



STEPHEN LOWER INSURANCE SERVICES LTD

Directors' and Officers' Liability for Residents' Management Companies & Residents' Associations

Policy document

Arranged by Stephen Lower Insurance Services Ltd

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Document Reference:
SL-D&O_PW(Axis)

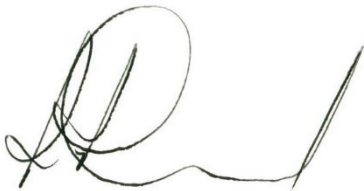
Version:
2507.01
SLIS 17

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Insurance Services Limited

A warm welcome to Stephen Lower Insurance Services Ltd

Thank **you** for taking out **your** Directors' and Officers' Liability policy with **us** – and welcome to Stephen Lower Insurance Services Ltd. Stephen Lower Insurance Services Ltd has been arranging Property Owners and associated insurances since 1990.

As acknowledged experts within this area, the Stephen Lower team combine knowledgeable and experienced Underwriters with dedicated and conscientious Claims Managers, to provide an unparalleled level of service to both policy holders and brokers alike.

A handwritten signature in black ink, appearing to read 'P. M. Plews', with a stylized flourish at the end.

Patrick M Plews
Director

www.stephenlower.co.uk

Directors' and Officers' Liability policy

This is **your** Directors' and Officers' Liability policy. It sets out the details of **your** insurance contract with **us**.

This policy and any schedule, endorsement and certificate should be read as if they were one document.

We will insure **you** under those sections shown in the schedule during any **period of insurance** for which **we** have accepted **your** premium and in accordance with the terms and conditions contained in or endorsed on this policy. **Our** liability will in no case exceed the amount of any sum insured or limit of indemnity stated in this policy, the schedule or any endorsement to this policy.

Any reference to the singular will include the plural and vice versa.

Any reference to any statute or statutory instrument will include any modifications or re-enactment.

Any heading in this policy is for ease of reference only and does not affect its interpretation.

Please read the whole document carefully and keep it in a safe place. **You** should take the time to read all its terms, especially the conditions which **you** have to fulfil to ensure **your** insurance remains valid and what **you** have to do when making a claim.

It is important that **you**:

- check that the sections **you** have requested are included in the schedule;
- check that the information **you** have given **us** is accurate;
- comply with **your** duties under each section and under the insurance as a whole.

If this policy does not meet **your** requirements, or if **your** requirements change, **you** should contact **your** insurance agent at **your** earliest opportunity.

How to cancel your policy

You have a statutory right to cancel **your** policy within 14 days from the day of purchase or renewal of the contract or the day on which **you** receive **your** policy or the renewal documentation, whichever is the later.

If **you** wish to cancel and the insurance cover has not yet commenced, **you** will be entitled to a full refund of the premium paid. Alternatively, if **you** wish to cancel and the insurance cover has already commenced, provided **you** have not made a claim, **you** will be entitled to a refund of the premium paid, less a proportional deduction for the time **we** have provided cover.

If **you** do not exercise **your** right to cancel **your** policy, it will continue in force and **you** will be required to pay the premium.

For cancellation outside of this statutory cooling off period **you** can cancel this insurance at any time by contacting Stephen Lower Insurance Services Ltd at 145 New Dover Road, Capel-Le-Ferne, Folkestone, Kent, CT18 7JR, info@stephenlower.co.uk, tel: 01303 241170 or your insurance agent.

If this insurance is cancelled outside the statutory cooling off period, provided **you** have not made a claim and there hasn't been an incident that could give rise to a claim, **you** will be entitled to a refund of any premium paid, less a deduction for any time for which **you** have been covered. This will be calculated on a proportional basis, subject to **our** minimum charge. For example, if **you** have been covered for 6 months, the deduction for the time **you** have been covered will be half the annual premium or the minimum charge, whichever is higher.

If **we** pay any claim, in whole or in part, then no refund of premium will be allowed.

Cancellation – instalment payments

Time is of the essence in relation to **your** payment of the premium. If **you** pay **your** premium by Direct Debit and there is any default in payment, **we** will contact **you** to request payment by a given date, which will be 14 days from the date **we** contact **you**. If payment is still not received by this date, **we** may then cancel this policy. No refund or credit of premium will be due when cancellation takes place in these circumstances.

Cancellation – our rights

We may cancel this policy by giving 30 days' notice (amended to 14 days' notice in respect of e) below) in writing by registered letter to **you** at **your** last known address and in this case **you** will be entitled to a proportionate return of premium in respect of the unexpired term of this policy (other than in circumstances involving 'Fraudulent claims', as described within the Claims Settlement section of this policy).

Reasons **we** may decide to cancel **your** policy include if:

- a) there is a material change in **your business**;
- b) there is reasonable suspicion of fraud or where there has been a deliberate or reckless misrepresentation of material facts and/or other non-disclosure;
- c) **you** do not co-operate or supply information or documentation that **we** request which materially affects our ability to process this policy or **our** ability to defend **our** interests;
- d) following a survey at any of **your** properties or sites **we** have required **you** to make risk improvements and **you** have not completed these within a reasonable period of time advised by **us**;
- e) the first or renewal premium has not been paid within 14 days of the inception or renewal date to Stephen Lower Insurance Services Ltd;

- f) threatening or abusive behaviour or the use of threatening or abusive language, intimidation or bullying of our staff or suppliers;
- g) not exercising **your** duty of care as is required by us. Maintenance and reasonable precautions contained in this policy and failing to put this right when **we** ask **you** by sending **you** 14 days' written notice to **your** last known address.

