



COMMERCIAL CRIME PROTECTION

Policy

Guidance when making a claim

Conditions that apply to the policy and in the event of a claim are set out in this policy wording. It is important that you comply with all policy conditions and you should familiarise yourself with any requirements contained in the policy.

Directions for claim notification are included in the Claims Conditions. Please be aware that events that may give rise to a claim under the insurance must be notified as soon as reasonably possible although there are some situations where immediate notice is required. Further guidance is contained in this policy wording.

Claims Conditions require you to provide us with any reasonable assistance and evidence that we require concerning the cause and value of any claim. Ideally, as part of the initial notification, you will provide:

- Your name, address, and your telephone number
- Personal details necessary to confirm your identity
- Policy number
- The date of the incident
- The cause of the claim
- Details of the claim together with the claim value, if known
- Police details where applicable
- Names and addresses of any other parties involved or responsible for the claim.

This information will enable us to make an initial evaluation on policy liability and claim value. We may, however, request additional information depending upon the circumstances.

Sometimes we, or someone acting on our behalf, may wish to meet with you to discuss the circumstances of the claim, or to undertake further investigations.

Your Claims Helpline Number is **01403 232308**.

Please quote your policy number.

For your protection, telephone calls may be recorded or monitored.

Additional Benefits

Choosing an RSA policy means that you also benefit from a number of additional services that we provide free of charge. Our advice-lines will put you in touch with highly qualified experts who can offer information and assistance on a number of issues and there is no limit to the number of times you can call.

A. Legal Assistance

A 24 hour service that gives you access to a team of legal experts offering confidential advice on business matters such as defence of prosecutions, employment, customer and supplier disputes.

B. Health & Safety

Help is available 24 hours a day on health and safety legislation, including its interpretation and advice on civil and criminal liability for accidents at work.

C. Tax Advice

A confidential telephone advisory service offering assistance on all taxation issues such as PAYE, VAT and income tax. This service is available Monday to Friday, 9am to 5pm.

D. Stress Counselling

Stress affects most principals or business owners at some point in their working lives. Our stress counselling service will help you deal with stress at work by addressing minor problems before they become major crises. Confidentiality is of the utmost importance and our counsellors are qualified and experienced in assessing problems quickly so they can provide immediate therapy. This service is restricted to Insured firms with up to 10 principals, Partners, Directors or Members.

The advice-line number is **0345 078 3863**

Please quote reference number **72847**

Advice lines are intended for business use only and are a service provided to sole practitioners, Directors, Partners and Members of the Insured. Employees do not qualify to use this service.

This page should be read in conjunction with the rest of your policy documents.



This **Policy** is a contract between the **Insured** and the **Insurer**.

This **Policy** and any **Schedule** (including any issued in substitution), **Statement of Fact** and endorsements should be read as if they are one document.

The **Insurer's** acceptance of this risk is based on the information presented to the **Insurer** being a fair presentation of the **Insured's** business including any unusual or special circumstances which increase the risk and any particular concerns which have led the **Insured** to seek insurance.

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

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

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

The **Insurer** will provide the insurance described in this **Policy** (subject to the terms set out herein) for the **Policy Period** shown in the **Schedule** and any subsequent period for which the **Insured** shall pay and **Insurer** shall agree to accept the premium.

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Section 1 – Insuring Clause

1.1 Insuring Clause

The **Insurer** shall indemnify the **Insured** against any **Loss** sustained by the **Insured** as a direct result of a **Crime** first **Discovered** in the **Policy Period** or **Discovery Period**.

Section 2 – Coverage Extensions

In addition to the cover provided under the terms of Insuring Clause 1.1 above, the **Insurer** shall provide the following Coverage Extensions:

2.1 Client Cover

The **Insurer** shall indemnify the **Insured** against any **Loss** sustained by the **Client** as a direct result of **Client Crime** first **Discovered** in the **Policy Period** or **Discovery Period**.

2.2 Commercial Disruption

The **Insurer** shall indemnify the **Insured** against any **Commercial Disruption Costs** incurred by the **Insured** as a direct result of **Commercial Disruption** following a **Crime** first **Discovered** in the **Policy Period** or **Discovery Period** provided that:

- i. the **Insurer** shall not be liable to indemnify the **Insured** against any **Commercial Disruption Costs** in the first 48 hours following the **Discovery** of a **Crime**; and
- ii. the maximum period in respect of which the **Insurer** shall indemnify the **Insured** against **Commercial Disruption Costs** shall be the 90 day period immediately following the initial 48 hour period referred to in (i) above.

The maximum amount payable under this extension shall be sub-limited to £250,000 which shall be part of the **Limit of Liability**.

2.3 Contractual Penalties

The **Insurer** shall indemnify the **Insured** against any **Contractual Penalties** incurred by the **Insured** as a direct result of a **Crime** first **Discovered** in the **Policy Period** or **Discovery Period**. The maximum amount payable under this extension shall be sub-limited to £250,000 and shall be part of the **Limit of Liability**.

2.4 Court Compensation Costs

The **Insurer** shall indemnify the **Insured** against any **Court Compensation Costs** incurred by the **Insured** as a direct result of a **Crime** first **Discovered** in the **Policy Period** or **Discovery Period**. The maximum amount payable under this extension shall be sub-limited to £25,000 and shall be part of the **Limit of Liability**.

