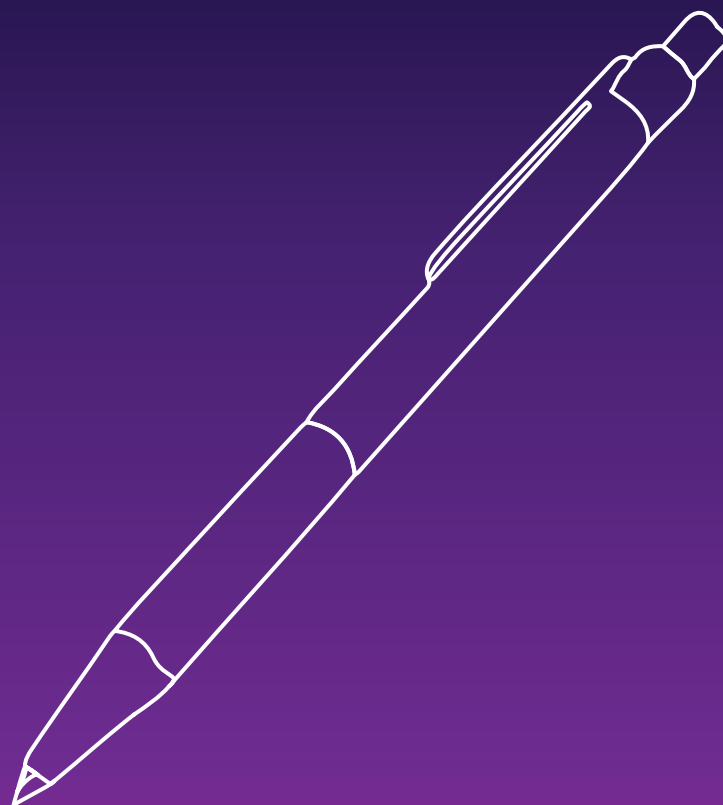


PROFESSIONAL INDEMNITY
(INFORMATION TECHNOLOGY)
POLICY BOOKLET



PROFESSIONAL INDEMNITY
COVER FOR THE INFORMATION
TECHNOLOGY BUSINESS

Page

What is in this Booklet

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Definitions

Titles and Headings in this Policy are descriptive only and are used solely for convenience of reference and will not be deemed in any way to limit or affect the provisions to which they relate.

Any words or expressions in the Policy which have a specific meaning appear in bold print and have the same meaning whenever they appear in the Policy (whether expressed in the singular or in the plural, male, female or neutral) unless expressly stated otherwise.

Breach of contract

will mean breach of a written contract to design, produce or supply IT services or Deliverables.

Circumstance

means any circumstance, incident, occurrence, fact, matter, act, omission, state of affairs or event which is likely to give rise to a claim against You or a claim by You under the Policy.

Claim

a written demand for financial compensation from You in consequence of an alleged breach of contract or breach of professional duty on the part of You which gives rise to a third party loss.

Compensatory damages

will mean compensatory awards or settlements.

Computer system

will mean any computer, data processing equipment, media or part thereof, or system of data storage and retrieval, or communications system, network, protocol or part thereof, or any computer software (including but not limited to application software, operating systems, runtime environments or compilers), firmware or microcode, or any electronic documents utilised in the ownership, security and management of Your electronic communications system, world-wide website, internet site, intranet site, extranet site or web address(es).

Defence costs and expenses

will mean all costs and expenses incurred, with Our prior consent, in the investigation, defence and settlement of any Claim or any Circumstance first notified during the Period of insurance. It does not include Your own costs and expenses.

Deliverables

will mean any hardware, firmware, peripherals, software, cabling or electronic equipment.

Documents

will mean digitised data, information recorded or stored in a format for use with a computer, microcode, deeds, wills, agreements, maps, plans, records, written or printed books, letters, certificates, written or printed documents or forms of any nature whatsoever (excluding any bearer bonds or coupons, bank or currency notes, share certificates, stamps or other negotiable paper).

Employee

will mean:

- a** any person employed by You under a contract of service, training or apprenticeship; and
- b** any voluntary worker; and
- c** any locum, seasonal or temporary personnel; and
- d** any self-employed person or entity acting as a freelance consultant;

but only if such person or entity is working under Your direction, control and supervision.

Excess

will mean the first amount as specified in Endorsement 1 payable by You in respect of each and every Claim after the application of all terms and conditions of this policy. The Indemnity limit is additional to the Excess. The Excess is not applicable to Defence costs and expenses.