Where a claim has been made during the current **period of insurance**, the full annual premium will still be payable despite cancellation of cover and **we** reserve the right to deduct this from any claim payment.

Privacy notice

We collect and use relevant information about **you** to provide the insurance cover from which **you** benefit and to meet **our** legal obligations.

This information includes details such as **your** name, address and contact details and any other information that **we** collect in connection with the insurance cover from which **you** benefit. This may include more sensitive details such as information about **your** health and any criminal convictions **you** may have.

In certain circumstances, **we** may need **your** consent to process certain categories of information (including sensitive details such as information about **your** health and any criminal convictions **you** may have). Where **we** need **your** consent, **we** will ask **you** for it separately. **You** do not have to give **your** consent and **you** may withdraw **your** consent at any time. However, if **you** do not give **your** consent, or **you** withdraw **your** consent, this may affect **our** ability to provide the insurance cover from which **you** benefit and may prevent **us** from providing cover for **you** or handling **your** claims.

The way insurance works means that **your** information may be shared with, and used by, a number of third parties in the insurance sector for example, insurers, agents or brokers, reinsurers, loss adjusters, sub-contractors, regulators, law enforcement agencies, fraud and crime prevention and detection agencies and compulsory insurance databases. **We** will only disclose **your** personal information in connection with the insurance cover that **we** provide and to the extent required or permitted by law.

Other people's details you provide to us

Where **you** provide us or **your** agent or broker with details about other people, **you** must provide this notice to them.

Want more details?

For more information about how **we** use **your** personal information, please see **our** full Privacy Notices which are available online as follows:-

Stephen Lower Insurance Services Ltd

<https://www.stephenlower.co.uk/Stephen Lower - General Insurance Privacy Notice – Current Version.pdf>

Axis Specialty London

<https://uatnew.axiscapital.com/londonmarket/privacy-notice/eu-uk-switzerland-privacy-notice>

This information is also available in other formats, upon request.

Contacting us and your rights

You have rights in relation to the information **we** hold about **you**, including the right to access **your** information. If **you** wish to exercise **your** rights, discuss how **we** use **your** information or request a copy of **our** full privacy notice, please contact **us** or the agent or broker that arranged **your** insurance:

AXIS Specialty London:

Address: The Data Protection Officer, AXIS Specialty London, c/o 52 Lime Street, London EC3M 7AF
Email: dpo@axiscapital.com
Phone: 020 7877 3800

Stephen Lower Insurance Services Ltd:

Address: The Operations Director, Stephen Lower Insurance Services Ltd, 145 New Dover Road, Capel-Le-Ferne, Folkestone, Kent CT18 7JR.

Email: data.protection@stephenlower.co.uk

Definitions

Certain words in this policy have special meanings. These meanings are given below or defined at the appropriate place in the policy. To help **you** identify these words in the policy **we** have printed them in blue, bold italicised text throughout such as **this**. The headings to the paragraphs in this policy are for convenience only and do not have any special meaning.

Action

- Breach of duty, breach of trust, breach of warranty of authority, neglect, error, misstatement, misleading statement, wrongful trading or any other wrongful acts or omissions committed or attempted by or allegedly committed or attempted by
- any matter claimed against

any **insured person** whilst acting in this capacity on behalf of the **company**.

Application

Any information and/or statements or materials supplied to **us** by **you**.

Claim

Receipt by any **insured person** or the **company** during the **period of insurance** of:

- a written demand for monetary damages
- a formal notice of a criminal proceeding
- a civil proceeding commenced by the service of a complaint or similar pleading
- a formal administrative or regulatory proceeding commenced by the service on any **insured person** or the **company** of a notice of charges, formal investigative order or similar document against any **insured person**.

Company

You or any **subsidiary company** of **you**.

Defence costs

Fees, costs (including any premiums payable for an appeal bond or similar bond), charges and expenses (other than remuneration payable to any **insured person** or **employees** of the **company**) incurred with **our** written consent:

- in the investigation, defence, adjustment, settlement or appeal of any **claim** made or brought against any **insured person**
- in the representation of any **insured person** at any official examination, enquiry, investigation or other proceedings ordered or commissioned by a body legally empowered to investigate the affairs of the **company**

Due to

Directly or indirectly caused by, resulting or arising from and/or in connection with.

Employee(s)

Anybody who is:

- under a contract of service or apprenticeship with the **company**
- supplied to, hired or borrowed by the **company** including persons undertaking study or work experience whilst employed or engaged by the **company** in connection with the business.

Excess

The amount stated in the schedule for which each **insured person** or the **company** shall be responsible as applicable, in respect of each **claim** under the policy for **financial loss**.

However, the **excess** shall not apply to any **claim** which is successfully defended.