2.5 Damage to Money and Securities

The **Insurer** shall indemnify the **Insured** against any **Criminal Damage Costs** incurred by the **Insured** as a direct result of **Criminal Damage** first **Discovered** in the **Policy Period** or **Discovery Period**, provided that in respect of this extension:

- i. only **Money** and **Securities** from within the **Insured's** business premises; or

- ii. **Money** and **Securities** while in the custody of an **Employee** (or any other person authorised by the **Insured** to have such custody where they provide an indemnity or have insurance for such loss),

shall be deemed covered **Loss**.

2.6 Expenses

The **Insurer** shall indemnify the **Insured** against any **Expenses** incurred by the **Insured** as a direct result of a **Crime** first **Discovered** in the **Policy Period** or **Discovery Period**. The maximum amount payable under this extension shall be limited to the **Expenses** sub-limit specified in the **Schedule** which shall be in addition to the **Limit of Liability**.

2.7 Identity Fraud

The **Insurer** shall indemnify the **Insured** against any **Identity Fraud Expenses** incurred by the **Insured** as a direct result of **Identity Fraud** first **Discovered** in the **Policy Period** or **Discovery Period**. The maximum amount payable under this extension shall be sub-limited to 10% of the **Limit of Liability** or £250,000 whichever is the less and shall be part of the **Limit of Liability**.

2.8 Malicious Data Damage

The **Insurer** shall indemnify the **Insured** against any **Data Damage Expenses** incurred by the **Insured** as a direct result of **Data Damage** first **Discovered** in the **Policy Period** or **Discovery Period**. The maximum amount payable under this extension shall be sub-limited to 10% of the **Limit of Liability** or £250,000 whichever is the less and shall be part of the **Limit of Liability**.

2.9 Mitigation Costs

The **Insurer** shall indemnify the **Insured** against any **Mitigation Costs** incurred by the **Insured** as a direct result of a **Crime** first **Discovered** in the **Policy Period** or **Discovery Period**. The maximum amount payable under this extension shall be sub-limited to £250,000 and shall be part of the **Limit of Liability**.

2.10 Public Relations Consultancy Fees

The **Insurer** shall indemnify the **Insured** against any **Public Relations Consultancy Fees** incurred by the **Insured** as a direct result of a **Crime** first **Discovered** in the **Policy Period** or **Discovery Period**. The maximum amount payable under this extension shall be sub-limited to £25,000 and shall be part of the **Limit of Liability**.

2.11 Public Utilities Fraud

The **Insurer** shall indemnify the **Insured** against any **Public Utilities Fraud Charges** incurred by the **Insured** as a direct result of **Public Utilities Fraud** first **Discovered** in the **Policy Period** or **Discovery Period** provided that:

- i. the **Insured** shall not admit liability or pay **Public Utilities Fraud Charges** without the **Insurer's** prior written consent; and
- ii. the **Insurer** shall not be liable for **Loss** occurring more than 60 days prior to the date of **Discovery**.

The maximum amount payable under this extension shall be sub-limited to 10% of the **Limit of Liability** or £250,000 whichever is the less and shall be part of the **Limit of Liability**.

2.12 Telecommunication Fraud

The **Insurer** shall indemnify the **Insured** against any **Telecommunication Fraud Charges** incurred by the **Insured** as a direct result of **Telecommunication Fraud** first **Discovered** in the **Policy Period** or **Discovery Period** provided that:

- i. the **Insured** shall not admit liability or pay **Telecommunication Fraud Charges** without the **Insurer's** prior written consent; and
- ii. the **Insurer** shall not be liable for **Loss** occurring more than 60 days prior to the date of **Discovery**.

The maximum amount payable under this extension shall be sub-limited to 10% of the **Limit of Liability** or £250,000 whichever is the less and shall be part of the **Limit of Liability**.

Section 3 – Exclusions

The **Insurer** shall not be liable to indemnify the **Insured** against any **Loss**:

3.1 Benefiting Another Insured

sustained by any **Insured** to the advantage of any other **Insured**;

3.2 Confidential Information

arising directly or indirectly from the loss of, or use of confidential information of any kind including but not limited to intellectual property rights, patents, trademarks, trade secrets or confidential manufacturing, processing or servicing methods, except to the extent that such confidential information is used in the commission of a **Crime** otherwise covered under this **Policy**;

3.3 Indirect or Consequential Loss

that is deemed to be consequential or indirect loss of any kind including but not limited to profits, dividends, interest, gains or other income. **Expenses** are not deemed to be consequential or indirect loss;

3.4 Kidnap, Ransom and Extortion

arising directly or indirectly from kidnap, ransom or extortion. However where **Loss** is sustained by the **Insured** resulting from extortion by any person:

- i. wrongfully detaining an **Employee** or their relative; and
- ii. making a demand of that **Employee** that they surrender (in exchange for the release of the **Employee** or their relative) **Money**, **Securities** or **Property** contained within the **Insured's** business premises or **Funds** accessed from the business premises, to the deprivation of the **Insured**,

then such **Loss** shall not be excluded provided there is no **Employee** fraud or dishonesty in relation to that act of extortion;

3.5 Major Shareholders

arising directly or indirectly from **Crime** committed by a shareholder, or their representative, holding more than 15% of the issued share capital of the **Insured**. However:

- i. if such **Loss** would be covered in the absence of this exclusion; then
- ii. the **Insurer** shall pay that part of **Loss** which is in excess of the value of their shareholding on the day immediately preceding the date of **Discovery** of the **Crime**;

3.6 Nuclear

arising directly or indirectly from nuclear reaction, radiation or radioactive contamination;

