does not provide cover for any Loss:

1. that results from the complete or partial non-payment or default under any credit arrangement, loan, lease or rental agreement, invoice, or payments made or withdrawals from any customers account involving items which are not finally paid for any reason.
2. caused by any employee from and after the time that the Insured or any director or officer thereof shall have Knowledge or information that such employee has committed any dishonest or fraudulent act whether such act be committed before or after the date of employment by the Insured.
3. the proof of which is dependent solely upon a profit and loss computation or comparison of inventory records with an actual physical count.
4. which arises out of the voluntary giving or surrendering of property in exchange or purchase, unless such Loss is caused by an employee, or by forgery, counterfeiting or fraud by any other person whether or not in collusion with an employee.
5. for indirect or consequential loss of any nature.
6. for any costs, fees and other expenses incurred by the Insured in establishing the existence of or amount of Loss.
7. for any costs of defending any legal proceeding brought against the Insured.

#### Part B: Commercial Legal Expenses

##### Insuring Agreement

This legal expenses insurance is subject to all of the terms, conditions and exclusions of this Part B of Management Protector ("Part B") and the general exclusions to the Policy. It is underwritten by Brit Insurance Limited and managed on their behalf by Capita Assistance.

##### **IMPORTANT**

**This insurance is only available to business organisations whose normal business activities are conducted from Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.**

**You must tell Us about a claim as soon as possible and certainly within 180 days of the Event giving rise to a claim – see condition 2 of "General Conditions in respect of Management Protector (Part B)". You must do this by telephoning the legal helpline on 08701 648072. Delay may also prejudice Your legal position.**

We may have the right to choose Your solicitor or tax adviser – see condition 5 of "General Conditions in respect of Management Protector (Part B)". Any legal costs and expenses You incur before Your claim has been accepted by Us will not be covered under this legal expenses insurance – see condition 4 of "General Conditions in respect of Management Protector (Part B)".

Please note that special conditions precedent (dealing with the reporting of claims) apply to claims under the Employment Cover, Statutory Licence Protection Cover and Tax Disputes Cover sections – see sections 1, 8 and 9 of "The Cover (Part B)".

## Employment Cover

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### What is Covered

- a) The Insured's Costs and Attendance expenses of Legal Action to defend a civil claim brought against the Insured by an Employee who alleges that he or she has suffered a breach of his or her rights under the Acts.
- a) Compensation Awards, Reinstatement/Re-engagement Awards and Pay Awards arising from any matter which is covered under 1a. above.
- b) The Insured's Costs and Attendance Expenses of Legal Action to defend a civil claim brought against the Insured by an Employee:
  - I. for wrongful Dismissal; and/or
  - II. who alleges a breach by the Insured of his or her contract of employment.

The Event must happen within the Period of Insurance and the Policy Territory. Where Your claim arises from a series of Events then the first of these must happen within the Period of Insurance and the Policy Territory.

### Exclusions in respect of Employment cover

- a) Any claim where the Event happens within 30 days of the start of the First Period of Insurance;
- b) If an Employee in respect of whom a claim is made under this legal expenses insurance was at the time of an Event subject to disciplinary proceedings or any verbal or written warning, any claim where the Event happens within 180 days of the start of the First Period of Insurance;
- c) Any claim arising from or relating to:
  - i. The Insured deliberately avoiding:
    - a) liability for a redundancy payment; or
    - b) liability for monies or benefits due under a contract of employment;
  - ii. Article 141 EEC Treaty or under the Equal Pay Act 1970 and any amending legislation;
  - iii. the Dismissal of any Employee unless the Dismissal is handled according to the advice provided and procedures laid down by Our legal helpline;
  - iv. a transfer that falls within the Transfer of Undertakings (Protection of Employment) Regulations 1981, as amended;
  - v. any reference given by You regarding an Employee;
  - vi. a restrictive covenant in a contract of employment;
  - vii. personal injury, death and/or loss of or damage to property;
  - viii. Protective awards as defined in section 189(3) Trade Union and Labour Relations (Consolidation) Act 1992 or settlements in respect of such awards;
  - ix. Redundancy payments.

## Conditions in respect of Employment Cover

1. Without prejudice to general condition 2 of "General Conditions in respect of Management Protector (Part B)", if You wish to obtain indemnity under this Employment Cover section You must immediately contact the legal helpline on 08701 648701, quoting the Policy number and follow the advice given and procedures laid down by Us where:
  - a) You are contemplating disciplinary action, suspension or a Dismissal;
  - b) You receive a form ET1 (originating application) from an Employment Tribunal. This must be dealt with quickly because of the statutory 21-day time limit for entering a notice of appearance (ET3). The notice of appearance should be left blank for completion by the Professional Adviser;
  - c) an Employee or his or her solicitor requests a written statement of reasons for his or her Dismissal or You receive from an Employee a discrimination questionnaire. In these circumstances You must contact the legal helpline no later than 7 days from the date of the request or receipt of the questionnaire and prior to a statement or reply being given;
  - d) an Employee makes a request for flexible working hours; and/or
  - e) an Employee resigns following a dispute with You, resigns without notice or claims he or she was forced to resign.
- 2) No Employee is to be disciplined, suspended or dismissed without Our prior approval.

## Data Protection Cover

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### What is Covered

The Insured's Costs and Attendance Expenses of Legal Action:

- a) in defending a civil claim brought against the Insured arising from an alleged breach of the Data Protection Act 1998; or
- b) in appealing against an enforcement or other notice under Part 5 of the Data Protection Act 1998 following the Insured's receipt of such a notice.

The Event must happen within the Period of Insurance and the Policy Territory. Where Your claim arises from a series of Events then the first of these must happen within the Period of Insurance and the Policy Territory.

**Exclusions in respect of Data Protection Cover**

1. Any claim arising from or relating to:
  - i) a failure to register as a data controller;
  - ii) proceedings alleging contempt of the Information Tribunal;
  - iii) a failure to respond to any notice served under the Data Protection Act 1998;
  - iv) a failure to comply with any legislative requirement about the processing of sensitive personal data.

**Prosecution Defence for the Insured Cover**

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**What is Covered**

The Insured's Costs and Attendance Expenses of Legal Action:

- a) in defending a criminal prosecution against the Insured arising from an alleged act or omission by the Insured in relation to Normal Business Activities; or
- b) in appealing to an Employment Tribunal against the service of improvement and prohibition notices on the Insured under the Health and Safety at Work Act 1974.

The Event must happen within the Period of Insurance and the Policy Territory. Where Your claim arises from a series of Events then the first of these must happen within the Period of Insurance and the Policy Territory.

**Exclusions in respect of Prosecution Defence for the Insured Cover**

- a) Any claim arising from or relating to:
  - i) the ownership, possession, hire or use of a motor vehicle;
  - ii) a prosecution alleging:
    - (1) intentional obstruction of a person in the execution of a warrant issued under the Data Protection Act 1998; and/or
    - (2) failure to give a person executing such a warrant the assistance that is reasonably required for its execution;
  - iii) a prosecution alleging manslaughter;
  - iv) a prosecution relating to drugs, indecent or obscene materials, or immigration;
  - v) tax or National Insurance Contributions.

**Employee Protection Cover**

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An Employee's Costs and the Insured's Attendance Expenses of Legal Action by that Employee to defend a criminal prosecution arising from his or her alleged act or omission in the course of his or her duties as an Employee of the Insured.

The Event must happen within the Period of Insurance and the Policy Territory. Where Your claim arises from a series

of Events then the first of these must happen within the Period of Insurance and the Policy Territory.