Financial loss

Damages, judgments or settlements and **defence costs** incurred in respect of **actions** that any **insured person** becomes legally liable to pay but not:

- taxes, fines or penalties imposed by law
- the multiplied portion of any damage award, punitive damages, exemplary damages or aggravated damages which have been awarded by:
 - any court in the United States of America
 - any court in a jurisdiction which does not permit the provision of insurance for such awards.

Insured person(s)

Any natural person who is:

- a past, present or future director or officer of the **company** elected or appointed according to law whilst acting in such capacity on behalf of the **company**
- any **employee** who is named as co-defendant with any other **insured person**
- acting in a managerial or supervisory capacity on behalf of the **company**
- duly appointed by the **company** as a liquidator administrator in a members' voluntary liquidation of the **company**
- a de facto director or officer whilst acting in such capacity on behalf of the **company**
- a shadow director of the **company** as defined by Section 741(2) of the Companies Act 1985 (or equivalent legislation)

but not including any auditor, compulsory liquidator, administrator or receiver appointed to the **company**.

Limit of liability

Our maximum liability in the aggregate payable under this policy for all **financial loss** arising from all **claims** made under this policy. The **limit of liability** applies over and above any **excess**.

Non-profit organisation

Any entity registered under the Charities Act 1993 or any entity which exists for educational, promotional, research, training or any similar purposes or is a trade association formed to represent or promote the trade interests of a particular industry or its members who work within a particular industry.

Outside entity

Any **non-profit organisation** or any other entity other than the **company**, except one which is a company:

- whose **securities** are traded on a primary, secondary or other market
- in which the **company** does not have a shareholding.

Parent company

Any company which is from time to time a holding company of the company (as such expression is defined in section 736 of the Companies Act 1985 or equivalent legislation).

Period of insurance

The period shown in the schedule including any extension in the period agreed by us and any Extended Reporting Period provided by the policy, or until cancelled.

Pollutants

Any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapour, soot, fumes, acids, alkalis, chemicals and waste (including materials which are intended to be, or have been recycled, reconditioned or reclaimed) and any other similar substance of any kind or nature whatsoever including electromagnetic fields, asbestos, asbestos products and noise.

Pollution

- The actual, alleged or threatened generation, transportation, discharge, emission, dispersal, release, escape, treatment, storage or disposal of **pollutants**.
- Any governmental regulation, order, direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralise **pollutants**.
- Any **action** taken in contemplation or anticipation of any such regulation, order, direction or request or any voluntary decision to do so.

Securities

Any bond, debenture, evidence of indebtedness, note, share, stock or other equity or **security** for debt issued or given by the **company**.

Securities also includes any certificate of interest or participation in, receipt for, warrant or other right to subscribe to or to purchase, voting trust certificate relating to, certificate of deposit for, or other interest in any of the foregoing items.

Subsidiary company

Any **company** in which **you**:

- directly or indirectly hold more than 50% of the voting rights or
- appoint a majority of the board of directors or
- have the right to appoint a majority of the board of directors, subject to a written agreement with other shareholders.

Supplementary information

Any information from whatever source, which we may at our discretion, decide to procure for the purpose of considering the application.

Territorial limits

Anywhere in the World.

We, us, our

AXIS Specialty London as insurer of **your** policy and Stephen Lower Insurance Services Ltd who are authorised to underwrite and administer **your** policy on **our** behalf in accordance with the Unique Market Reference shown in the schedule.

You, your

The legal entity designated in the schedule or pertaining to the legal entity designated in the schedule.

The cover

We will pay for **financial loss** arising from or in consequence of a **claim**, **due to** any **action**, during the **period of insurance**.

Extensions

Subject to all the terms and conditions of the policy, the cover is extended as follows:

Automatic acquisition

We will insure liability incurred by an **insured person** of a **subsidiary company** which **you** founded or acquired after the inception date of this policy provided that the newly founded or acquired **subsidiary company**:

- is not domiciled in the United States of America
- does not trade any of its securities on any United States of America exchange
- does not have assets which exceed 25% of **your** total assets as stated in **your** last published accounts.

If **you** wish **us** to provide cover for a newly founded or acquired **subsidiary company** which does not meet the parameters described above then **we** will provide cover for 30 days from the date when the **subsidiary company** was founded or acquired during which time **you** must notify **us** of the acquisition and provide all appropriate information regarding the new **subsidiary company**. If **you** do not provide this information, the 30 day period of cover will not apply. **We** may vary the terms of the policy with effect from the date of the **subsidiary company** being founded or acquired.

We may agree to provide cover for **actions** occurring prior to the date of acquisition subject to **our** written agreement and the presentation by **you** of all appropriate information.

Employment claims

This policy extends to cover **claims** brought and maintained by any past, present, future or prospective **employee(s)** against any **employee** based on any actual or alleged wrongful dismissal, discharge or termination of employment, breach of any oral or written employment contract or quasi employment contract, employment related misrepresentation, violation of employment discrimination laws (including workplace harassment), wrongful failure to promote, wrongful discipline, wrongful deprivation of a career opportunity, negligent evaluation, invasion of privacy, employment related defamation or employment related infliction of emotional distress.

Bilateral extended reporting period

If this policy is not renewed by **you** or **us**, **you** have the right to extend the **period of insurance** for 12 months for 50% of the premium stated in the schedule in respect of any **action** prior to the effective date of such non-renewal.