3.7 Past Knowledge of Fraud

arising directly or indirectly from an act of an **Employee** after a director, officer, company secretary, manager, trustee, equity partner or **Member** of the **Insured** acquires knowledge of **Crime**, fraud or dishonesty committed by the **Employee**:

- i. whilst employed by the **Insured**; or
- ii. prior to employment with the **Insured** where the assets involved in such **Crime**, fraud or dishonesty were more than £15,000;

3.8 Profit and Loss and Inventory Calculations

dependant solely upon profit and loss calculations, inventory calculations, comparisons or checks with physical stock. However, where the **Insured** establishes, wholly apart from such calculations comparisons or checks, that **Loss** has occurred resulting directly from a **Crime**, such calculations, comparisons or checks can be used to support the amount of **Loss** claimed;

3.9 Trading

arising directly or indirectly from loss due to the authorised or unauthorised trading of **Securities**, **Money**, **Property**, **Funds** or anything else of value, or their derivatives. However where such loss contains **Loss** arising from a **Crime** committed by an **Employee** which causes the **Insured** to sustain direct financial loss, the **Insurer** shall pay that part of **Loss** which constitutes the improper personal gain of the **Employee** or any other person benefiting from that **Employee's** actions. Improper personal gain shall not include salaries, commissions, emoluments or any other benefits from employment; or

3.10 War and Terrorism

arising directly or indirectly from **War** or **Terrorism**.

Section 4 – Definitions

4.1 Definitions

- A. Associated Company** means a company which is not a **Subsidiary** and;
1. in which the **Policyholder** or a **Subsidiary** directly holds any issued share;
 2. whose security and internal control policies and procedures are controlled and set by the **Policyholder** or a **Subsidiary**; and
 3. whose day to day management the **Policyholder** or a **Subsidiary** has the right to control.
- B. Benefit Plan** means any pension or benefit plan established by an **Insured** for the benefit of its **Employees**.
- C. Client** means a customer to whom the **Insured** provides goods or services under a written contract.
- D. Client Crime** means the criminal, fraudulent or dishonest taking or appropriation of **Money, Securities, Property** or **Funds** to the deprivation of a **Client**;
1. by an **Employee** where there is no collusion with the **Client's** employees; or
 2. by a **Third Party** where there is no collusion with an **Employee** or **Client** employee and where the **Money, Securities, Property** or **Funds** are in the care custody and control of the **Insured**.
- E. Commercial Disruption** means the **Insured's** total inability to continue to provide goods or services. The ability to continue to provide goods or services at a level less than normal or optimal shall not be deemed to be **Commercial Disruption** for the purposes of this **Policy**.
- F. Commercial Disruption Costs** means the necessary and reasonable costs incurred by the **Insured**, with the **Insurer's** prior written consent, to temporarily rent premises for the purposes of carrying on business or to hire temporary additional staff.
- G. Contractual Penalties** means a monetary penalty assumed by and enforced against the **Insured** (excluding damages for mental distress or punitive or exemplary damages for breach of contract) under a written contract.
- H. Court Compensation Costs** means £250 per day for each **Employee** who is required to:
1. attend court as a witness;
 2. attend an interview by a solicitor for the purposes of composing a witness statement;
 3. attend a conference or consultation with a barrister; or
 4. attend a court as an observer;
- provided that the **Insurer's** prior written consent is given and the maximum daily amount payable by the **Insurer** for all such attendance collectively shall be £500. Payment shall be made to the **Policyholder**.
- I. Crime** means, in respect of:
1. Insuring Clause 1.1; the criminal, fraudulent or dishonest taking or appropriation of **Money, Securities, Property** or **Funds** to the deprivation of the **Insured** by any person;
 2. Client Cover 2.1; **Client Crime**;
 3. Damage to Money and Securities 2.5; **Criminal Damage**;
 4. Identity Fraud 2.7; **Identity Fraud**;
 5. Malicious Data Damage 2.8; **Data Damage**;
 6. Public Utilities Fraud 2.11; **Public Utilities Fraud**; or
 7. Telecommunications Fraud 2.12; **Telecommunications Fraud**.
- J. Criminal Damage** means destruction of or damage to, **Money** or **Securities** caused by a criminal act of any person.
- K. Criminal Damage Costs** means the cost of replacing **Money** or **Securities**.
- L. Data** means information contained in any record of the **Insured's** whether electronic or physical, including but not limited to books, manuscripts, tapes, disks, memory devices, servers or computer systems.
- M. Data Damage** means the criminal and malicious alteration, deletion or corruption of **Data** where the **Insured** has been specifically and solely targeted.
- N. Data Damage Expenses** means the necessary and reasonable costs incurred by the **Insured**, with the **Insurer's** prior written consent, to rectify **Data Damage** but does not include expenses to replace hardware, improve or optimise software, or arising from the incorrect use or obsolescence of hardware or software.
- O. Discovered/Discovery** means when a director; officer; company secretary, manager; trustee, equity partner or **Member** of the **Insured**:
1. firsts learns of a **Crime** or any acts that may reasonably be expected to cause **Loss**; or
 2. first suspects (even without the knowledge of such acts) that a **Crime** may have been committed that is likely to lead to **Loss**,
- regardless of when the acts took place or the quantum of **Loss**.
- Discovery** also means when the **Insured** receives notice of an actual or potential claim against it alleging facts that if true would lead to **Loss**.
- Discovery** by one person shall be regarded as **Discovery** by all persons.
- P. Discovery Period** means an automatic period of 90 days or the period of time noted in the **Schedule** after the **Policy Period** has expired.
- Q. Employee** means a natural person who is:
1. under a contract of service with the **Insured** whether permanent, temporary, full time, part time or seasonal and is governed by and reporting directly to, an **Insured** in the performance of such service and is compensated by wages, salary or commission;