**Exclusions in respect of Employee Protection Cover**

- 1) Any claim arising from or relating to:
  - a) the ownership, possession, hire or use of a motor vehicle;
  - b) a prosecution alleging:
    - i) intentional obstruction of a person in the execution of a warrant issued under the Data Protection Act 1998; and/or
    - ii) failure to give a person executing such a warrant the assistance that is reasonably required for its execution;
  - c) prosecution of an Employee for matters which do not relate to his or her duties as an Employee;
  - d) a prosecution alleging manslaughter;
  - e) a prosecution relating to drugs, indecent or obscene materials, or immigration.

**Contract Cover**

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**What is Covered**

The Insured's Costs and Attendance Expenses of civil Legal Action arising from a dispute between the Insured and his or her customer or supplier about an agreement for the supply of goods or services. The agreement for goods or services must be entered into after the start of the First Period of Insurance and the dispute must be such that if proceedings are issued it will not be allocated to the Small Claims Track of the County Court under the Civil Procedure Rules 1998 (as amended from time to time).

The Event must happen within the Period of Insurance and the Policy Territory and at least 90 days after the start of the First Period of Insurance. Where Your claim arises from a series of Events then the first of these must happen within the Period of Insurance and the Policy Territory and at least 90 days after the start of the First Period of Insurance.

**Exclusions in respect of Contract Cover**

- a) Any claim where the dispute is such that if proceedings are or have been issued it will be allocated to the Small Claims Track of the County Court under the Civil Procedure Rules 1998 (as amended from time to time);
- b) Any claim arising from or relating to:
  - a. the recovery of a debt from a customer or supplier where that customer or supplier does not dispute that the money is lawfully owed to the Insured;
  - b. a dispute between a landlord and tenant or licensor and licensee;
  - c. the defence of Professional Negligence Claims;
  - d. the sale, lease, service, repair or test of a motor vehicle;
  - e. a contract of employment;

- f. a dispute about securities, bills of exchange, goodwill, credit, guarantees, assignment, agency, franchisement or bailment;
  - g. the sale or purchase of real property;
  - h. construction contracts as defined by the Housing Grants, Construction and Regeneration Act 1996;
- c) Any dispute arising from an arbitration clause in a contract unless We have agreed in writing to accept such a claim.

### Property Protection Cover

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#### What is Covered

The Insured's Costs and Attendance Expenses of Legal Action in pursuing a civil claim against a third party (other than an existing or former Employee, Director or Employee) as a result of an act or omission by that third party in relation to Business Premises and/or goods owned by the Insured which results in, or is likely to result in uninsured financial loss to the Insured arising from physical damage to that property.

The Event must happen within the Period of Insurance and the Policy Territory. Where Your claim arises from a series of Events then the first of these must happen within the Period of Insurance and the Policy Territory.

#### Exclusions in respect of Property Protection Cover

- a) Any claim arising from or relating to:
  - i. a contract between the Insured and a third party;
  - ii. a lease or licence to occupy land or buildings;
  - iii. a dispute over the possession of or right to occupy land and/or any building thereon;
  - iv. goods in transit;
  - v. goods the Insured has hired from or lent to third parties;
  - vi. goods at premises other than the Insured's Business Premises unless they are to be installed at the premises or to be used in work carried out there by the Insured;
  - vii. a motor vehicle belonging to the Insured or in the Insured's possession except whilst on the Business Premises;
  - viii. any dispute relating to tax, planning or building regulations or decisions or compulsory purchase orders.

### Tenancy Disputes Cover

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#### What is Covered

The Insured's Costs and Attendance Expenses of Legal Action to pursue the Insured's landlord or to defend a claim by the Insured's landlord based on a breach of the terms contained within the lease or tenancy agreement applying to the Insured's Business Premises.

The Event must happen within the Period of Insurance and the Policy Territory. Where Your claim arises from a series of Events then the first of these must happen within the Period of Insurance and the Policy Territory.

#### Exclusions in respect Property Disputes Cover

- a) Any claim arising from or relating to:
  - i. the amount, payment or non-payment of rent;
  - ii. the renewal of a lease or tenancy agreement.

### Statutory Licence Protection Cover

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#### What is Covered

The Insured's Costs and Attendance Expenses of an appeal to a relevant statutory body or court within Great Britain, Northern Ireland, the Channel Islands or the Isle of Man following receipt by the Insured of a notice of suspension, revocation, alteration of the terms of or refusal to renew the Insured's Statutory Licence(s).

The Event must happen within the Period of Insurance and the Policy Territory. Where Your claim arises from a series of Events then the first of these must happen within the Period of Insurance and the Policy Territory.

#### Exclusions in respect of Statutory Licence Protection Cover

- a) Any claim arising from or relating to:
  - i. an original application for or standard renewal of a licence;
  - ii. an appeal relating to the ownership, driving or use of a motor vehicle;
  - iii. suspension, revocation, alteration of the terms of or refusal to renew a licence where this action is imposed by Act of Parliament;
  - iv. a statutory licence which has not been declared to Your insurance broker.

### Condition in respect Statutory Licence Protection Cover

Without prejudice to general condition 2 of "General Conditions in respect of Management Protector (Part B)", if You wish to obtain indemnity under this Statutory Licence Protection Cover section You must immediately contact the legal helpline on 08701 648072, quoting the Policy number and follow the advice given and procedures laid down by Us where you become aware of any threatened suspension, revocation, alteration of the terms of or refusal to renew a Statutory Licence.

### Tax Disputes Cover

#### What is Covered

The Insured's Costs and Attendance Expenses of Legal Action arising directly from:

- a. a VAT Dispute with H M Customs & Excise where there are reasonable prospects of the Insured obtaining a financial benefit and H M Customs & Excise indicates and intention to collect additional amounts of tax. The Event is the earliest of the following:
  - (i) the date on which H M Customs & Excise requests a meeting with the Insured or enters the Insured's premises or expresses dissatisfaction with any of the Insured's VAT returns in writing;
  - (ii) the date on which the Insured or his or her adviser first became aware, or could reasonably have become aware, that a VAT Dispute was likely to arise with H M Customs & Excise; or
  - (iii) the date on which the Insured is served with a notice of assessment;
- b. an Inland Revenue Enquiry into the Insured's business accounts and records. The Event is the Insured's receipt of a notice under Section 9A or Section 12AC of the Taxes Management Act 1970 or under paragraph 24, Schedule 18 to the Finance Act 1998;
- c. a dispute with the Inland Revenue following an Employer Compliance Review. The Event is the earliest of:
  - i) the date on which the Inland Revenue expresses dissatisfaction with the amounts of PAYE or National Insurance Contributions paid by the Insured or his or her returns of expenses payments made;
  - ii) the date on which the Inland Revenue expresses dissatisfaction with the amounts of income tax paid by the Insured in respect of payments to subcontractors not in possession of a CIS5 or CIS6 tax certificate; or

- iii) the date on which the Inland Revenue starts an investigation into the accuracy of forms P9D or P11D or into the Insured's liability or that of an Employee to pay additional tax because of alleged inaccuracies in such forms;

and indicates an intention to collect additional amounts of tax.

The Event must happen within the Period of Insurance and the Policy Territory. Where Your claim arises from a series of Events then the first of these must happen within the Period of Insurance and the Policy Territory.