Financially associated person or entity

will mean:

- a** any business controlled or managed by You or in which You have an executive interest;
- b** any company in which You directly or indirectly own or control more than 15% of the issued share capital;
- c** any person having an executive or managerial role in Your firm or who would be considered to be a shadow director (as defined in s.251 of the Insolvency Act 1986);
- d** any company that directly or indirectly owns or controls any of the issued share capital of Your firm or any of whose issued share capital is directly or indirectly owned or controlled by any other company or person who directly or indirectly owns or controls any of the issued share capital

Indemnity limit

will mean Our total liability to pay Compensatory damages, claimant's costs, fees and expenses and will not exceed:

- a** with regard to Insuring Clause 2, for Claims arising directly or indirectly from any dishonest, fraudulent or malicious acts or omissions of any former or present Employees or sub-contractors the sum stated in Endorsement 1 inclusive of Defence costs and expenses in respect of any one Claim and in total for all Claims first made during the Period of insurance;

b in all other cases (except where specific sums are stated in the Insuring Clauses of the Policy) the sum(s) stated in Endorsement 1 in respect of any one Claim.

If more than one person is entitled to an indemnity under the terms of this Policy then Our total liability to all such persons will not exceed the Indemnity limit. For the avoidance of doubt, Our total liability to indemnify You under the Insuring Clauses and Extensions will not exceed the sum stated in Endorsement 1.

IT services

will mean any services provided in the ordinary course of Your business including but not limited to data processing, data warehousing, domain name registration, the provision of outsourced services, systems analysis and design, telecommunications and data services, maintenance, website design, web hosting services.

Jurisdiction

will be Worldwide but excluding the United States of America (including its territories and/or possessions) and Canada.

Liquidated damages

will mean a sum of money or formula used to determine a genuine pre-estimate of loss and damage attributable to a specified Breach of contract (above any Excess stated in Endorsement 1) on the part of You, provided that at the time the sum or formula was created and agreed between the parties to the contract the liquidated damages agreement represented a fair, reasonable and justifiable reflection of loss occasioned by a breach. Such sum of money or formula cannot be above any amount that would be recoverable had the Claim been made and determined as a common law Claim for Breach of contract.

Multimedia activities

will mean publishing, broadcasting, communications or any other dissemination of data, text, sounds, images or similar content, acts committed in the process of researching, investigating, gathering, acquiring, obtaining, preparing, compiling, or producing data, text, sounds, images or similar content, or the licensing, syndication, serialisation, distribution, sale or lease of data, text, sounds, images or similar content.

Notification costs

will mean the reasonable and necessary costs incurred by You to draft, send and administer notification communications to those whose data You can show has been stolen or misplaced.

Period of insurance

will mean that as stated in the Professionals Policy Schedule.

Professional business

is the business of Yours as stated in the Professionals Policy Schedule including Multimedia activities.

Virus

will mean any unauthorised executable code uploaded to, or replicated through, a Computer system or network whether termed a virus or known by any other name and whether it is self-replicating or non-replicating which causes damage or loss to data or the Computer system.

We/Us/Our

U K Insurance Limited and/or such other authorised Insurer as U K Insurance Limited may contract to underwrite any part of this Policy.

You/Your/Yours

means any person or firm stated in the Professional Policy Schedule and includes:

- 1** any of their subsidiary companies that are in existence at the inception of this Section and have been declared to Us;
- 2** the current or previous partners, directors, principals, members or Employee of any firm or company stated in the Schedule; and
- 3** any other person who becomes a partner, director, principal, member or Employee of any firm or company stated in the Schedule.

Insuring Clauses

In consideration of the premium having been paid to Us, You are indemnified as follows:

1 Indemnity

Up to the Indemnity limit for any Claim first made against You during the Period of insurance for which You are allegedly liable to pay Compensatory damages (including claimant's costs and expenses) and arising out of the ordinary course of the Professional business within the geographical limits stated in Endorsement 1, in consequence of:

- a** Breach of contract to design or supply Deliverables or provide IT services including indemnity for Liquidated damages;
- b** breach of professional duty, negligent act, negligent error, negligent omission, negligent misstatement or negligent misrepresentation;
- c** the failure to protect against unauthorised access to, unauthorised use of, or a denial of service attack against Your Computer system;
- d** transmission of a Virus;
- e** defamation or other tort related to disparagement of character, reputation or feelings of any person or organisation including libel, slander, product;
- f** disparagement and malicious falsehood;
- g** breach of confidentiality or other invasion, misuse of private information, infringement or interference with rights of privacy or publicity including false light and the disclosure of private facts including misuse of any information which is either confidential or subject to statutory restrictions;
- h** infringement of intellectual property rights including copyright, title, slogan, trademark, trade name, trade secret, domain name or metatag, moral rights, misappropriation of formats, characters, trade names, character names, titles, plots, musical compositions, voices, slogans, graphic material or artwork, passing off and plagiarism and commercial appropriation of name or likeness;
- i** the misplacement of or damage to Documents;
- j** any other civil liability not otherwise excluded.