2. performing duties personally under the control and direction of the **Insured** who is a student, secondee, volunteer or on a work experience or training placement;
3. a member of the board of directors, board of trustees or equivalent management board, but not equity partners or **Members** of the **Insured**;
4. employed by an entity to whom the **Insured Outsources**; or
5. an ex-**Employee** for the first 60 days following termination of employment unless such termination was the result of a **Crime**, fraud or dishonesty.

provided that an **Employee** shall not mean any person who works for or acts on behalf of any external; auditor; accountant, broker; investment manager; investment advisor; solicitor or any financial agent or representative.

R. Expenses means the necessary and reasonable costs incurred by the **Insured** with the **Insurer's** prior written consent:

1. to substantiate the amount of **Loss**;
2. to repair or replace (to an equivalent standard) a safe or vault belonging to an **Insured**;
3. to reconstitute **Data**;
4. for **Legal Costs**; and
5. for **Interest Payments**,

provided that **Expenses** shall not include salaries, commissions, emoluments or any other benefits from employment or costs and expenses normally incurred by the **Insured** in the absence of a **Crime** or costs and expenses incurred by a **Client**.

S. Funds means credit balances in the **Insured's** name held at a financial institution.

T. Identity Fraud means the theft or fraudulent alteration of publicly available information pertaining to the identity of the **Insured** by an **Employee**, **Third Party** or **Client** which the **Insured** is legally required to provide (including but not limited to memoranda and articles of association, annual financial filings and compliance records) or has legitimately authored, provided that such information has been relied upon by investors, customers or vendors in establishing the financial standing and credit worthiness of the **Insured**.

U. Identity Fraud Expenses means the necessary and reasonable legal fees incurred by the **Insured**, with the **Insurer's** prior written consent:

1. to correct or reinstate information following an **Identity Fraud**; or
2. to dismiss legal actions against them on the grounds that they are not the perpetrator of the alleged wrongdoing or to employ a private investigation agency to investigate the identity of the perpetrator of the **Identity Fraud**.

V. Insured means the **Policyholder**, **Subsidiary**, **Associated Company** or **Benefit Plan**.

W. Insurer means Royal & Sun Alliance Insurance plc.

X. Interest Payments means interest that would have been received by the **Insured** on **Money** or **Funds** but for a **Loss** sustained by the **Insured** under this **Policy** resulting from a **Crime** involving such **Money** or **Funds**. The **Insurer's** liability shall be limited to simple interest on the principal amount calculated at LIBOR (London Inter-bank Offered Rate) as published in The Financial Times on the date of **Discovery** of the **Crime** or as otherwise agreed between the **Insured** and the lending party whichever is the less.

Y. Legal Costs means the necessary and reasonable legal fees incurred by the **Insured**, with the **Insurer's** prior written consent, in defending a claim brought against it to establish liability for a **Loss** resulting from a **Crime**.

Z. Limit of Liability means the limit specified in the **Schedule**.

AA. Limited Liability Partnership means a limited liability partnership formed under the Limited Liability Partnership Act 2000.

BB. Loss means, in respect of:

1. Insuring Clause 1.1; direct financial loss sustained by the **Insured**;
2. Client Cover 2.1; direct financial loss sustained by the **Client**;
3. Commercial Disruption 2.2; **Commercial Disruption Costs**;
4. Contractual Penalties 2.3; **Contractual Penalties**;
5. Court Compensation Costs 2.4; **Court Compensation Costs**;
6. Damage to Money and Securities 2.5; **Criminal Damage Costs**;
7. Expenses 2.6; **Expenses**;
8. Identity Fraud 2.7; **Identity Fraud Expenses**;
9. Malicious Data Damage 2.8; **Data Damage Expenses**;
10. Mitigation Costs 2.9; **Mitigation Costs**;
11. Public Relations Consultancy Fees 2.10; **Public Relations Consultancy Fees**;
12. Public Utilities Fraud 2.11; **Public Utilities Fraud Charges**; or
13. Telecommunications Fraud 2.12; **Telecommunications Fraud Charges**,

provided that **Loss** shall not include taxes, fines, penalties (other than **Contractual Penalties**), punitive or exemplary damages or damages for mental distress or liability assumed under contract except to the extent that **Loss** would have been incurred as a matter of applicable law in the absence of such contract.

CC. Member means a member of a **Limited Liability Partnership** as defined under the Limited Liability Partnership Act 2000.

DD. Mitigation Costs means the necessary and reasonable costs incurred by the **Insured**, with the **Insurer's** prior written consent, to mitigate a **Loss** resulting from a **Crime** but only if such mitigation reduces or eliminates such **Loss**.

EE. Money means currency, coins and bank notes in current use and bullion, traveller's cheques, postal orders, postage stamps, luncheon vouchers, consumer redemption vouchers, gift tokens, trading stamps, phone cards, VAT stamps, petrol cards in current use and unused credits in franking machines.