#### Exclusions in respect of Tax Disputes Cover

- a. Costs:
  - i) incurred in dealing with routine matters (including but not limited to a VAT audit visit);
  - ii) incurred in dealing with VAT investigations by H M Customs & Excise or the National Investigations Service;
- b. In respect of an Inland Revenue Enquiry only:
  - i) Costs arising after the issue of a notice under Sections 28A(5) or 28B(5) of the Taxes Management Act 1970 or under paragraph 32, Schedule 18 to the Finance Act 1998 notifying the Insured that the enquiry has been completed; and/or
  - ii) Costs incurred in respect of an amendment under Section 9(4) of the Taxes Management Act 1970 ("a repair") or under Section 12AB (2) of the Taxes Management Act 1970 or under paragraph 16, Schedule 18 to the Finance Act 1998; and/or
  - iii) costs incurred otherwise than wholly in connection with an Inland Revenue Enquiry into the Insured's business profits. Where appropriate, Professional Adviser's fees will be apportioned;
- c. Any claim where:
  - i) deliberate mis-statements have been made in respect of accounts, returns or any other submissions made to the relevant authorities with intent to deceive;
  - ii) the Insured has failed to notify his or her business status to the relevant authorities within a statutory period;
  - iii) there has been a failure to maintain or submit accurate, truthful and up-to-date records and returns or a failure to observe statutory time limits or requirements;

- iv) a false representation has been made either knowingly or without belief in its truth and this has resulted in a mis-statement of amounts payable, expenses claimed, income or profits chargeable or losses allowable for tax or contributions purposes or of expenses payments made;
- d. Any claim arising from or relating to:
  - i) an investigation or enquiry by the Special Compliance Office or Costs following the transfer of an enquiry to that office;
  - ii) tax or National Insurance contributions avoidance schemes; and/or
  - iii) VAT refunds in countries outside Great Britain and Northern Ireland or Import VAT.

#### Conditions in respect of Tax Disputes Cover

Without prejudice to condition 2 of "General Conditions in respect of Management Protector (Part B)", the Insured must contact the tax helpline as soon as possible after an Event on 08705 234072 and comply with the advice given by the tax helpline;

The Insured must have maintained and must continue to maintain accurate, truthful and up to date records and make returns in due time in accordance with statute and accounting conventions acceptable to H M Customs & Excise or the Inland Revenue where applicable and have made all returns and payments except those which are disputed and provided information to relevant authorities in due time;

The Insured and his or her Professional Adviser must provide information to the Inland Revenue and H M Customs & Excise in due time and must comply with any statutory notice requesting information which is not the subject of an appeal;

The Insured or his or her Professional Adviser should notify Us in writing of any invitation by H M Customs & Excise or by the Inland Revenue to make an offer in settlement; and

In respect of Inland Revenue Enquiries the Insured's Professional Adviser must provide copies of relevant correspondence between the Inland Revenue, the Professional Adviser and the Insured (including the notice of enquiry) together with copies of the accounts, tax computations and return giving rise to the enquiry.

#### Jury Service Cover

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##### What is Covered

The Insured's Attendance Expenses of jury service by any Employee, Partner or Director following receipt by that Employee, Partner or Director of a notice from a court within Great Britain, Northern Ireland, the Channel Islands or the Isle of Man requiring his or her service on a civil or criminal jury at that court.

The Event must happen within the Period of Insurance and the Policy Territory. Where Your claim arises from a series of Events then the first of these must happen within the Period of Insurance and the Policy Territory.

##### Exclusions to Jury Service Cover

Any claim which is unsupported by documentation from the relevant court evidencing attendance at that court by an Employee, Partner or Director in respect of whom Attendance Expenses are claimed.

##### Definitions – Commercial Legal Expenses

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For the purposes of a claim under Part B the following words or expressions, where they appear with initial capital letters, will have the meaning given to them below. If there is any conflict between a definition in Part B and a definition elsewhere in the Policy, the definition in Part B will apply.

1. Acts – the:
  - Sex Discrimination Acts 1975 and 1986;
  - Health and Safety at Work Act 1974;
  - Race Relations Act 1976;
  - Trade Union and Labour Relations (Consolidation) Act 1992;
  - Fair Employment (Northern Ireland) Acts 1976 and 1989;
  - Disability Discrimination Act 1995;
  - Employment Rights Act 1996;
  - National Minimum Wage Act 1998;
  - Working Time Regulations 1998;
  - Employment Relations Act 1999;
  - Part Time Workers (Prevention of Less Favourable Treatment) Regulations 2000; and/or
  - Employment Act 2002; and any amending legislation.
2. Annual Aggregate Limit – £500,000 being the maximum the Insurer will pay for all claims arising under this legal expenses insurance in one Period of Insurance.

3. Attendance Expenses – subject to the Limit of Indemnity and the Annual Aggregate Limit, the salary or wages (paid by the Insured) of any Employee, Partner or Director, for the period he or she is absent from work to attend at any court hearing either:
  - as a witness on Your behalf and at the request of the Professional Adviser in respect of a matter involving a claim accepted under Part B;
  - as a party to legal proceedings and at the request of the Professional Adviser in respect of a matter involving a claim accepted under Part B; or
  - as a juror.

The maximum payable per day shall be £100 per person subject to a limit of £5,000 per Event. This limit is comprised within and not additional to the Limit of Indemnity.

Business Premises – the business premises declared by the Insured to the Insurer being premises owned by the Insured (or for which the Insured is legally responsible) and used by the Insured for the purposes of the Normal Business Activities.
4. Compensation Awards – subject to the Limit of Indemnity, basic and compensatory awards made against the Insured under the Acts which the Insured is ordered or agrees to pay with Our prior written consent. This does not include awards made under sections 158 and 173 Employment Rights Act 1996 nor does it include:
  - payments made in settlement of proceedings under that Act;
  - Pay Awards;
  - redundancy payments;
  - notice entitlement;
  - pay in lieu of notice; or
  - fines or penalties imposed by a court of criminal jurisdiction.
5. Conditional Fee Agreement – a valid agreement made between You and Your Professional Adviser with Our prior written consent where the Professional Adviser's fees and payments or any part of them are payable by You only if Your claim succeeds.
6. Costs - subject to the Limit of Indemnity and the Annual Aggregate Limit:
  - reasonable unrecovered legal fees and disbursements which You are liable to pay to Your Professional Adviser; and
  - reasonable legal fees and disbursements You are ordered to pay or have agreed to pay (with Our prior written consent).
7. Director – a director or other board member of the Insured where the Insured is a limited company.
8. Dismissal - has the meaning given by section 95 of the Employment Rights Act 1996.
9. Employee - an existing or former employee of the Insured. For the avoidance of doubt this does not include a prospective employee.
10. Employer Compliance Review – an inspection of the Insured's PAYE and National Insurance records and returns of expenses payments by the Employer Compliance Unit of the Inland Revenue.
11. Event(s) - the word(s) underlined in "The Cover (Part B)". The Event for the purposes of a claim under section 9 ("Tax Disputes Cover") is defined in that section. For the purposes of the Limit of Indemnity, only one Event will be regarded as having arisen from all causes of action, incidents or events which are related by cause, place or time.
12. Excess - the initial amount of each claim You must bear before the Insurer is obliged to make any payment in respect of any claim, as follows:
  - Section 9 (Tax Disputes Cover): The first £250 or the first four hours (whichever is the less) of the Professional Adviser's fees
  - All other sections: Nil.
13. First Period of Insurance - the first Period of Insurance provided that the Insured's legal expenses insurance administered by Us has remained continuously in force since then.
14. Inland Revenue Enquiry - an enquiry into the Insured's returns of income or profit from a trade, profession or business commenced by the Inland Revenue under Sections 9A or 12AC of the Taxes Management Act 1970 or under paragraph 24, Schedule 18 to the Finance Act 1998.
15. Insured – the policyholder declared to and accepted by Us whose registered office or principal trading address is within the Policy Territory.
16. Insurer – Brit Insurance Limited, 55 Bishopsgate, London EC2N 3AS who is authorised and regulated by the Financial Services Authority.
17. Legal Action – steps You need to take to protect Your legal rights through a court, as long as that court is within Great Britain, Northern Ireland, the Channel Islands or the Isle of Man.
18. Limit of Indemnity – subject to the Annual Aggregate Limit, the maximum sum the Insurer will pay for all claims arising from an Event, as follows:
  - Section 9 (Tax Disputes Cover): £25,000
  - Section 10 (Jury Service Cover): £5,000
  - All other sections: £100,000.
19. Normal Business Activities – the Insured's normal business activities as declared by the Insured to the Insurer.
20. Partner – where the Insured is a partnership, any of the partners within that partnership.
21. Pay Awards – subject to the Limit of Indemnity, awards made against the Insured under Section 93 of the Employment Rights Act 1996 when a court declares the "written statement" to have been inadequate or untrue. It does not include awards made when the Insured has unreasonably refused to supply the "written statement".