2 Dishonesty

Up to the Indemnity limit for any Claim first made against You during the Period of insurance for which You are allegedly liable to pay Compensatory damages (including claimant's costs and expenses) and arising out of the ordinary course of the Professional business within the territorial limits stated in Endorsement 1, as a consequence of dishonest, fraudulent or malicious act or omission of any former or present Employee (which for the avoidance of doubt for the purpose of this insuring clause does not include any principal, partner, member or director of Yours).

3 Data protection defence costs

Up to a maximum of £250,000 in the aggregate in the Period of insurance, in respect of legal costs and expenses incurred with Our prior written consent in the defence of any criminal proceedings brought against You during the Period of insurance under The Data Protection Act 2018 or amending or superseding legislation provided always that:

- a** the act, error or omission giving rise to the proceedings will have been committed by You in the ordinary course of the Professional business;
- b** We will be entitled to appoint solicitors and counsel to act on Your behalf;
- c** We will have no liability to pay costs incurred subsequent to a plea or finding of guilt on Your part, or in the event that counsel should advise that there are no reasonable prospects of successfully defending the proceedings, except for costs incurred solely for the purpose of making a plea in mitigation before sentencing or costs incurred in making an appeal if counsel will advise that the prospects of a successful appeal following a finding of guilt are reasonable;

4 Reputation management

Following a Claim under Insuring Clauses 1 or 2 for all reasonable costs incurred with Our prior written consent (not to be unreasonably withheld) for a public relations and/or crisis management consultant to avert or mitigate any material damage to Your business reputation.

5 Costs for prosecuting infringement of Your intellectual property rights

Up to a maximum of £25,000 in the aggregate in the Period of insurance, for claims first made by You during the Period of insurance for reasonable and necessary costs and expenses incurred with Our prior consent in prosecuting any claim for infringement of intellectual property rights first discovered during the Period of insurance where the ownership of such rights is vested in You.

For the purposes of this Insuring Clause We will only give prior consent where You have provided, at Your own expense, an opinion from a solicitor, barrister or suitably qualified intellectual property agent evidencing the existence of Your intellectual property rights, the infringement of those rights, a measurable loss and a reasonable prospect of success.

6 Irrecoverable fees

Up to the Indemnity Limit for amounts owed to You, including amounts legally owed by You to sub-contractors or suppliers, due to the refusal of Your client to pay for work done by You for them where such client has reasonable grounds for being dissatisfied with the work and threatens to bring a claim for more than the amount owed, and which would otherwise be covered under Insuring Clause 1, provided that such threat is first made against You and notified to Us during the Period of insurance. In such circumstances, if it is possible to settle the dispute by agreeing not to pursue the outstanding amount, We will agree to pay the amount owed if they consider that it will avoid a legitimate claim under Insuring Clause 1 for a greater amount. If, following this, a claim under Insuring Clause 1 still arises then the amount paid under this section will be deducted from the Indemnity limit. If You eventually recover part or all of the debt then such recovered amount will be repaid to Us less Your reasonable expenses of recovering the debt due.

7 Costs for representation

Up to a maximum of £ 250,000 in the aggregate in the Period of insurance for all reasonable and necessary legal costs incurred by You with Our prior written consent for representation at any inquiry or other proceeding which has, in Our sole opinion, a direct relevance to any Claim, Circumstance or event which could form the subject of indemnity under this Section. For the avoidance of doubt Costs for Representation cover does not apply to Insuring Clause 5.

For the avoidance of doubt the indemnity provided under Insuring Clauses 3, 5, and 7 and Extensions 5 and 6 is not additional to and will not increase the Indemnity limit.