You must give **us** written notice, via **your** insurance agent, of **your** intention to purchase the extended reporting period within ten days of the effective date of non-renewal of this policy.

You must promptly pay the relevant premium.

Legal representatives

This policy will cover **financial loss** arising from or in consequence of any **claim** made against the estates, heirs or legal representatives of any **insured person** with respect to **actions** by **insured persons** committed prior to the death, incapacity, insolvency or bankruptcy of the **insured**

person provided that such estates, heirs or legal representatives satisfy the terms and conditions of this policy in so far as they can apply

Marital estates

This policy will cover **financial loss** arising from or in consequence of any **claim** first made against the lawful spouse of any **insured person** during the **period of insurance** arising solely out of their capacity as the spouse of any **insured person**. The cover provided by this extension is limited to **financial loss** arising from **actions** or proceedings for the enforcement of judgments or damages against an **insured person** which relate to the ownership of property (including marital community property) jointly held by the **insured person** and his or her spouse. This extension will not cover any **claim** arising out of any act or omission of the spouse.

Pollution (defence costs)

This policy extends to cover **defence costs** up to the limit stated in the schedule incurred by any **insured person** as a result of any **claim** arising from **pollution**. This limit shall form part of and not be in addition to the **limit of liability**.

Pollution (shareholder actions)

This policy extends to cover **financial loss** arising from or in consequence of, any **claim** by or at the instigation of any shareholder of the **company** and which alleges diminution in value of the **company's** shares as a result of **pollution**.

Shareholder costs

This policy extends to cover the **company** against legal liability to pay by order of a court any costs charges or expenses incurred by any shareholder of the **company** in pursuing a **claim** against any **insured person**.

Representation

This policy extends to cover any necessary fees, costs, charges and expenses incurred with **our** written consent in respect of the representation of any **insured person** at any official examination, enquiry, investigation or other proceedings ordered or commissioned by a body legally empowered to investigate the affairs of the **company** which does not qualify as a **claim** as defined within this policy.

If the **insured person** believes that as a result of any official examination, enquiry, investigation or other proceedings, circumstances exist which could reasonably be expected to give rise at a later date to a **claim** then notice should be given to **us** in accordance with the notification condition of this policy.

Outside positions

This policy extends to cover **financial loss** arising from or in consequence of any **claim due to any action** by an **insured person** whilst in an **outside position** provided that:

- the limit of liability under this policy will be reduced by the **limit of liability** under any other valid and collectable policy of insurance and any indemnification payable by an **outside entity**
- this cover does not apply to the **outside entity** or to any director, officer or **employee** of the **outside entity** other than the **insured person**
- this cover does not apply to financial loss in respect of any **claim** made by or at the instigation of any person or entity holding 15% or more of the voting rights of the **outside entity**.

In respect of each **outside position** this cover will not apply to **financial loss** in respect of any **claim** which is based upon, arises from or is a consequence of any prior or pending litigation or alleges or is derived from the same or essentially the same facts as alleged in such prior or pending litigation or any circumstances known by any **insured person** or the **company** which could reasonably have given rise to a **claim** under this policy prior to such **outside position**.

Special definitions applying solely to the outside positions extension:

Outside position:

Serving as a director or officer or shadow director with an **outside entity** at the **company's** specific request or as part of the duties regularly assigned to the **insured person** by the **company**.

Action:

- breach of duty, breach of trust, breach of warranty of authority, neglect, error, misstatement, misleading statement, wrongful trading or any other wrongful acts or omissions committed or attempted by or allegedly committed or attempted by
- any matter claimed against

any **insured person** whilst acting in this capacity on behalf of the **outside entity**.

Retired persons

In the event that **you** do not renew this policy and only in respect of **insured persons** who retire prior to the date of non-renewal, this policy shall continue in force for a period of 6 years from the date of non-renewal (the Run-Off Period).

Provided that:

- the policy shall only apply to **claims** arising from **actions** prior to the date of retirement of the **insured person** and
- the Run-Off Period shall run concurrently with any extended reporting period and
- no similar insurance is effected elsewhere.

Exclusions

This policy does not cover **financial loss** in respect of any **claim** arising from or in consequence of:

1. Profit or advantage

Any **insured person** having gained actual profit or advantage to which they had no legal entitlement.

2. Fraud

Any intentionally dishonest or fraudulent act or omission or any wilful violation of any statute or regulation committed by any **insured person**, if a judgment or other final decision establishes such an intentionally dishonest or fraudulent act or omission or wilful violation.

3. Prior official enquiry

Any official examination, enquiry, investigation or other proceedings ordered or commissioned by a legally empowered body initiated prior to or pending at the inception date of this policy.

4. Prior litigation

Any litigation initiated prior to or pending at the inception date of this policy or alleging or deriving from the same or essentially the same facts as alleged in such prior or pending litigation.

5. Prior circumstances

Circumstances existing prior to the **period of insurance** and which have been reported to any previous insurer.

6. Pollution

Pollution, except as stated in the **pollution** (defence costs) and **pollution** (shareholder **actions**) extensions.

7. Radiation

Ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.