22. Period of Insurance – the period of no more than 12 calendar months during which this legal expenses insurance is in force and for which the relevant legal expenses premium has been paid.
23. Professional adviser - the solicitor or suitably qualified tax adviser appointed to act for You under this legal expenses insurance.
24. Professional Negligence Claims – a claim by a third party against the Insured or any Partner, Director or Employee which alleges a negligent act, error or omission of a type which either is, or is normally, covered under a professional indemnity, directors and officers or similar insurance including any insurance provided under any section of this Policy other than Part B.
25. Prospects of Success – in Our reasonable opinion:
  - a. it is more probable than not that Your claim will succeed assuming that it is determined at a final hearing and You will be able to obtain the compensation or result You are seeking; and
  - b. Your interests cannot be better achieved by other means.
26. Reinstatement/Re-engagement Awards – subject to the Limit of Indemnity, awards made against the Insured when a court makes an order for reinstatement or re-engagement under section 113 of the Employment Rights Act 1996.
27. Statutory Licence - a licence which has been issued under statute or statutory instrument or by government or local authority to the Insured where the licence is necessary for the Normal Business Activities.
28. VAT Dispute - a dispute with H M Customs & Excise regarding the amount of VAT payable by the Insured where there are reasonable grounds for such dispute.
29. We, Us, Our - Capita Assistance, a trading division of Capita Insurance Services Limited, acting on behalf of the Insurer to manage this legal expenses insurance.
30. You, Your – the Insured and at the request of the Insured, any relevant Employee.

#### General Conditions – Commercial Legal Expenses

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##### 1. Premium

The Insured must have paid the relevant legal expenses premium and have been declared to Us as having done so.

##### 1. Reporting of claims

You must tell Us of Your claim as soon as possible, but no later than 180 days after the date of the Event. Where Your claim arises from more than one Event then the 180-day period starts with the date of the first such Event.

You must notify Us of Your claim by telephoning Us on 08701 648072 and asking to speak to one of our legal advisers. Delay may prejudice Your legal position. You must follow the advice given.

If You are in any doubt about Your need to notify Us of a claim under this insurance or Your eligibility to make such a claim You should telephone Us and ask to speak to one of Our legal advisers.

We will send You a claim form. You must fill this in fully and truthfully and return it to Us and give Us at your own cost any documentation, evidence, or other information that We may reasonably need in order to assess Your claim including a copy of Your Policy schedule.

##### 2. Observance

The due observance and fulfilment of the terms, conditions and endorsements of this legal expenses insurance insofar as they relate to anything to be done or complied with by You and the truth of any statements in the Insured's proposal and declaration shall be conditions precedent to any liability of the Insurer to make any payment under this legal expenses insurance.

##### 4. Acceptance of Your claim

The Insurer will pay Costs and Attendance Expenses incurred after We accept Your claim in writing and Your solicitor or tax adviser confirms in writing that he or she will co-operate with You to keep to the terms of this legal expenses insurance.

The Insurer will only meet the Costs and Attendance Expenses of Your claim:

- a. which have been agreed in advance by Us as to both amount and purpose; and
- b. as long as there are Prospects of Success.

If at any stage We consider that Your claim does not have Prospects of Success, We will give You an explanation of Our decision in writing. The Insurer will not provide any further cover for Your claim. If You disagree with Our decision, You can refer the matter to an arbitrator under condition 12.

5. Appointment of Professional Adviser

At any time before We agree that legal proceedings need to be issued, We will choose a Professional Adviser to act for You. We reserve the right to require Your Professional Adviser, where chosen by Us, to act for You under a Conditional Fee Agreement.

Only if legal proceedings have been issued, or a conflict of interest arises, can You choose a solicitor.

If You discontinue Your instructions to Your Professional Adviser without Our prior written permission, the Insurer's liability will stop at once and the Insurer may recover any Costs and Attendance Expenses already paid from You.

6. Conduct of Your claim

You must immediately tell Your Professional Adviser to:

- a. provide us, as soon as reasonably possible, with:
  - i. his or her views on the merits of Your claim;
  - ii. his or her hourly rate and estimate of the total costs of pursuing or defending Your claim; and
  - iii. any information, document or file (including Your Professional Adviser's files) relating to Your claim, whether or not privileged, that We may ask for,
- b. keep Us fully updated during Your claim:
  - i. on the progress of Your claim, including any offers to settle;
  - ii. of any change in his or her views on the merits of Your claim; and
  - iii. of any change to his or her estimate of Costs.

We will set spending limits for Your Professional Adviser's fees and payments during Your claim. If a limit is exceeded without Our prior written permission, the Insurer will not pay for any fees and disbursements above the relevant spending limit. These limits will not affect the Insurer's rights under condition 11.

7. Co-operation with Us and Your Professional Adviser.

You will co-operate with:

- i) Us at all times and reply promptly to any correspondence about Your claim; and
- ii) Your Professional Adviser at all times and give him or her all information that he or she needs and will attend meetings and hearings whenever You are asked to.

8. Investigation and payment of Your claim.

We, or Our agents, may investigate Your claim. In Our absolute discretion, the Insurer may pay You an amount equal to Our reasonable estimate of the value of Your legal claim, or that made against You, instead of providing cover for Your Costs and Attendance Expenses.

9. Settlement

You or Your Professional Adviser must immediately write to tell Us of any offer made to settle Your claim including offers relating to costs. You must not accept any offers without getting Our permission first. We will not withhold Our consent in relation to an offer that a reasonable solicitor or tax adviser would recommend to a private client who is paying his or her own fees.

If You do not accept an offer We consider to be reasonable, the Insurer will not pay any further Costs and Attendance Expenses.

10. Withdrawing and discontinuing

If You withdraw from or discontinue (stop) Your claim without getting Our permission in writing first then the Insurer will not pay Costs and/or Attendance Expenses and will be entitled to recover from You any fees and payments made or charged before the withdrawal or discontinuance. We will not withhold Our permission in relation to a withdrawal or discontinuance that a reasonable solicitor or tax adviser would recommend to a private client who is paying his or her own fees.

11. Assessment and recovery of costs

You must, if We ask You, tell Your Professional Adviser to send all of his or her files and any bill of costs for assessment by a court or certification by the appropriate professional body or auditing by cost consultants appointed by Us.