Extensions

In respect of indemnity provided under Insuring Clause 1 and subject otherwise to Policy terms and conditions the following extensions of cover apply:

1 Joint ventures

You are indemnified up to the Indemnity limit for any Claim or Circumstance arising from the Professional business carried out by or in the name of any joint venture or any other profit-sharing arrangement but only in respect of the acts or omissions of You;

2 Indemnity to principals

If You so request, We will indemnify any Principal with whom You have entered into an agreement as far as is necessary to meet the requirements of such agreement but only in respect of liability incurred to independent third parties arising directly from the Professional business services performed by You and subject always to the terms and conditions of this Policy;

3 Mergers and acquisitions

If during the Period of Insurance You:

- a** purchase assets or acquire liabilities from another entity in an amount no greater than 10% of Your assets as listed in Your most recent financial statement; or
- b** acquire another entity whose annual revenues are no more than 10% of Your annual revenues for Your last completed financial year; and there is no material deviation to Your Professional business; and
- c** prior to the acquisition of the acquired company neither You nor the acquired company are aware of any professional indemnity claims or circumstances that could give rise to a claim;

then this Policy will automatically include such entity as You but only in respect of any act or omission occurring on or after the date of merger or acquisition unless otherwise agreed by Us;

4 Sub-contractors

Where You have engaged a third party under a written contract to provide IT Services under Your supervision, We will indemnify You for any Claim brought as a result of the subcontractors work undertaken on Your behalf to the extent that You have not waived or otherwise impaired any rights of recourse against said sub-contractors;

5 Notification costs

Up to a maximum of £250,000 in the aggregate in the Period of insurance with Our prior consent;

6 Compensation for court attendance

In the event of any of the persons stated below attending court as a witness at the request of Us in connection with a Claim in respect of which You are entitled to indemnity under these sections We will provide compensation to You at the following rates per day for each day on which attendance is required:

- a** any director or partner of Yours: £500;
- b** any Employee of Yours: £250;

7 Legal defence costs and expenses

We will pay in addition to any indemnity under Insuring Clause 1, all Defence costs and expenses provided that:

- a** if the amount paid or agreed to be paid by or on behalf of You to dispose of a claim exceeds the Indemnity limit We will only be liable for that proportion of the Defence costs and expenses which the Indemnity limit bears to the amount paid or agreed to be paid;
- b** in the event that We elect to make a payment to You pursuant to Notification and Claims Condition 2.2 then We will have no liability to pay Defence costs and expenses incurred after the date upon which such payment is made.

Exclusions

These Exclusions set out what is not covered under this Policy.

We will not be liable to indemnify You against any Claim or direct financial loss suffered by You:

1 Asbestos

arising directly or indirectly out of or resulting from or in consequence of or in any way involving asbestos or any materials containing asbestos in whatever form or quantity;

2 Bodily injury/property damage

for bodily injury, sickness, disease, psychological injury, emotional distress, nervous shock or death sustained by any person or any loss, damage or destruction of property unless such Claim arises directly from any designs, plans, specification, formulae, directions or advice provided in any IT services or Deliverables;

3 Claims or Circumstances known at inception

arising directly or indirectly from any claim or Circumstance of which You were, or ought reasonably to have been, aware prior to inception of this Policy, whether notified under any other insurance or not;

4 Commercial disputes

arising from any commercial dispute between You and Your business partners or business associates, including but not limited to any reseller, distributor, original equipment manufacturer, third- party sales agent, systems integrator, or joint venture partner, but only to the extent such a Claim is based upon:

- a** commission or royalty, or any other term upon which such partner or associate is to be compensated in connection with doing business with You, or any compensation or remuneration promised or owed by You pursuant to those terms; or
- b** Your decision to cease doing business with such a partner or associate;

5 Costs and Expenses incurred without prior consent

for costs and expenses incurred without Our prior consent;

6 Deliberate acts

arising directly or indirectly from any deliberate or reckless breach, act, omission, or infringement committed, condoned or ignored by You (unless covered under Insuring Clause 2.) For the avoidance of doubt no indemnity will be given under Insuring Clause 2 in the event that any principal, partner, member or director of Yours conspired to commit or condoned any such dishonest, fraudulent or malicious act or omission;

7 Financially associated persons or entities

made against You by any Financially associated person or entity whether alone or jointly with any other person or entity. However, this exclusion will not apply to any claim brought against such Financially associated person or entity by an independent third party which would, but for this exclusion, be covered by this Policy;

8 Financial advice

arising directly or indirectly from any investment, the provision of any finance or other financial advice;

9 Fines and penalties

for penalties, fines, multiple, exemplary, or other non-compensatory damages awarded other than in actions brought for libel, slander or defamation as far as they are covered by this Policy;

10 Gaming, gambling or lotteries

arising directly or indirectly from the use or provision of any gaming, gambling or lotteries unless a Claim arises directly from IT Services;

11 Insolvency/bankruptcy of You

arising out of or relating directly or indirectly to the liquidation, receivership or bankruptcy of You;

12 Legal action

in respect of an action for Compensatory damages:

- a** brought outside the Jurisdiction (including the enforcement within the Jurisdiction of a judgment or finding of another court or tribunal that is not within the Jurisdiction);
- b** in which it is contended that the governing law is outside the Jurisdiction;
- c** brought outside the Jurisdiction to enforce a judgment or finding of a court or other tribunal in any other jurisdiction;

13 Loss, damage or destruction of bearer bonds or coupons

arising from the loss, damage or destruction of any bearer bonds, coupons, bank or currency notes, share certificates, stamps or other negotiable paper;

14 Obscenity

arising from any obscenity, blasphemy or pornographic material;

15 Other appointments

made against You in the capacity of:

- a** director or officer of You or of any other company or arising out of the management of You or of any other company; or
- b** trustee of any trust or as officer or employee of any pension fund or any other employee benefit scheme, whether for the benefit of members or Employees of You or otherwise;

16 Patents

notwithstanding Insuring Clause 1h), arising directly or indirectly from the infringement of any patent;

17 Radioactive contamination or explosive nuclear assemblies

directly or indirectly related to, caused by or contributed to, by or arising from:

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

18 Recall costs

arising from the costs and expenses incurred in the recall, repair, and replacement of any Deliverables or the refund of any money paid to a third party in connection with the recall of any Deliverables;

19 Retroactive date

made by or against or incurred by You arising from any act or omission or originating cause that occurred prior to the Retroactive date stated in Endorsement 1;

20 Seepage and pollution

based upon, arising out of or relating directly or indirectly to, in consequence of or in any way involving seepage, pollution or contamination of any kind;

21 Takeover or merger

arising directly or indirectly by reason of acts, errors or omissions committed by You after the date of its merger with or acquisition by another entity unless otherwise agreed by Us;

22 Third party defect

arising directly or indirectly from any defect in any Deliverable supplied by a third party. However, this exclusion does not apply to any amount you satisfy us that you are legally able to recover under a written contract;

23 Trading losses

arising out of:

- a** any trading loss or trading liability incurred by any business managed or carried on by You (including the loss of any client account or business);
- b** loss caused by You in consequence of a share or asset sale to any prospective purchaser, associated business, merger partner, joint venture partner or similar because of any misstatement or misrepresentation made by You;
- c** the actual or alleged over-charging or improper receipt of fees by You;

24 Utility provider

arising out of the failure of the service provided by an internet service provider, any telecommunications provider or other utility provider;

25 Virus

arising directly or indirectly from any Virus provided that this exclusion will not apply in respect of any Claim made by an independent third party as a result of the unintentional transmission of a Virus;

26 War and Terrorism

arising directly or indirectly out of, happening through or in consequence of, war, invasion, acts of foreign or terrorist enemies (including but not limited to political and religious), hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

Matters Insurable Elsewhere

27 Employee benefit schemes / stocks and shares

arising directly or indirectly from the operation or administration of any pension or other employee benefit scheme or trust fund, or the sale or purchase or dealing in any stocks, shares or securities or the misuse of any information relating to them or the breach of any related legislation or regulation;

28 Employers liability

arising directly or indirectly from bodily injury, sickness, disease, psychological injury, emotional distress, nervous shock or death sustained by any Employee arising out of or in the course of their employment by You, or for any breach of any obligation owed by You as an employer to any partner, principal, director, member or Employee or applicant for employment;

29 Land, buildings, aircraft, watercraft or vehicles

arising directly or indirectly from the ownership, possession or use by You or on Your behalf of any land, buildings, aircraft, watercraft, vessel or mechanically propelled vehicle;

30 Other insurance

in respect of which You are or but for the existence of this Policy would be entitled to indemnity under any other insurance except in respect of any excess beyond the amount which is payable under such other insurance;

31 Claims by Employees

made against You by any present or former Employee.

Notification and Claims Conditions

1 Claim/circumstance notification

As conditions precedent to Your right to be indemnified under this Policy You:

1.1 will inform Us as soon as possible and in any event within 28 days of the receipt, awareness or discovery during the Period of insurance of:

- a** any Claim made against You;
- b** any notice of intention of a Claim against You;
- c** any Circumstance;
- d** the discovery of reasonable cause for suspicion of dishonesty or fraud;

Such notice having been given as required in b, c or d above, any subsequent Claim made will be deemed to have been made during the Period of insurance;

1.2 will not, in respect of any the matters specified in 1.1 a) to 1.1 d) above, admit liability, make any offer for or settle any claim, or incur any costs or expenses in connection with any such claim or Circumstance, without Our prior written consent; and

1.3 will, as soon as practicable given the circumstances, give all such information and assistance as We may require and provide Your full co-operation in the defence or settlement of any such Claim or relating to the recovery or subrogation process of any settled Claim;

1.4 will not destroy evidence, supporting information or documentation without Our prior consent; nor destroy any Deliverables or other property relating to a Claim under this Policy;

Every letter of claim, writ, summons or process and all documents relating thereto and any other written notification of claim will be forwarded, unanswered, to Us immediately they are received. You will at all times, in addition to Your obligations set out above, afford such information to and co-operate with Us to allow Us to be able to comply with such relevant Practice Directions and Pre-Action Protocols as may be issued and approved from time to time by the Head of Civil Justice.