8. Radioactive

The radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

9. Prior to acquisition

The **action** of any **insured person** of any **company** prior to becoming a **subsidiary company**.

10. Professional services

The provision of or failure to provide professional services.

11. War and Terrorism

Notwithstanding anything to the contrary contained herein this Policy does not cover Loss or Damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, 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.

12. Injury and damage

For mental or emotional distress (but not in respect of employment **claims**) bodily injury, sickness, disease or death of any person.

For damage to or destruction of any tangible property, including loss of use.

13. Trustee

For the infringement of obligations imposed by any statute, regulation or common law whilst acting in the capacity of trustee of any pension or superannuation scheme operated by or on behalf of the **company** for the benefit of its **employees**.

14. Claim by company or insured person

When such **claim** is brought or maintained, in whole or in part, by or on behalf of the **company** or any **insured person** within or pursuant to the jurisdiction or laws of the United States of America. However, this exclusion shall not apply to:

- a) a **claim** which the **company** is ordered to bring by a legally empowered official body
- b) a **claim** brought in the name of the **company** by one or more persons who are not **insured persons** and who bring and maintain the **claim** without the solicitation, assistance or active participation of the **company** or any **insured person**
- c) a **claim** brought by or at the instigation of any **insured persons** if such **claim** results from a covered **claim** brought by any independent third party and the third party could have brought the **claim** directly against an **insured person** not named in the independent **claim**
- d) a **claim** brought by any former **insured person** of the **company**
- e) **defence costs** incurred up to the limit stated in the schedule. This limit shall form part of and shall not be in addition to the **limit of liability**.

15. ERISA

For the violation of any responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act (ERISA) of 1974 or any amendment thereof, enacted in the United States of America or its territories or by similar regulations or provisions concerning pension, profit sharing or **employee** benefit programmes or social compensation plans arising under Federal, State or local statutory laws in the United States of America, its territories and/or possessions or which relate in any way thereto.

16. Parent company

Made by or at the instigation of any **parent company** of the **company** regardless of whether such **claim** is made in the name of the **company** or not.

17. Cyber property and liability

- a.** We will not provide any cover under any circumstances for any loss, damage, liability, claim, fine, penalty, cost or expense of any nature, directly or indirectly caused by, contributed to by, resulting from, arising out of or in connection with any:
 - i.** cyber act or cyber incident including, but not limited to, any action taken in controlling, preventing, suppressing or remediating any cyber act or cyber incident; or
 - ii.** loss of use, reduction in functionality, repair, replacement, restoration, reproduction, loss or theft of any data, including any amount relating to the value of such data.

but this will not exclude subsequent loss or damage which itself results from a cause which is not otherwise excluded.

- b.** This endorsement supersedes any other wording in the Policy or any endorsement having a bearing on a cyber act, cyber incident or data and if in conflict with such wording, replaces it.
- c.** If we allege that by reason of this endorsement that loss sustained by the Insured is not covered by this Policy, the burden of proving the contrary will fall upon you.
- d.** In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder will continue in full force and effect.

Definitions applicable to this endorsement:

- a.** Computer System means any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller, including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by you or any other party.
- b.** Cyber Act means:
 - i.** a deliberate, unauthorised, malicious or criminal act;
 - ii.** a series of related deliberate, unauthorised, malicious or criminal acts; or
 - iii.** any threat or hoax relating to i and/or ii above,
 - iv.** regardless of time and place, involving access to or the processing, use or operation of any computer system.
- c.** Cyber Incident means:
 - i.** any error or omission or series of related errors or omissions involving access to or the processing, use, or operation of any computer system; or
 - ii.** any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any computer system.
- d.** Data means information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a computer system.

18. Cyber terrorism

digital or cyber risks, that is:

- a. any loss caused by or contributed to, by, or arising from or occasioned by or resulting from:
 - i. the alteration, modification, distortion, corruption of or damage to any computer or other equipment or component or system or item which processes stores transmits or receives data or any part of it whether tangible or intangible (including but without limitation any information or programs or software); or
 - ii. any alteration, modification, distortion, erasure or corruption of data processed by any computer or other equipment or component or system or item,
whether **your** property or not, where the loss is caused by a virus or similar mechanism, phishing or hacking or denial of service attack;
- or
- b. any legal liability or financial loss or expense, including but not limited to consequential loss, caused by or contributed to, by, or arising from or occasioned by or resulting from a virus or similar mechanism, phishing or hacking or denial of service attack.

19. Infectious or Contagious Diseases

any loss, damage, liability, cost or expense, in any way caused by or resulting from:

- a. infectious or contagious disease;
- b. any fear or threat of a) above; or
- c. any action taken to minimise or prevent the impact of a) above.

Infectious or contagious disease means any disease capable of being transmitted from an infected person, animal or species to another person, animal or species by any means.

Claims settlement

The payment will be made on behalf of:

- any insured person except to the extent that such insured person is indemnified by the company
- the company in respect of any indemnity payable to any insured person which the company is legally entitled or obliged to make.

Defence of claim

It is the duty of an **insured person** who receives a **claim** to take all reasonable steps to defend such **claim** and they shall not do anything which may prejudice **our** position.