- FF. Outsources** means the retention and authorisation by the **Insured** of a natural person or organisation to perform a normal administrative function on behalf of the **Insured** provided that:
1. such function is performed under a written contract;
 2. the **Insured** retains the right to audit the performance of such function; and
 3. the **Insured** can demonstrate that they have vetted the natural person or organisation for competency, financial stability and honesty prior to the retention and authorisation by the **Insured** of such natural person or organisation to perform such function.
- GG. Policy** means this policy, its **Schedule**, **Statement of Fact** and any endorsements attached thereto.
- HH. Policyholder** means the organisation designated in the **Schedule**.
- II. Policy Period** means the period of time designated in the **Schedule**.
- JJ. Property** means tangible property but shall not include **Money**, **Securities** or **Funds**.
- KK. Public Relations Consultancy Fees** means the necessary and reasonable costs incurred by the **Insured** with the **Insurer's** prior written consent, to employ the services of a public relations consultant solely to provide advice to minimise adverse publicity (but not the costs of advertising or disseminating information) following a **Loss** resulting from a **Crime**.
- LL. Public Utilities Fraud** means the unauthorised and criminal use of gas, electricity or water.
- MM. Public Utilities Fraud Charges** means the charges raised by the public utilities provider against the **Insured** for **Public Utilities Fraud**.
- NN. Schedule** means the schedule attached to this **Policy**.
- OO. Securities** means negotiable and non-negotiable instruments or contracts representing **Money** or **Property** but does not include **Money** or **Property**, letters of credit, bills of lading, shipping documents, warehouse receipts, trust receipts, accounts receivable or any other bill, document or receipt similar in nature or effect or serving a similar purpose.
- PP. Statement of Fact** means the document setting out information provided by the **Insured** or their representative as being relevant to the cover that has been applied for. It also includes assumptions the **Insurer** has made about factual circumstances relevant to the cover and which are confirmed by the **Insured** as true and correct.
- QQ. Subsidiary** means a company or **Limited Liability Partnership** in which the **Policyholder**:
1. holds directly or indirectly more than 50% of the issued share capital;
 2. has the right to appoint or remove a majority of the board of directors or **Members**; or
 3. holds directly or indirectly a majority of the voting rights.
- RR. Telecommunication Fraud** means the unauthorised and criminal use of, or access to, a terrestrial telecommunications system, owned or leased by the **Insured** on their premises which is password protected and is also protected by other reasonable and documented security measures, provided that non-terrestrial mobile and data telecommunications systems shall not constitute a terrestrial telecommunications system.
- SS. Telecommunication Fraud Charges** means the charges raised by the telecommunications provider against the **Insured** for **Telecommunication Fraud**.
- TT. Territory** means the territory set out in the **Schedule**.
- UU. Terrorism** means any person's action on behalf of or in connection with any individual or organisation which carries out activities directed towards the overthrowing of, or influencing by force or violence of, Her Majesty's government in the United Kingdom or any other government whether legally established or not.
- VV. Third Party** means a natural person other than an **Employee** or **Client**.
- WW. War** means war, invasion, foreign enemy hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or the use of military or usurped power.

Section 5 – General Conditions

5.1 Acquisition of the Policyholder

If during the **Policy Period**:

- i. the **Policyholder** has 100% of its issued share capital acquired by another entity or consolidates or merges with another entity such that more than 50% of its issued share capital is acquired; or
- ii. there is a change in control resulting in any person, entity or group of persons or entities obtaining the right to appoint or remove a majority of the **Policyholder's** board members,

then cover shall continue until the end of the **Policy Period** but only for **Crimes** committed prior to such acquisition, consolidation, merger or change in control provided that this **Policy** is not replaced by similar insurance or the **Insured** does not have the benefit of other similar insurance. Where there is other insurance in place providing similar cover, this **Policy** shall cease immediately together with any **Discovery Period** and the premium shall be deemed fully earned.

5.2 Acquisition or Creation of Subsidiaries or Associated Companies

If prior to or during the **Policy Period** the **Insured** acquires or creates a new **Subsidiary, Associated Company** or **Benefit Plan** then it shall become an **Insured** from the date of acquisition or creation but only for **Crimes** committed after the date of acquisition or creation provided that for acquisitions or creations that occur during the **Policy Period** where such acquired or created entity:

- i. has gross consolidated turnover or employee numbers that increase the existing gross consolidated turnover or **Employee** numbers of all **Insureds** by more than 25%; or
- ii. has had a loss that would be covered under the terms of this **Policy** in the last 3 years that is greater than 50% of the retention specified in the **Schedule**; or
- iii. has activities that are materially different from the **Insured's**,

the **Policyholder** shall give written notice to the **Insurer** of such acquisition or creation as soon as reasonably possible but in no event later than 60 days post acquisition or creation, upon which the **Insurer** shall have the right to amend the terms and conditions of this **Policy** including charging an additional premium.

5.3 Alteration and Assignment

No change in, modification of, or assignment of interest under this **Policy** shall be effective except when made by written endorsement to this **Policy** duly signed by an authorised signatory of the **Insurer**.

5.4 Arbitration

Any dispute arising out of or in connection with this **Policy** may be referred, with the mutual agreement of the **Policyholder** and **Insurer**, to an arbitrator. The arbitrator shall be a Queen's Council specialising in insurance law and shall be appointed by agreement between the **Policyholder** and **Insurer** or, failing such agreement, by the Chairman for the time being of the Bar Council.