2 Conduct of Claims

2.1 following notification under condition 1 above We will be entitled at Our own expense to take over and within Our sole discretion to conduct in Your name the defence and settlement of any such Claim Nevertheless neither You nor We will be required to contest any legal proceedings unless a Queens Counsel (to be mutually agreed upon by You and Us) will advise that such proceedings should be contested;

2.2 We may at any time in connection with any Claim made, pay to You the Indemnity limit (after deduction of any sums already paid) or any lesser sum for which, in Our sole opinion, the Claim can be settled and upon such payment being made We will relinquish the conduct and control of and have no further liability in connection with the Claim. For the avoidance of doubt We will have no liability to pay Defence costs and expenses incurred after the date upon which any such payment is made;

2.3 You will pay the relevant Excess and We will only make a payment under this Policy after the applicable Excess has been fully paid other than in relation to a payment being made under 2.2 above.

3 Multiple Claims from a single source

All Claims and Circumstances which arise from the same original cause or event, a single source or a repeated or continuing problem in your work will be treated as a single Claim or Circumstance regardless of the number of persons claiming indemnity. This includes such Claims and Circumstances arising after, as well as during, the Period of insurance.

General Conditions

1 Cancellation

- a** We may cancel the Policy by sending 14 days' written notice to Your last known address. We will refund any premium paid for the remaining Period of Insurance as long as You have not notified any Circumstance or made any claim under the Policy up to the date of cancellation.
- b** If, after buying Your policy, You decide that the cover does not meet Your needs please return all your documents within 14 days of receiving them or of the start date of the policy (whichever is later) to Your broker, intermediary or agent who arranged the Policy and We will refund any premium You have paid, providing that You have not notified any Circumstance or made any claim under the Policy up to the date of cancellation. If you cancel Your policy after that time we will refund any premium paid for the remaining Period of insurance on a pro rata basis, providing that You have not made any Claim or are aware of any Circumstance during the current Period of insurance.

2 Dishonest or fraudulent act or omission

In the event of a loss or Claim which involves the dishonest, fraudulent or malicious act or omission of any former or present Employee You will take all reasonable action (including legal proceedings) to obtain reimbursement from the Employee concerned (and from any Employee who may have conspired to commit or have condoned such act or omission) or from the estate or legal representatives of such Employee. Any monies which but for such dishonest, fraudulent or malicious act or omission would be due to such Employee from You or any monies held by You for such Employee will be deducted from any amount payable under this Policy.

3 Fraudulent claims

In the event of any claim under the Policy being submitted which in any respect is intentionally exaggerated or fraudulent or if any fraudulent means or devices are used by You or anyone acting on Your behalf to obtain benefit under this Policy, We:

- a** will not be liable to pay the claim;
- b** may recover from You any sums paid by Us to You in respect of the claim; and
- c** may (despite the references to notice period and the refunding of premiums in General Condition 1 Cancellation by us) by notice to You at Your last known address treat this Policy as having been cancelled with effect from the time of the fraudulent act and may:
 - i** refuse all liability to You under this Policy in respect of any event that gives rise to Our liability occurring after the time of the fraudulent act; and
 - ii** retain any premiums paid under this Policy.

4 Invalidity

If any provision of this Policy is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable this will not affect the other provisions of this Policy which will remain in full force and effect.

5 Fair Presentation of the Risk

- a** You have a duty to make to Us a fair presentation of the risk before:
 - i** the inception of this Policy;
 - ii** an alteration made to this Policy, concerning changes in the risk which are relevant to the proposed alteration; and
 - iii** the renewal of this Policy; and
- b** In the event of a breach of such duty, if the breach is:
 - i** deliberate or reckless, We may:
 - a** in relation to an alteration made to this Policy, (despite the references to notice period and the refunding of premiums in General Condition 1) by notice to You at Your last known address treat this Policy as cancelled with effect from the time when the alteration was made and retain any premiums paid;
 - b** in relation to inception or renewal of this Policy, avoid this Policy and refuse all claims and retain any premiums paid;
 - ii** neither deliberate nor reckless and We would not have:
 - a** in relation to an alteration made to this Policy, agreed to the alteration on any terms, We may treat this Policy as if the alteration was never made, but in that event We:
 - i** will return any extra premium paid; or
 - ii** may (where the total premium was reduced as a result of the alteration), reduce proportionately the amount to be paid on a claim arising out of events after the alteration. We will pay on such claim a percentage of what We would otherwise have been liable to pay (whether on the original terms, or as varied), based on the total premium actually charged compared to the original premium charged; or
 - b** entered into this Policy on any terms, We may avoid this Policy and refuse all claims but will return any premiums paid; or