You must:

- a) take reasonable steps to recover Costs awarded or agreed to be paid to You; and
- b) immediately pay Us any Costs recovered, or tell Your Professional Adviser to do so.

If You pay or agree to pay costs above the Limit of Indemnity in order to end Your case, any costs awarded or agreed to be paid to You will be divided between the Insurer and You to reflect the proportion of costs that both the Insurer and You have paid or, but for the recovery of costs from Your opponent(s), would be liable to pay. You will pay Us or tell Your Professional Adviser to pay to Us the amount that is due to the Insurer immediately.

12. Disputes

Either You or We may refer any dispute to an arbitrator who will be a solicitor or barrister. If we cannot agree on an arbitrator the Chartered Institute of Arbitrators will choose one. The arbitration will be under the Arbitration Acts in force and will be binding on the parties. If the arbitrator decides that You should pay the costs of the arbitration, the Insurer will not pay these or any Attendance Expenses under this legal expenses insurance.

13. Notification of alteration in risk

The Insured must notify Us immediately of any alteration in risk which materially affects this legal expenses insurance.

14. Insolvency

The Insurer will have the right to withdraw funding for Costs under this legal expenses insurance where either at the commencement of or during a claim under this legal expenses insurance You are made bankrupt or go into liquidation or file a bankruptcy petition or winding up petition or make an arrangement with Your creditors or enter into a deed of arrangement or part or all of Your affairs or property are in the control of a receiver or administrator.

15. Agreement

The Insurer is not bound by any agreement that You or Your Professional Adviser make without Our prior approval or permission.

16. Waiver

If We or the Insurer waive(s) any right or breach of any term of this legal expenses insurance, this will not waive any other right or later breach.

17. Transferring your rights

You cannot transfer Your rights under this legal expenses insurance. A person, partnership (whether limited or not) or company who is not a party to this legal expenses insurance has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

18. Customer Satisfaction

If You are not satisfied with any part of the service You have received, You should contact Us at the address below. We will send a full response within five working days or within that time give an indication of when You can expect a response.

The Claims Services Manager

Capita Assistance

Aspen House

Stephenson Road

The Business Park

Colchester

Essex C04 9QG

Telephone: 08705 234500.

Complaints We cannot settle may be referred to the Financial Ombudsman Service if your turnover is less than £1m at:

Financial Ombudsman Service

South Quay Plaza

183 Marsh Wall

London E14 9SR

Telephone: 0845 080 1800

This procedure does not affect Your legal rights.

19. Data Protection Statement

The information and data You give to Us will be processed by Us in accordance with the Data Protection Act 1998 to enable Us to manage Your claim.

We will keep Your personal data safe and secure. The information and data will be maintained and used by Us to administer Your claim.

We may pass information and data provided by You to third parties such as Your insurers and any agents appointed to deal with Your claim. Information about You and Your Policy may also be passed to the American International Group Data Centre Inc., a parent company of AIG UK Limited, located in the United States of America.

Information will continue to be handled in accordance with Our code of good practice although You should be aware that the United States of America does not have data protection laws.

Unless You notify Us otherwise in writing, We will not discuss Your claim with any other third parties.

If You require further information or clarification of any of the statements made above please contact Us at the address set out under "18. Customer Satisfaction" above.

**General Exclusions – Commercial Legal Expenses**

The Insurer will not pay for:

- A. the Excess;
- B. compensation, interest, penalties or taxes which the Insured or his or her Employees, Partners or Directors are ordered or agree to pay except the compensation provided for in section 1(b) of Employment Cover under Excluded claims
  1. any claim
    - a. where You do not tell Us of Your claim within 180 days of the Event giving rise to it;
    - b. arising from an Event which happens, or a series of Events which starts, outside the Policy Territory;
    - c. arising from an Event which happens, or a series of Events which starts, outside the Period of Insurance;
    - d. where before the start of the First Period of Insurance in Our reasonable opinion the Insured was aware, or should have been aware, that a claim was likely to be made;
    - e. where You were driving a motor vehicle without a valid licence and/or insurance;
    - f. more specifically insured or any amount that You cannot recover from a more specific insurance because the insurer refuses the claim;
    - g. which is false, fraudulent or exaggerated;
    - h. which does not arise from the Normal Business Activities;

2. any claim concerning or arising from:
    - a. anything to do with building, rebuilding, converting or extending all or part of a building;
    - b. a dispute about a licence to occupy property;
    - c. a tax or levy relating to the Insured's Business Premises;
    - d. works by or under the order of any government, public or local authority;
    - e. town and country planning laws and regulations;
    - f. patents, copyrights, trademarks, merchandise marks, service marks, registered designs, intellectual or artistic property, secrecy or confidentiality agreements and passing off;
    - g. a manufacturer's warranty or guarantee;
    - h. subsidence, land heave, land slip, mining or quarrying;
    - i. libel, slander or malicious falsehood; a dispute between You and Us and/or the Insurer about this legal expenses cover;
    - j. an application for judicial review;
    - k. computer software operating systems and packaged software tailored by a supplier to Your special order;
    - l. deliberate discrimination amounting to an act of unlawful discrimination;
    - m. prosecutions which allege dishonesty or intentional violence or any claim arising from any deliberate, criminal or dishonest act or omission by You;
  - C. Excluded costs and attendance expenses
- Costs:
1. associated with an appeal unless:
    - a. the appeal relates to an Event that the Insurer has already covered under this legal expenses insurance; and
    - b. You tell Us in writing that You want to appeal at least six working days before You are required to give notice of appeal; and
    - c. We consider that the appeal has Prospects of Success;
  2. of any private prosecution;
  3. where the claim falls under section 1 of "The Cover (Part B)" (Employment Cover), of any disciplinary, investigatory or grievance procedure connected with an Employee's contract of employment or the costs associated with any compromise agreement;
  4. You pay or agree to pay before We have accepted Your claim in writing and Your solicitor or tax adviser confirms in writing that he or she will co-operate with You to keep to the terms of this legal expenses cover;
  5. for more than We have agreed;
  6. where You have entered into a conditional fee agreement or any other form of alternative funding without obtaining Our permission in writing first;
  7. arising from Your or Your Professional Adviser's unreasonable behaviour or failing;
  8. where You do not meet Your duties under this legal expenses insurance or You or Your Professional Adviser are responsible for anything which in Our reasonable opinion prejudices the Insurer's position;
  9. where You act against or differently from the advice of Your Professional Adviser;
  10. of or relating to any security for costs You are ordered to pay or agree to pay;
  11. incurred in avoidable correspondence.

#### **Business Legal and Tax Helpline**

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The Insured can contact Our helpline on 08701 648702 for advice on any business legal or tax problem directly affecting the Insured. The legal helpline is available 24 hours a day, 365 days a year. The tax helpline is available between 9am and 5pm Monday to Friday (other than public holidays). The advice available from the helpline is limited to the law and practice of Great Britain, Northern Ireland, the Channel Islands and the Isle of Man, except the tax helpline which is limited to the law and practice of Great Britain and Northern Ireland.