5.5 Cancellation

This **Policy** may be cancelled:

- i. by the **Policyholder** by giving 30 days notice in writing to the **Insurer** at the address shown in the **Schedule**;
- ii. by the **Insurer** by giving 60 days notice in writing to the **Policyholder** at the address shown in the **Schedule**;
- iii. by the **Insurer** by giving 14 days notice to the **Policyholder** due to the non-payment of premium; or
- iv. at such other time as may be agreed upon by the **Policyholder** and the **Insurer** in writing,

whereupon a return premium shall be due to the **Policyholder** calculated at customary short period rates if cancellation is effected by the **Policyholder** and pro-rata if cancelled by the **Insurer**, but only if notice of a **Crime** has not been given under the **Policy** under which circumstances there shall be no return premium.

5.6 Cancellation of the Insured's Fixed Sum Loan Agreement

Where the **Insurer** has agreed to the **Insured** paying their premium by monthly instalments, then in the event that there is a default in the instalments due under the payment schedule, the **Insurer** reserves the right to terminate the **Policy** and the **Insured** will no longer be insured by the **Insurer**.

If the **Insured's** monthly premium payment has a Fixed Sum Loan Agreement regulated by The Consumer Credit Act 2006, then this shall be deemed to be a linked loan agreement. In the event that there is a default in the instalments due under the payment schedule, the **Insurer** reserves the right to also terminate that linked loan agreement.

5.7 Connected Crimes

All **Crimes** resulting from a single act or any number of acts in which the same person is concerned or implicated, whether such act or acts occurred before or during the **Policy Period**, shall be deemed to be a single **Crime** first **Discovered** on the date when the first of such **Crimes** was **Discovered**.

5.8 Data Damage Expenses and Reconstitution of Data

The **Insured** shall at all times:

- i. maintain current back up files of **Data** such that it is isolated from **Data** in current usage and is unaffected by a **Crime**;
- ii. ensure that **Data** is protected by appropriate security measures including but not limited to physical security where appropriate, passwords, firewalls and malware detection, prevention and deletion software; and
- iii. not use unlicensed software.

5.9 Discovery Period

If the **Insured** (other than for non-payment of premium) or **Insurer** refuse to renew this **Policy**, then the **Insured** shall have the right to a **Discovery Period** that shall start immediately upon the cessation of the **Policy Period**, provided that prior to the end of the **Policy Period**:

- i. the **Insured** has paid the additional premium (if applicable) for that **Discovery Period** as set out in the **Schedule**;

- ii. the **Insured** has not arranged or obtained the benefit of any insurance cover provided under any renewal or replacement of this **Policy**;
- iii. no claims or circumstances relating to any actual or potential **Loss** have been notified to the **Insurer**; and
- iv. the **Policyholder** has not been acquired or become insolvent in the circumstances set out in the General Conditions of this **Policy**.

If during the **Discovery Period** the **Insured** arranges or obtains the benefit of any insurance that provides cover the same as or substantially similar to that provided in this **Policy**, then the **Discovery Period** shall come to an end and the additional premium (if applicable) shall be deemed fully earned.

Crimes that are **Discovered** in the **Discovery Period** shall be deemed to be **Discovered** in the **Policy Period**. There shall be no cover for **Crimes** committed during the **Discovery Period**.

5.10 Dispute Resolution

Subject to General Condition 5.4, any dispute arising in respect of this **Policy** (and any non-contractual obligations arising out of or in respect of it) shall be subject to the exclusive jurisdiction of the courts of England and Wales.

5.11 Financial and Trade Sanctions

The **Insurer** shall not provide coverage or be liable to provide any indemnity or payment or other benefit under this **Policy** if and to the extent that doing so would breach any **Prohibition**.

If any **Prohibition** takes effect during the **Policy Period** the **Insured** or the **Insurer** may cancel that part of this **Policy** which is prohibited or restricted with immediate effect by giving written notice to the other at their last known address.

If the whole or any part of the **Policy** is cancelled the **Insurer** shall, if and to the extent that it does not breach any **Prohibition**, return a proportionate amount of the premium for the unexpired period subject to minimum premium requirements and provided no claims have been paid or are outstanding.

For the purposes of this endorsement a **Prohibition** shall mean any prohibition or restriction imposed by law or regulation.

5.12 Insolvency

If during the **Policy Period** the **Policyholder** enters into a winding up of any kind, administration, voluntary arrangement or any other insolvency procedure or if a receiver or holder of a similar position is appointed over any of its assets, then cover for the **Insureds** shall continue until the end of the **Policy Period**, but not for **Crimes** committed after the date of that entry or appointment.

If during the **Policy Period** a **Subsidiary, Associated Company** or **Benefit Plan** enters into a winding up of any kind, administration, voluntary arrangement or any other insolvency procedure or if a receiver or holder of a similar position is appointed over any of its assets, then cover for that **Subsidiary, Associated Company** or **Benefit Plan** shall continue until the end of the **Policy Period**, but not for **Crimes** committed after the date of that entry or appointment.

5.13 Insurance Act 2015

In respect of any:

- i. duty of disclosure;
- ii. effect of warranties; and
- iii. effect of acts of fraud,

the rights and obligations applying to the **Insured** and the **Insurer** shall be interpreted in accordance with the provisions of the Insurance Act 2015.

5.14 Joint Policy

Each **Insured** is deemed for all purposes under this **Policy** to be insured jointly and not separately for their respective several insurable interests.

5.15 Law Applicable

Under the laws of the United Kingdom (England, Scotland, Wales and Northern Ireland) both parties may choose the law which applies to this contract, to the extent permitted by those laws. Unless the parties agree otherwise in writing, the **Insurer** has agreed with the **Insured** that the law which applies to this contract is the law which applies to the part of the United Kingdom in which the **Insured** is based, or, if based in the Channel Islands or the Isle of Man, the law of whichever of those two places in which the **Insured** is based.