We shall have no duty to defend any **claim** made under this policy. But for any **claim** which may be covered under this policy, **we** shall have the right to be provided with all such information regarding the **claim** as **we** shall reasonably require and shall be kept fully informed regarding all matters regarding the investigation, defence or settlement of any **claim** and shall have the right to receive copies of all relevant documents.

In the event of any dispute between you and us regarding whether or not to contest any claim then the procedure described by the Arbitration Clause in this policy shall apply.

Payments

We will pay **defence costs** to **insured persons** as and when those **defence costs** fall due. Any person with no entitlement to payment of **financial loss** under the terms and conditions of this policy must repay **us** any payments of **defence costs** to **insured persons** which have been made by **us**.

Fair allocation

If a **claim**:

- is made against any **insured person** or the **company** and any defendant not insured under this policy
- includes both **financial loss** which is covered under this policy and financial loss together with associated **defence costs** which are not covered

we, the **insured person** and the **company** will use all reasonable endeavours to determine a fair allocation between financial loss which is covered and financial loss and **defence costs** which are not covered under this policy.

Payments on behalf of insured persons

If the **company** fails to indemnify the **insured person** to the fullest extent permitted or required by law for reasons other than insolvency, **we** will pay the financial loss on behalf of the **insured person**. **We** will then be entitled to obtain reimbursement from the **company** for all payments made by **us** that would not have been made if the indemnity had been provided by the **company**.

Written consent

Our written consent must be obtained before:

- any **defence costs** are incurred
- any legal representative is retained to defend any **insured person** or to take any steps in connection with any legal proceedings that may potentially be covered by this policy
- any **claim** is settled.

We will not unreasonably withhold such consent.

Fraudulent claims

If any claim is caused by, contributed to by or arises from any malicious, dishonest or fraudulent act or omission, **we**:

- i) will not pay the claim; and
- ii) may recover (from **you**) any sums already paid by **us** in respect of the fraudulent claim; and
- iii) may terminate this insurance from the time of the fraudulent act.

If **we** exercise **our** right under point iii) above:

- iv) **we** will not pay any claim which occurs after the time of the fraudulent act; and
- v) will not return any of the premiums paid.

Conditions

Claims notification

It is a condition precedent that the **company** or the **insured person** must provide written notice to **us** as soon as is reasonably practicable and in any event no later than 45 days after the expiry of the period of insurance of:

- any **claim**
- notice from any person or entity of an intention to make a **claim**.

Written notice must include, but is not limited to, a description of the **claim** or circumstances, the nature of the alleged or potential damage, the names of the actual or potential claimants and the date and manner in which the **company** or **insured person** first became aware of the **claim** or circumstances.

If the **company** or any **insured person** become aware of any circumstances which could reasonably be expected to give rise at a later date to a **claim** then written notice to **us** of those circumstances will be accepted as the date of notification of a **claim** under the policy.

Written notice must make reference to the **action** which may give rise to a **claim** and the material facts which give rise to the belief that a **claim** may be made.

Liquidation

In the event of the liquidation of **you** or any **subsidiary company**, this policy will continue in force in respect of that company but only in respect of any **action** prior to the liquidation. Voluntary liquidation will be treated as having occurred on the date upon which that **company** passes a resolution for voluntary liquidation. Compulsory liquidation will be treated as having occurred on the date upon which a petition for the compulsory liquidation of that company is presented to the relevant authorities.

Change of ownership

If any person, entity or group:

- acquires more than 50% of **your** share capital
- acquires the majority of the voting rights in **you**
- assumes the right to appoint or remove the majority of **your** board of directors or
- assumes control over the majority of the voting rights in **you** subject to written agreement with other shareholders or members
- merges with **you**

during the **period of insurance** then the cover provided by this policy only applies in respect of **actions** occurring prior to the effective date of that Change of Ownership.

You must give written notice to **us**, via **your** insurance agent, of the Change of Ownership as soon as reasonably practicable.

Public or Private Offering

If **you** or any **subsidiary company** makes a Public or Private Offering of **securities** during the **period of insurance** then **you** must give written notice to **us** of that Offering (including any information **we** may reasonably require) as soon as reasonably practicable. **We** reserve the right to amend the terms of this policy in respect of that Public or Private Offering.

Claims series

Where more than one **claim** arises from one **action** or from a series of **actions** which are connected or which are by any means inter-related or inter-connected, they will be treated as a single **claim** and that single **claim** will

be attributed to the **period of insurance** during which the first **claim** was notified.

Subrogation

When **we** pay any **financial loss**, **we** will assume all rights of recovery available to any **insured person** or the **company** who must give **us** all reasonable assistance in the prosecution of such rights.

Applicability to each person separately

Any **application** will be construed to be a separate **application** for cover for each **insured person**. No statement in any **application** nor knowledge possessed by any **insured person** nor **action** of any **insured person** shall be imputed to any other **insured person** for the purposes of determining the availability of cover under this policy.

In the absence of any agreement to the contrary, the laws of England and Wales will apply and this policy will be subject to the exclusive jurisdiction of the courts of England and Wales unless, at the commencement of the **period of insurance**, **you** are either:

- a) a resident of; or
- b) a business with its registered office or principal place of business is situated in:

Scotland, Northern Ireland, the Channel Islands or the Isle of Man, in which case (in the absence of agreement to the contrary) the law of that country, crown protectorate or dependency will apply and this policy will be subject to the exclusive jurisdiction of the courts of that country, crown protectorate or dependency.