**Calls to us are monitored and recorded for training and other lawful purposes.**

## SECTION 3

## Contract Works

### Insuring Agreement

The Insurer will, subject to the terms, conditions and exclusions to this section and the General Conditions and General Exclusions to the policy indemnify the Insured against All Risks of Loss or Damage of whatsoever nature to:

1. The permanent and/or temporary works executed or in the course of execution in performance of Contract or other work being performed by the Insured or contractors where the Insured is responsible under JCT conditions and referred to in the schedule and hereinafter as "the Contract" and the material or other goods used in connection therewith or intended to form part thereof and
2. Constructional plant scaffolding tools equipment site huts temporary buildings and contents thereof owned by the insured or for which the insured is responsible and not otherwise insured
3. Constructional plant tools and equipment which have been hired or borrowed for which the Insured is responsible
4. Employee's tools and personal effects for which the insured has accepted responsibility for an amount not exceeding £500 any one employee but not when such tools and personal effects are insured under a more specific insurance at the time and location of the loss or damage

All intended for use in connection with the Contract and being the property of the Insured for which they are responsible or for which the Insured have instructions to insure whilst the said property is on or adjacent to or in the vicinity of the site of the Contract or in transit by road rail air or inland waterway or elsewhere in connection with minor works or refurbishment contracts all within Great Britain Northern Ireland the Channel Islands and the Isle of Man all hereinafter referred to as the Policy Territory.

### Extensions – Contract Works

The Insurer will also within the limit of liability applicable to this extension indemnify the Insured in respect of:

1. **Preventative Costs** – Expenditure reasonably incurred by or on behalf of the Insured to prevent or minimize damage to the property insured. Damage averted by such expenditure shall be deemed to have occurred and such expenditure shall be deemed to be the cost of reinstatement of the property provided that the liability of the Insurer in respect of such expenditure shall not exceed the amount of the saving to the Insurer achieved by such expenditure.
2. **Plans & Drawings** – Costs necessarily incurred of re-making or re-drawing plans drawings or other contract documents lost or destroyed or damaged as a result of a peril insured within the Policy provided that our liability does not exceed £25,000 in respect of any one claim or period of insurance.
3. **Inflation** – The basis of indemnity under this section in respect of the works shall be the full cost of reinstatement of the damage including the reasonable allowance for the effects of inflation on the original cost provided that the settlement thus arrived at shall not exceed the limit of indemnity in respect of this extension.
4. **Employers Interest** – The interest of any employer for whom the insured is carrying out a contract to which this section applies but only to the extent that such interest is required to be insured jointly with that of the insured under the contract conditions.
5. **Professional Fees** – Architects Surveyors Consulting Engineers and other such professional fees necessarily incurred in the reinstatement of the property insured following loss or damage by a cause insured by this section but not such fees for preparing any claim.
6. **Debris Removal** – Costs and expenses necessarily incurred by the insured with the our consent in:
  - i. removing debris
  - ii. dismantling or demolishing
  - iii. shoring or propping
  - iv. clearing or repairing drains and service mains following loss or damage to the property insured but we will not be liable for such costs and expenses arising from pollution or contamination of property not insured by this section.
7. **Property Stored** – Loss of or damage to materials which are intended and can be identified for incorporation within the Contract Works whilst temporarily stored within the policy territory but only to the extent that the insured is liable under the contract conditions.
8. **Immobilised Plant** – The necessarily incurred costs in the recovery or withdrawal of unintentionally immobilised own or hired in plant or equipment whilst being used in connection with the contract provided that the cause of immobilisation is not solely attributable to electrical, mechanical breakdown or derangement.
9. **Local Authorities** – The additional cost of reinstatement following loss or damage to the property insured as may be incurred solely by the reason of the necessity to comply with building or other regulations under or framed in pursuance of any act of Parliament or with bye laws of any Public Authority excluding
  - i. such cost incurred which can be recovered elsewhere or where notice has been served upon the insured prior to loss or damage

- ii. the amount of any rate, tax, duty, development or other charge or assessment arising out of capital appreciation which may be payable by reason of compliance with any of the aforesaid Regulations or Bye Laws

Provided that the work of reinstatement shall be commenced and carried out without unreasonable delay

10. **Negligent Breakdown of Hired in Plant** – The loss of or damage to Plant and Tools hired in by the Insured arising from any breakdown of such property due to the negligence or misuse of the property by the Insured or his employees but only where the Insured is responsible under the terms of a hire agreement not being a leasing or hire purchase agreement.
11. **Continuing Hire Charges** – The Insured’s legal liability for payment of continuing hire charges for which they are responsible under the terms of a hire agreement following loss or damage to Plant and Tools hired by the Insured provided that the Insurer’s maximum liability shall not exceed £10,000 for any one loss.
12. **Consecutive Damage** – Any loss of or damage to the Property Insured at any one contract site during a period of 72 hours caused by or arising from storm, flood or other water damage shall for the purpose of the Excess specified in the schedule shall be deemed as one occurrence.
13. **Speculative Building – Property Awaiting Sale** – Loss of or Damage to any private dwelling built by the Insured occurring during a period 90 days after the date of practical completion or until sold whichever is the earlier
14. **Showhouse Properties** – Loss of or damage to Buildings and Contents of show properties provided that
  - i. The Insurer’s maximum liability in respect of contents of any one show property is £25,000
  - ii. Whenever any showhouse is closed for business all security devices shall be put into full and effective operation and that such devices shall include
    - a) mortice deadlocks which conform to British Standard 3621:1980 specification for thief resistance locks
    - b) Key operated window locks on all ground flood and other accessible windows
    - c) An intruder alarm with an audible signalling device.

#### **Definitions – Contract Works**

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1. Estimated original contract price will mean the valuation of the works to carried out or the estimated contract price at the commencement date of the contract
2. Free issue materials will mean any materials supplied by or provided to the Insured for the inclusion in the Contract or Works for which the Insured is responsible the value of which will not be included in the final

- valuation of the works carried out or final contract price and which are not otherwise excluded from this section
- 3. Maintenance Period will mean the period specified in the contract during which the Insured is responsible for rectifying defects arising from the contract works

#### **Exclusions – Contract Works**

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The Insurer shall not be liable, under this section, to make any payment in respect of:

1. The amount specified as the Excess
2. Consequential Loss, Loss of Use, Penalties for Delay or Non-completion.
3.
  - i. Damage due to wear and tear, gradual deterioration, pollution or contamination other than that to the property insured, mechanical electrical breakdown or derangement, defective workmanship material or design of the permanent works (this exclusion shall be limited to that part of the machine structure or work immediately affected and shall not extend to other work on property lost or damaged in consequence thereof).
  - ii. The costs necessary to replace, repair or rectify any component part of individual item of the works which is defective in design plan, specification, materials or workmanship but this exception shall not apply to other parts or items of the works unintentionally damaged as a consequence of such defect
4. Damage to
  - i. watercraft aircraft or hovercraft
  - ii. tyres by application of brakes or by puncture or bursts
  - iii. cash notes post and/or money order cheques stamps or negotiable instruments of whatsoever nature or other securities for money
5. Loss of any property by disappearance or by shortage where such loss is revealed only by the making of an inventory of periodic stocktaking.
6. Damage to tools and plant belonging to Sub-Contractors or their Employees unless such items are under the control of or are the responsibility of the Insured.
7. Loss of or damage to any mechanically propelled vehicle licensed for road use whilst operating in circumstances requiring insurance or security under the Road Traffic Acts except when such vehicle is manufactured as or is adapted primarily for use as a tool of trade.
8. Completed Works and Maintenance – Damage to any part of the permanent works in respect of which a certificate of completion has been issued directly to the Insured unless such damage
  - i. occurs during the maintenance period or defect liability period from a cause arising before the certificate of completion was issued or
  - ii. was caused by the Insured in the course of fulfilling their obligations during the maintenance period or