The parties have agreed that any legal proceedings between them in connection with this contract will only take place in the courts of the part of the United Kingdom in which the **Insured** is based, or, if the **Insured** is based in either the Channel Islands or the Isle of Man, the courts of whichever of those two places in which the **Insured** is based.

5.16 Limits of Liability

The **Insurer's** liability for **Loss** covered under this **Policy** for any single **Crime** shall not exceed the **Limit of Liability** stated in the **Schedule** or the sub-limits stated in the Coverage Extensions.

The sub-limits are part of and shall erode the **Limit of Liability** apart from the **Expenses** sub-limit which is in addition to the **Limit of Liability**.

The **Limit of Liability** (and any applicable sub-limits) shall be the **Insurer's** maximum aggregate liability for all **Insureds** together, not per **Insured** and for all Insuring Clauses and Coverage Extensions together triggered by a single **Crime** not per Insuring Clause and Coverage Extension.

Regardless of the number of times this **Policy** is renewed and of the total premium paid, the **Limit of Liability** shall not be cumulative from year to year or from policy period to policy period.

5.17 Policyholder and Insured

The **Policyholder** shall act on behalf of all **Insureds** with respect to:

- i. the giving and receiving of notice of **Crimes**;
- ii. cancellation of this **Policy**;
- iii. the payment of premiums and the receiving of any return premiums that may become due;

- iv. the negotiation, agreement to and acceptance of any amendments or endorsements;
- v. the giving and receiving of any notice provided for in this **Policy**; and
- vi. the receiving of any claim payment made by the **Insurer** in respect of **Loss**.

5.18 Retention

For each single **Crime**, the **Insurer** shall only be liable for that amount of **Loss** that exceeds the retention stated in the **Schedule** and the amount of recoveries made prior to the **Insurer** making payment for **Loss**.

If an **Insured** receives payment for loss or liability covered under another policy after the application of a retention for **Loss** also covered under this **Policy**, the retention stated in the **Schedule** shall, in respect of that **Crime**, be reduced by the retention applied under the other policy.

No retention shall apply to **Loss** sustained by a **Benefit Plan** or to **Court Compensation Costs** or **Public Relations Consultancy Fees**.

5.19 Sale or Cessation of Subsidiaries, Associated Companies and Benefit Plans

If during the **Policy Period** a **Subsidiary, Associated Company** or **Benefit Plan** is sold or ceases to be an **Insured**, then cover shall continue for such sold or ceased entity until the end of the **Policy Period** but only for **Crimes** committed prior to such sale or cessation.

If two years prior to the **Policy Period** a **Subsidiary, Associated Company** or **Benefit Plan** was sold or ceased to be an **Insured**, then such entity shall have cover for **Crimes** committed prior to such sale or cessation provided there was an insurance policy issued by the **Insurer** providing substantially the same cover as this **Policy** and it was in force at the time such **Crimes** were committed.

5.20 Territorial Application

Subject to the terms and conditions of this **Policy**, cover shall be provided for **Crimes** occurring anywhere within the **Territory**.

Section 6 – Claims Conditions

6.1 Claims Notification

In order for claims to be accepted under this **Policy** the **Insured** must give written notice of a **Crime** as soon as reasonably possible after **Discovery** and in no event later than 60 days after it is **Discovered** to the **Insurer** at "The Claims Department, Professional and Financial Risks, St Mark's Court, Chart Way, Horsham, West Sussex, RH12 1XL" marked for the attention of the Professional and Financial Risks Claims Manager. Notice will be effective on the day of receipt by the **Insurer**.

Failure to comply with this condition will result in the claim being rejected.

6.2 Contracts (Rights of Third Parties) Act 1999

No person other than the parties to the **Policy** shall have any rights under or in connection with this **Policy** by virtue of the Contracts (Rights of Third Parties) Act 1999 or any amendment or re-enactment thereof. The **Insured** shall not be entitled to assign any right or cause of action against the **Insurer** under or in connection with this **Policy**.

6.3 Co-operation

Each **Insured** shall give to the **Insurer** all such information and co-operation that it may reasonably require to establish its liability, defend any claim against the **Insured** (it being understood and agreed that there is no obligation upon the **Insurer** to conduct the defence of such claim) or pursue prosecution against the perpetrators of a **Crime** including but not limited to submitting to examination under oath and producing all relevant documents to the fullest extent legally permissible.

6.4 Loss Mitigation and Waiver

The **Insured** shall exercise due diligence and do all that is necessary and reasonable to avoid or minimise **Loss** and shall do nothing that may prejudice the **Insurer's** rights or remedies under, or in connection with, this **Policy** in relation to such **Loss**.

Provided that, where the **Insured** is prevented from stopping or attempting to frustrate a **Crime** as a direct result of a direction or instruction issued by an authority under the auspices of Her Majesty's government (and invested thereby with the powers to do so) the **Insurer** shall waive any rights or remedies it may have for the failure of the **Insured** to mitigate such **Loss** in such circumstances.

6.5 Other Insurance

Loss covered under this **Policy** shall be specifically excess of loss covered under any other valid and collectible insurance (including but not limited to insurance that is stated to be primary, contributory, excess, contingent or otherwise) indemnity or guarantee, unless such other insurance, indemnity or guarantee is specifically excess of this **Policy**.