- iii** neither deliberate nor reckless and We:
- a** would have entered into this Policy or agreed to the alteration made to this Policy, but on different terms (other than terms relating to the premium), this Policy or the alteration (as applicable) will be treated as if it had been entered into on those different terms if We require; and
 - b** in respect of an alteration made to this Policy:
 - i** would have agreed to the alteration, but would have charged an increased premium by more than We did or (in the case of an unchanged premium) would have increased the premium, We may reduce proportionately the amount to be paid on a claim arising out of events after the alteration. We will pay on such claim a percentage of what We would otherwise have been liable to pay (whether on the original terms, or as varied, or under the different terms provided for by virtue of item b iii a above), based on the total premium actually charged compared to the premium that We would have charged;
 - ii** (where the total premium was reduced as a result of the alteration), would have agreed to the alteration and We would have increased the premium, would not have reduced the premium, or would have reduced it by less than We did, We may reduce proportionately the amount to be paid on a claim arising out of events after the alteration.

We will pay on such claim a percentage of what We would otherwise have been liable to pay (whether on the original terms, or as varied, or under the different terms provided for by virtue of item b iii a above), based on the total premium actually charged compared to the original premium if We would not have changed it, and otherwise the increased or (as the case may be) reduced total premium We would have charged.

- c** would have entered into this Policy (whether the terms relating to matters other than the premium would have been the same or different), but would have charged a higher premium, We may reduce proportionately the amount to be paid on a claim. We will pay on such claim a percentage of what We would otherwise have been liable to pay (making provision for any different terms referred to in item b iii a above), based on the premium actually charged compared to the higher premium.

- c** We will be entitled to vary the premium and any terms in respect of any ongoing acceptance of cover (where agreed by Us), in relation to a breach of the duty to make to Us a fair presentation of the risk.

6 Notices

Notice will be deemed to be duly received in the course of post if sent by pre-paid letter post properly addressed to:

- a** in the case of You, to Your last known address;
- b** in the case of Us, to U K Insurance Limited and/or such other authorised Insurer as U K Insurance Limited may contract to underwrite any part of this Policy.

7 Other parties

You and We are the only parties to this contract and no other person has any rights to enforce any term of this Policy.

8 Policy construction and disputes

Any phrase or word in this Policy, the Professionals Policy Schedule and Endorsement 1 will be interpreted in accordance with the laws of England and Wales. They will be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this Policy the Professionals Policy Schedule or Endorsement 1 will bear such specific meaning wherever it may appear. Any dispute concerning the interpretation of the terms, conditions or exclusions contained herein is understood and agreed by both You and Us to be subject to the laws of England and Wales. Each party agrees to refer any such dispute to a mediator to be agreed between You and Us within 14 working days of any dispute arising under the Policy. If a mediator is not agreed then either party may apply to the Centre for Effective Dispute Resolution (CEDR) for the appointment of a mediator. The parties agree to share equally the costs of CEDR and of the mediator and that the reference of the dispute to mediation will be conducted in confidence.

You and We agree to perform their respective continuing obligations under this Policy while the dispute is resolved unless the nature of the dispute prevents such continued performance of those obligations. If any such dispute is not resolved by mediation or You and We cannot agree upon the appointment of a mediator or the form that the mediation will take the dispute will be submitted to the jurisdiction of any court of competent jurisdiction within England and Wales and each party agrees to comply with all requirements necessary to give such court jurisdiction.

9 Reasonable steps to avoid Loss

Without prejudice to the Notification and Claim Conditions in this Policy, You will take all reasonable steps before entering into a contract for IT Services or Deliverables to:

- a** avoid or mitigate any consequential or pure economic loss;
- b** to ensure that You could provide the required level and quantity of IT Services and Deliverables using the resources available to You, and capable of performing the contract in accordance with the terms and conditions;
- c** not restrict recovery rights with any third party with whom a contract is entered;
- d** will adhere to any legal advice received.