- defects liability period in accordance with the terms of the contract or
- iii. occurs within 14 days of issue of final completion certificate and is the responsibility of the Insured to insure.
  - iv. Damage to property forming part of any structure prior to the commencement of the contract or works
9. Damage giving rise to a claim arising out of any contract for which the original contract period exceeds 36 months or the period of maintenance exceeds 24 months
10. Loss or damage by theft or attempted theft of tools
- i. by any insured person
  - ii. left unattended on any site or premises where the insured or any employee is carrying out work in connection with the business unless stored in a securely locked building
  - iii. from within any unattended vehicles unless
    - a) all doors windows and other openings are left closed securely locked and properly fastened
    - b) between the hours of 9pm to 6am such a vehicle is in a securely locked building, compound or in a guarded security park.
  - iv. elsewhere within the policy territory unless in a securely locked building
11. Property for which the Insured is relieved of responsibility by conditions of contract

**SECTION 4****All Risks on Tools & Materials****Insuring Agreement**

In the event of Damage to the Property Insured (or any part thereof) by an Insured Event, the Insurer will by payment or at its option by reinstatement or repair indemnify the Insured for such Damage. The sums insured under this Section include costs and expenses

**All Risks on Tools & Materials**

The Insurer will, subject to the terms, conditions and exclusions to this Section, indemnify the Insured in the event of Damage occurring within the Policy Territory to the Property Insured as specified in the Schedule.

**Conditions – All Risks on Tools & Materials**

1. **Reinstatement** – In the event of Damage to Tools or Materials, the amount payable under this policy shall be the cost of reinstatement of the Tools or Materials Damaged, subject to the Special Provisions set out below. Reinstatement shall not include improving upon the condition of any property when new.

**Special Provisions**

- i. The reinstatement or repair shall be undertaken without unreasonable delay.
- ii. When any Tools or Materials are damaged in part only the liability of the Insurer shall not exceed the sum representing the cost which the Insurer could have been called upon to apply for reinstatement if the said Tools or Materials had been wholly destroyed.
- iii. No payment beyond the amount which would have been payable pursuant to this clause if this condition had not been incorporated therein shall be made until the cost of reinstatement shall have been actually incurred.
- iv. Each item insured under this condition is declared to be separately subject to the following Condition of Average, namely:-  
If at the time of reinstatement the sum representing eight-five per cent of the costs which would have been incurred in reinstatement if the whole of the property by such item had been destroyed exceeds the relevant sum insured thereon at the time of any loss or at the commencement of any Damage to such Property Insured then the Insured shall be considered as being their own insurer for the difference between the relevant sum insured and the sum representing the cost of reinstatement of the whole of the Damaged Property Insured and shall bear a rateable proportion of the loss accordingly.

- v. No payment which would otherwise be covered by this insurance shall be made if any claim or loss is recoverable under any other insurance unless in excess of the limit of that insurance. Where by reason of the above Special Provisions no payment is to be made beyond the amount which would have been payable pursuant to this clause if this condition had not been incorporated therein the rights and liabilities of the Insurer and the Insured in respect of the Damage shall be subject to the terms and conditions of this clause, including any Condition of Average therein, as if this condition had not been incorporated therein.
2. **Disclosure of Interest** – The nature and extent of any interest of a party supplying property to the Insured under a hiring, leasing, or similar agreement shall be disclosed in the event of Damage.

**Definitions – All Risks on Tools & Materials**

1. Property Insured means the real and personal property described in the Schedule unless excluded
2. Insured Event means any accidental physical cause occurring during the Period of Insurance, at the Premises or as otherwise provided for by Endorsement.

**Warranties – All Risks on Tools & Materials**

It is hereby warranted that

1. The Insurers will not make any payment under this Section for theft from a vehicle where the vehicle has been removed by the thief unless the Insured proves that the vehicle has been fitted with an immobiliser and an alarm in efficient working order and duly operated whenever the vehicle is not attended.
2. The Insurer will not make any payment under this Section for theft from any vehicle not attended unless
  - i. all doors windows and other openings are left closed securely locked and properly fastened and
  - ii. entry or access to the vehicle has been effected by forcible and violent means.
3. The Insurer will not make any payment under this Section for theft in respect of Property Insured left in or on any unattended vehicle from 9pm to 6am except where such vehicle is protected in accordance with the vehicle security requirements specified under this Section and is either garaged in a building which is securely closed, locked or parked in a compound secured by locked gates, or in a guarded security park.

**Exclusions – All Risks on Tools & Materials**

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The Insurer shall not be liable, under this Section, to make any payment in respect of:

1. Consequential loss of any kind or description.
2. Damage:-
  - a. to vehicles licensed for road use (including accessories), caravans, trailers, railway locomotives and/or rolling stock, watercraft or aircraft other than mechanically propelled plant whilst at the Premises.
  - b. due to wear tear gradual deterioration mildew vermin insects damp rust corrosion or other gradual cause
  - c. to Tools or Materials as a result of:
    - a) faulty or defective design, materials, workmanship or errors or omission in processing or operation.
    - b) mechanical or machinery breakdown or electronic or electrical breakdown or derangement
    - c) Normal upkeep or making good
    - d) Any tools let out on hire
3. unexplained losses shortages due to error or omission losses discovered at times of normal stocktaking and making an inventory or loss resulting from the insured voluntarily parting with title or possession of any tools or materials if induced to do so by deception
4. Property more specifically insured
5. damage contributed to, caused by or arising from riot, strike or civil commotion occurring outside Great Britain, the Channel Islands and the Isle of Man.
6. damage due to Theft, Malicious Damage, Storm, Tempest or Flood where tools and materials are located in the open or in an open sided building

## General Conditions – All Sections

The following are conditions applicable to all Sections of the Policy:

1. **Cancellation** – The Insurer may cancel the insurance by giving thirty (30) days notice by recorded delivery to the Insured's last known address provided that in the event of no claim having been made in the current Period of Insurance the Insurer shall return to the Insured a proportionate part of any additional premium paid for the unexpired Period of Insurance.
2. **Statutory Requirements Maintenance and Reasonable Precautions** – The Insured at his own expense shall
  - i. take all reasonable precautions to prevent or diminish loss destruction or Damage or any occurrence or cease any activity which may give rise to liability under this Policy and to maintain all Premises in a good state of repair.
  - ii. exercise care in the selection and supervision of employees
  - iii. as soon as possible after discovery cause any defect or danger to be made good or remedied and in the meantime shall cause such additional precautions to be taken as the circumstances may require
  - iv. comply with all statutory requirements and other safety regulations imposed by any authority
  - v. keep books with a complete record of purchase and sales
  - vi. bring into full and effective operation all locks bolts alarms and protective devices fitted to the Premises at the inception of this insurance or as subsequently agreed with the Insurer whenever the Premises are closed for business or left unattended Furthermore such protections shall be kept in full and effective working order and shall not be altered or varied without the prior written consent of the Insurer
3. **Notification** – On the discovery of a claim against him or any event which may give rise to a claim by the Insured under any section of the Policy.
  - i. the Insured must as relevant
    - a) notify the Insurer as soon as possible:
    - b) inform the Police immediately if Damage is caused or appears to be caused by thieves, malicious persons or by malicious act:
    - c) send to the Insurer a written claim not later than 30 days (7 days in the case of Damage caused by riot civil commotion strikers locked out workers persons taking part in labour disturbances or malicious persons if insured by this policy) after the Damage has occurred providing at his own expense all the detailed particulars and evidence regarding the cause and the amount of the Damage as the Insurer may reasonably require:
      - d) forward to the Insurer immediately all letters claims writs or other documents. No admission of liability of promise or payment shall be made without the Insurer's written consent:
  - ii. The Insurer will be entitled to
    - a) enter any building where Damage has occurred and take and keep possession of the property:
    - b) deal with the salvage in any reasonable manner provided that under no circumstances can the Insured abandon any property to the Insurer  
This Policy shall be proof that the Insured has given to the Insurer the license and authority which it may need to exercise its rights under this condition.
4. **Fraudulent Claims** – If any claim under this Policy be in any respect fraudulent or if any fraudulent means or devices be used by the Insured or anyone acting on his behalf to obtain any benefit under this Policy or if any Damage or legal liability be occasioned by the wilful act or with the connivance of the Insured all benefit under the Policy shall be forfeited.
5. **Contribution** – If at the time any claim under the Policy arises there be any other insurance effected by or on behalf of the Insured covering such Damage or liability or any part of it the liability of the Insurer hereunder shall be limited to its rateable proportion of such Damage or liability.
6. **Subrogation** – The Insured shall at the request and at the expense of the Insurer do and concur in doing and permit to be done all such acts and things as may be necessary or reasonably required by the Insurer for the purpose of enforcing any rights and remedies, or of obtaining relief or indemnity from other parties to which the Insurer shall be or would become entitled or subrogated upon their making payment in respect of or making good any Damage or liability under this Policy whether such acts and things shall be or become necessary or required before or after the Insured's indemnification by the Insurer.
7. **Arbitration** – If any difference shall arise as to the amount to be paid under this Policy (liability being otherwise admitted) such difference shall be referred to an arbitrator to be appointed by the parties in accordance with the statutory provisions in that behalf for the time being in force. Where any difference is by this condition to be referred to arbitration the making of an award shall be a condition precedent to any right of action against the Insurer.