Arbitration

All disputes and differences arising under or in connection with this contract must be referred to arbitration under ARIAS Arbitration Rules. The Arbitration Tribunal will consist of three arbitrators, one to be appointed by the claimant, one to be appointed by the respondent and the third to be appointed by the two appointed arbitrators.

The third member of the Tribunal must be appointed as soon as practicable (and no later than 28 days) after the appointment of the two party-appointed arbitrators. The Tribunal will be constituted upon the appointment of the third arbitrator.

The arbitrators must be people (including those who have retired) with not less than ten years' experience of insurance or reinsurance within the Insurance industry or as lawyers or other professional advisers serving the Insurance industry.

Where a party fails to appoint an arbitrator within 14 days of being called upon to do so or where the two party-appointed arbitrators fail to appoint a third within 28 days of their appointment, then upon **application** ARIAS (UK) will appoint an arbitrator to fill the vacancy. At any time before their appointment by ARIAS (UK) the party or arbitrators in default may make such appointment.

The Tribunal has sole discretion to make such orders and directions that it considers necessary for the final determination of the matters in dispute. The Tribunal has the widest discretion permitted under the law governing arbitration when making such orders or directions.

Contribution

If a **claim** under this policy is also insured by any other policy, **we** will not pay more than **our** rateable proportion.

Payment by instalments

Where **we** refer in the policy to the payment of premiums this shall include payment by monthly instalments. If **you** pay by this method the policy remains an annual contract. The date of payment and the amount of the instalments are governed by the terms of the credit agreement. If an instalment is not received by the due date then the credit agreement and the policy will be cancelled immediately.

Contractual right of renewal (tacit)

If **you** pay the premium to **us** or Stephen Lower Insurance Services Limited using a Direct Debit instalment scheme, **we** will have the right (which **we** may choose not to exercise) to renew the policy each year and continue to collect premiums using this method. **We** may vary the terms of the policy (including the premium) at renewal. If **you** decide that **you** do not want **us** to renew the policy, provided **you** tell **us** (or **your** insurance intermediary) before the next renewal date, **we** will not renew it.

Contracts (Rights of Third Parties) Act 1999

A person or company who is not party to this policy has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this policy but this condition does not affect any right or remedy of a third party which exists or is available other than by virtue of this Act and any subsequent amendment to it.

Several Liability Notice

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

Registration and regulatory information

Stephen Lower Insurance Services Limited is authorised and regulated by the Financial Conduct Authority, Financial Services Register number 628613, Registered in England and Wales No.4930449. Registered office: 145 New Dover Road, Capel-Le-Ferne, Folkestone CT18 7JR.

AXIS Specialty London is a trading name of AXIS Specialty Europe SE. AXIS Specialty Europe SE is authorised and regulated by the Central Bank of Ireland. Authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request.

Sanctions

No insurer shall be deemed to provide cover and no insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

Tax

There may be circumstances where taxes may be due that are not paid via **us**. If this occurs then it is **your** responsibility to ensure that these are paid direct to the appropriate authority

Information you have given us – Insurance Act 2015

The duty of fair presentation

In deciding to accept this insurance and in setting the terms and premium, **We** have relied on information **You** have provided. **You** have a duty to inform **Us** of every material circumstance that **You** know or ought to know, in a way that is reasonably clear and accessible to **Us**. A matter is material if it would influence the judgement of a prudent insurer as to whether to accept the risk, or the terms of the insurance (including premium).

For the purposes of 'every material circumstance' mentioned above, **You** are expected to know the following:

- a) If **You** are an individual, what is known to the individual and anybody who is responsible for arranging **Your** insurance.
- b) If **You** are not an individual, what is known to anybody who is part of **Your** senior management; or anybody who is responsible for arranging **Your** insurance.
- c) Whether **You** are an individual or not, what should reasonably have been revealed by a reasonable search of information available to **You**. The information may be held within **Your** organisation, or by any third party (including but not limited to the broker, subsidiaries, affiliates or any other person who will be covered under the insurance). If **You** are insuring subsidiaries, affiliates or other parties, **We** expect that **You** will have included them in **Your** enquiries, and that **You** will inform **Us** if **You** have not done so. The reasonable search may be conducted by making enquiries or by any other means.

You also have a duty to answer any questions **We** have asked of **You** accurately and to ensure that any information provided by **You** is correct.