You will protect Your Computer system by:

- a** having Virus protection software operating in place which is running, correctly configured and regularly or automatically updated;
- b** having a fire wall or similar configured device to control access to Your Computer system;
- c** encrypting and controlling the access to Your Computer system and external devices including plug-in devices networked to Your Computer system;
- d** controlling unauthorised access to Your Computer system by correctly configuring its wireless network;
- e** changing all passwords on information and communication assets at least every 60 days and cancel any username, password or other security protection after You knew or had reasonable grounds to suspect that it had been available to any unauthorised person;
- f** taking regular back-up copies of any data, file or program on its Computer system;
- g** having an operational system for logging and monitoring user activity on its Computer system.

10 Subscribing Insurer

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

11 Waiver of subrogation against Employees

We will not exercise any right of subrogation against any former or present Employee, unless We will have made a payment caused or contributed to by any act or omission of the Employee or former Employee which was dishonest, fraudulent or malicious or the Employee or former Employee conspired to commit or condoned any such dishonest, fraudulent or malicious act or omission.

12 International Sanctions

We will not provide cover, be liable to pay any claim or provide any benefit if to do so would expose Us (or any parent company, direct or indirect holding company of Us) to any penalty or restriction (including extraterritorial penalties or restrictions so far as such do not contradict laws applicable to Us), arising out of any trade and economic sanctions laws or regulations which are applicable to it.

13 Assignment

This policy of insurance (including any benefits it confers provides) are not assignable to any third party without the express approval of Us confirmed in writing by Us.

14 Change of control

We will not provide cover, be liable to pay any claim or provide any benefit if to do so would expose Us (or any parent company, direct or indirect holding company of Us) to any penalty or restriction (including extraterritorial penalties or restrictions so far as such do not contradict laws applicable to Us), arising out of any trade and economic sanctions laws or regulations which are applicable to it. In the event that You merge into or consolidate with or sell all or substantially all of Your assets or shares to a third party (whether a company, corporation or any other legal entity or person) or there is any acquisition of more than fifty percent (50%) of Your voting share capital by a third party (whether a company, corporation or any other legal entity or person) You will give written notice of such event prior to its execution. Upon receipt of such notice, We may at Our absolute discretion agree to the continuation of the policy of insurance, to be confirmed by way of a written endorsement to the policy. In the absence of such agreement and/or if notice is not forthcoming as required under this General Condition 14 – Change of control, the cover provided by this policy of insurance will cease with immediate effect at the date of the change of control.

For the avoidance of doubt, You will not be entitled to an indemnity in respect of any claims made under this policy of insurance where notification of the claim occurs after a change in control (as referred to in this General Condition 14 – Change of control) where the change of control was not reported to Us and approved in accordance with this General Condition 14.

15 Choice of Law

You and We may choose which law will apply to this contract. English Law will apply unless both parties agree otherwise. We have supplied this Agreement and other information to You in English and We will continue to communicate with You in English.

Important Information

How to make a claim

Please contact, in the first instance, the broker, intermediary or agent who arranged the Policy. Please quote Your Policy number.

Professional Indemnity Claims are managed in partnership with HCC International.

To make a claim, email nigclaims@tmhcc.com

How to complain

If you have an enquiry or complaint arising from your Policy, please contact the broker, intermediary or agent who arranged the Policy for you. If the broker is unable to resolve your complaint or it is regarding the terms and conditions of the Policy they will refer it to NIG.

If your complaint is still outstanding you can write to NIG direct at the following address, quoting your policy number.

The Chief Executive,
NIG
Churchill Court
Westmoreland Road
Bromley BR1 1DP

Once you receive a written response and if you remain dissatisfied, you may refer your complaint to the Financial Ombudsman Service (FOS). Their address is:

The Financial Ombudsman Service
Exchange Tower, London E14 9SR

Telephone: **0800 023 4567** or **0300 123 9123**

Details about our Regulator

U K Insurance Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under registration number 202810. The Financial Conduct Authority website, which includes a register of all regulated firms, can be visited at www.fca.org.uk, or the Financial Conduct Authority can be contacted on **0800 111 6768**.

Whoever you are contacting, please always quote your Policy Number as it will help your enquiry or complaint be dealt with promptly.

Details of Financial Services Compensation Scheme

Under the Financial Services and Markets Act 2000, should the company be unable to meet all its liabilities to policyholders, compensation may be available. Insurance advising and arranging is covered for 90% of the claim without any upper limit. For compulsory classes of insurance, insurance advising and arranging is covered for 100% of the claim, without any upper limit. Information can be obtained on request, or by visiting the Financial Services Compensation Scheme website www.fscs.org.uk.

U K Insurance Limited is a member of this scheme.