8. **Alterations** – Sections 1, 2 and 3 of The Policy will be avoided by the Insurer if
- i. the Business is wound up or carried on by a Liquidator or Receiver or permanently discontinued or
  - ii. the Insured's interest ceases otherwise than by death or
  - iii. any alteration is made either in the Business or in the Premises or property therein the occupation of any Insured Person or any other circumstances whereby the risk is increased at any time after the commencement of this insurance unless its continuance be admitted by memorandum signed by or on behalf of the Insurer.
9. **Settlement** – The Insurer may
- i. pay any part or all of the deductible amount to effect settlement of any claim or series of claims against the Insured and in such circumstances the Insured shall promptly reimburse the Insurer for the amount of the deductible paid by the Insurer
  - ii. at its discretion pay to the Insured in connection with any claim or series of claims against the Insured the appropriate limit of indemnity (after deducting any sum or sums already paid) or any lesser amount for which such claim or claims can be settled and shall then relinquish the conduct and control and be under no further liability in connection with such claim or claims except for any additional recoverable expenses incurred prior to the date of such payment In the event of a claim or series of claims resulting in the liability of the Insured to pay a sum in excess of the limit of indemnity for damages the Insurer's liability for costs and expenses where these are payable in addition to the limit of indemnity shall not exceed an amount being in the same proportion as the limit of indemnity bears to the total payment made by or on behalf of the Insured in settlement
10. **Adjustment** – If the premium for this Policy is calculated on estimates provided by the Insured within a reasonable time after expiry of each Period of Insurance the Insured shall supply to the Insurer such information as is required to adjust the deposit premium and the difference shall be payable by or to the Insured subject to any designated minimum premium
11. **Law and Jurisdiction** – The proper law of this Policy shall be English law (or Scottish law where the Insured's Head Office is in Scotland) and the Courts of England (or Scotland where the proper law of the contract is Scottish) shall have exclusive jurisdiction in all disputes connected with this Policy.
12. **Waiver or Change of Policy Terms** – The terms of this Policy shall not be waived or changed except by Endorsement issued and signed by the Insurer to form a part of this Policy.
13. **Survey** – It is a condition precedent to the Insurer's liability that if this policy has been issued prior to the Insurer's survey, the Insured shall comply with any risk improvements required by the Insurer within the time specified. However should the survey show in the Insurer's opinion that the risk or any part of the risk is unacceptable then the Insurer will retain the right to cancel suspend or alter the terms of the insurance provided by any part of the Policy.
14. **Contract (Rights of Third Parties) Act 1999** – It is hereby understood and agreed that Pursuant to Section 1(a) and Section 1(2) of the Contracts (Rights of Third Parties) Act 1999, nothing in The Policy is intended to confer a directly enforceable benefit on any party other than the Insured or the Insurer. General conditions 3,5,7,8,9,12 and 13 shall not apply to Section 4B (Management Protector - Commercial Legal Expenses). Additional conditions specific to that Section are set out in that Section.

## General Exclusions – All Sections

This Policy including any Extensions does not cover:-

1. Damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss, or any legal liability or any claim under the Policy whatsoever, directly or indirectly caused by or contributed to by or arising from:
  - i. ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel;
  - ii. the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;
  - iii. war, invasion, piracy, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power;
  - iv. confiscation, detention, destruction, nationalisation, requisition or enforcement by order of any Government, Power, Municipal, Local or Customs Authority;
  - v. pressure waves caused by aircraft or other aerial devices travelling at sonic or supersonic speeds
  - vi. mould, mildew, fungus or spores of any type, nature or description
  - vii. work, or storage of property, 5 metres or more above floor or ground level
2. It is hereby understood and agreed, that notwithstanding any other war risk or terrorism exclusion that may be in the Policy or any clause limiting or attempting to limit the application of any endorsements to the Policy, this Policy is amended as follows :  
 This Policy does not cover loss, destruction, Damage to property or any claim caused by, resulting from, contributed to or aggravated by any of the following perils, whether such loss, destruction, Damage or cause of a claim is accidental or intentional, intended or unintended, direct or indirect, proximate or remote or in whole or in part caused by, contributed to or aggravated by any perils insured by the Policy:
  - i. war, hostile or warlike action in time of peace or war (whether or not declared) including action in hindering, combating or defending against an actual, impending or expected attack :
    - a) by government or sovereign power (de jure or de facto) or by any authority maintaining or using military, naval or air forces, or any other armed forces or militia; or
    - b) by military, naval or air forces, or any other armed forces or militia; or
    - c) by an agent of any such government, power, authority or force
  - ii. any weapon of war employing nuclear or radioactive force or contamination whether in time of peace or war (whether or not declared), whether or not its discharge was accidental;

- iii. insurrection, rebellion, revolution, civil war, usurped power, or action taken by government authority in hindering, combating, or defending against such an occurrence, seizure or destruction;
- iv. any act of one or more persons, whether known or unknown and whether or not agents of a sovereign power, for the purposes of Terrorism;
- v. hijacking or any unlawful seizure or wrongful exercise or control of any mode of transportation, including but not limited to aircraft, watercraft, truck(s), train(s) or automobile(s), including any attempted seizure of control, made by any person or persons
- vi. riot civil commotion in Northern Ireland Such loss, destruction or Damage is excluded regardless of any other cause, event or intervention that contributes concurrently or in any sequence to the loss, destruction or Damage

Solely for the purposes of this Exclusion, Terrorism means the use or threatened use of any unlawful means, including the use of force or violence against any person(s) or property (ies), for the actual or apparent purpose of intimidating, coercing, punishing or affecting society or some portion of society or government

In any action suit or other proceedings where the Insurer alleges that by reason of this definition any loss destruction or Damage is not covered by The Policy the burden of proving that such loss destruction or Damage is covered shall be upon the Insured.  
 All other terms, conditions and exclusions of the Policy remain unchanged.