Remedy for breach of the duty of fair presentation

Before this policy was entered into:

If **you** have breached **your** duty to make a fair presentation of the risk to **us** before this policy was entered into, then:

- a) where the breach was deliberate or reckless, **we** may avoid this policy and refuse all claims, and keep all premiums paid;
- b) where the breach was neither deliberate nor reckless, and but for the breach:
 - i) **we would not have agreed to provide cover under this policy on any terms:**
we may avoid this policy and refuse all claims, but will return any premiums paid;
 - ii) **we would have agreed to provide cover under this policy but on different terms** (other than premium terms):
we may require that this policy includes those different terms with effect from its start; and/or
 - iii) **we would have agreed to provide cover under this policy but would have charged a higher premium,**
 - a. if the discovery of the breach arose because of a claim, at **your** option:
 - i. **we** will reduce proportionately the amount paid on a claim. **We** will pay only X% of what **we** would otherwise have been required to pay, where $X = \frac{\text{premium actually charged}}{\text{higher premium that would have been charged}} \times 100$; or
 - ii. **we** will pay the claim in full provided that **you** pay to **us** the additional premium that **we** would have charged, but for **your** breach of the duty of fair presentation, calculated from the start of the **period of insurance**.

NOTE: In the case of underinsurance option ii. is not available.

If the discovery of the breach did not arise because of a claim **you** must pay to **us** the additional premium that **we** would have charged, but for **your** breach of the duty of fair presentation, calculated from the start of the **period of insurance**.

Before a Variation was agreed

If **you** have breached **your** duty to make a fair presentation of the risk to **us** before any variation to this policy was agreed, then:

- a) If the breach was deliberate or reckless, **we** may terminate this policy with effect from the date of the variation, and keep all premiums paid;
- b) where the breach was neither deliberate nor reckless, and but for the breach:
 - i) **we would not have agreed to the variation on any terms:**

we may treat this policy as though the variation was never made, but will return any additional premiums paid in relation to the variation;
 - ii) **we would have agreed to the variation but on different terms** (other than premium terms):

we may require that the variation includes those different terms with effect from the date the variation was made; and/or
 - iii) **we would have agreed to the variation but would have increased the premium, or would have increased it by more than we did, or would not have reduced it or would have reduced it by less than we did:**
 - a. if the discovery of the breach arose because of a claim, at **your** option:
 - i. **we** may reduce proportionately the amount paid on a claim arising out of events after the variation. In those circumstances, **we** will pay only Y% of what **we** would otherwise have been required to pay, where $Y = \frac{\text{total premium actually charged}}{\text{premium that would have been charged}} \times 100$; or
 - ii. **we** will pay the claim in full provided that **you** pay to **us** the additional premium that **we** would have charged, but for the breach of the duty of fair presentation, calculated from the date the variation was entered into.

NOTE: In the case of underinsurance option ii. is not available.

- b. If the discovery of the breach did not arise because of a claim, **you** must pay to **us** the additional premium that **we** would have charged, but for the breach of the duty of fair presentation, calculated from the date the variation was entered into.
- iv) **where we would have agreed to the variation but on different terms and we would also have increased the premium, or would have increased it by more than we did, or would not have reduced it or would have reduced it by less than we did**
 - a. **we** may require that the variation includes those different terms with effect from the date the variation was made; and
 - b. before a variation was agreed b) iii) as shown above will also apply.

Our complaints procedure

Stephen Lower Insurance Services Ltd's aim is to ensure that all aspects of **your** insurance are dealt with promptly, efficiently and fairly. At all times Stephen Lower Insurance Services Ltd are committed to providing **you** with the highest standard of service.

If **you** have any questions about **your** policy or the handling of a claim **you** should, in the first instance, contact Stephen Lower Insurance Services Ltd or **your** insurance agent. In the event that are dissatisfied and wish to make a complaint, **you** can do so at any time. Please contact:

Post: The Operations Director of Stephen Lower Insurance
Services Ltd, 145 New Dover Road, Capel-Le-Ferne,
Folkestone, Kent, CT18 7JR.
Telephone: +44 (0) 1303 241170
Email: complaints@stephenlower.co.uk

If **you** are dissatisfied with the outcome of **your** complaint, or if **you** have not received a written final response within eight weeks from the date Stephen Lower Insurance Services Ltd received **your** complaint, **you** may be entitled to refer **your** complaint to the Financial Ombudsman Service who will independently consider **your** complaint free of charge. Their contact details are:

Post: The Financial Ombudsman Service, Exchange Tower, London E14 9SR
Telephone: (Fixed): 0800 0234567 Tel (Mobile): 0300 1239123
Tel (Outside UK): +44 (0) 20 7964 0500 Fax: +44 (0)20 7964 1001
Email: complaint.info@financial-ombudsman.org.uk
Website: www.financial-ombudsman.org.uk

Please note:

- **You** must refer **your** complaint to the Financial Ombudsman Service within six months of the date of the final response.

To check if **you** are an eligible complainant or if **you** are unsure whether the Financial Ombudsman Service will look at **your** complaint please contact them directly for further information. **You** are entitled to contact the Financial Ombudsman Service at any stage of **your** complaint. Their contact details are shown above.

The existence of this Complaints Procedure does not affect any right of legal action **you** may have.

The Financial Services Compensation Scheme (FSCS)

AXIS Specialty London is covered by the Financial Services Compensation Scheme. **You** may be entitled to compensation from the Scheme if they cannot meet their obligations to **you** under this policy. If **you** were entitled to compensation from the Scheme, the level and extent of the compensation would depend on the nature of this policy. Further information about the Scheme is available from the Financial Services Compensation Scheme (PO Box 300, Mitcheldean, GL17 1DY) and on their website www.fscs.org.uk.

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Arranged by