6.6 Proof of Loss

Within 6 months after **Discovery** of a **Crime** the **Insured** shall provide a full proof of **Loss** to the **Insurer** with all relevant information known to the **Insured** at the time in relation to that **Loss**, including but not limited to the quantum of **Loss**, the nature of the **Crime** and identity of the perpetrators if known.

6.7 Recoveries

Recoveries (which shall not include any payments received in respect of any insurance, reinsurance, sureties or indemnities) in respect of **Loss** covered under this **Policy** as a result of **Crime** shall be distributed as follows:

- i. firstly; to the **Insured** for any **Loss** that would otherwise be covered but is in excess of the **Limit of Liability** stated in the **Schedule**;
- ii. secondly; to the **Insurer** for claims paid to the **Insured**; and
- iii. thirdly; to the **Insured** for any retention amount applicable.

All recoveries shall be distributed only after the cost of recovery has been deducted from those recoveries.

6.8 Subrogation

If and to the extent that the **Insurer** makes any payment under this **Policy** in respect of a **Loss** the **Insurer** shall be subrogated to all the **Insured's** rights of recovery and action in respect of such **Loss**. The **Insured** shall do everything necessary to secure and preserve such rights of subrogation, including but not limited to the execution of such documents as are necessary to enable the **Insurer** to bring legal proceedings in the name of the **Insured**.

6.9 Valuation

The **Insurer** shall not be liable to indemnify the **Insured** for more than:

- i. the lesser of the market value of **Securities** at the close of business on the day immediately preceding the day on which the **Crime** was **Discovered**, or the cost of replacing the **Securities** including the costs of posting any required lost instrument bond (which costs shall be paid by the **Insurer** on behalf of the **Insured**);
- ii. the cost of blank material such as paper, tapes, disks and other materials for storing **Data** but not the value of the information contained therein;
- iii. the costs of labour for the copying or transcription of **Data** furnished by the **Insured** in order to reinstate such **Data**;
- iv. the value of a foreign currency calculated in pounds sterling at the mid point rate of exchange published in The Financial Times on the day the **Crime** is first **Discovered**; and
- v. the cash value of **Property** at the time the **Crime** is **Discovered** or the costs of repairing or replacing the **Property** with that of an equivalent standard whichever is the less.

Complaints Procedure

Our commitment to customer service

At RSA we are committed to going the extra mile for our customers. If you believe that we have not delivered the service you expected, we want to hear from you so that we can try to put things right. We take all complaints seriously and following the steps below will help us understand your concerns and give you a fair response.

Step 1

If your complaint relates to your **Policy** then please contact the sales and service team based in the office which issued the **Policy**. If your complaint relates to a claim then please call the claims helpline number shown in your **Policy** booklet.

We aim to resolve your concerns by close of the next business day. Experience tells us that most difficulties can be sorted out within this time.

Step 2

In the unlikely event that your concerns have not been resolved within this time, your complaint will be referred to our Customer Relations Team who will arrange for an investigation on behalf of our Chief Executive. Their contact details are as follows:

Post: RSA
Customer Relations Team
PO Box 255
Wymondham
NR18 8DP

Email: crt.halifax@uk.rsagroup.com

Our promise to you

We will:

- Acknowledge all complaints promptly
- Investigate quickly and thoroughly
- Keep you informed of progress
- Do everything possible to resolve your complaint
- Use the information from your complaint to proactively improve our service in the future.

Once we have reviewed your complaint we will issue our final decision in writing within 8 weeks of the date we received your complaint.

If you are still not happy

If you are still unhappy after our review, or you have not received a written offer of resolution within 8 weeks of the date we received your complaint, you may be eligible to refer your case to the Financial Ombudsman Service. The Financial Ombudsman Service is an independent body that arbitrates on complaints, they can be contacted at:

Post: Financial Ombudsman Service
Exchange Tower
Harbour Exchange Square
London
E14 9SR

Telephone: 0800 0234567 (free from standard land line, mobiles may be charged)
0300 1239123 (same rate as 01 or 02 numbers, on mobile phone tariffs)

Email: complaint.info@financial-ombudsman.org.uk
Website: www.financial-ombudsman.org.uk

You have six months from the date of our final response to refer your complaints to the Financial Ombudsman Service. This does not affect your right to take legal action, however, the Financial Ombudsman Service will not adjudicate on any case where litigation has commenced.

Thank you for your feedback

We value your feedback and at the heart of our brand we remain dedicated to treating our customers as individuals and giving them the best possible service at all times. If we have fallen short of this promise, we apologise and aim to do everything possible to put things right.

Fair Processing Notice

How we use your information

Please read the following carefully as it contains important information relating to the details that you have given us. You should show this notice to any other party related to this insurance.

Who we are

This product is underwritten by Royal & Sun Alliance Insurance plc.

You are giving your information to Royal & Sun Alliance Insurance plc, which is a member of the RSA Group of companies (the Group). In this information statement **we, us** and **our** refers to the Group unless otherwise stated.

How your information will be used and who we share it with

Your information comprises of all the details we hold about you and your transactions and includes information obtained from third parties.

If you contact us electronically, we may collect your information identifier; e.g. Internet Protocol (IP) Address or telephone number supplied by your Service Provider.

We may use and share your information with other members of the Group to help us and them:

- Assess financial and insurance risks;
- Recover debt;
- Prevent and detect crime;
- Develop our services, systems and relationships with you;
- Understand our customers' requirements;
- Develop and test products and services.

We do not disclose your information to anyone outside the Group except:

- Where we have your permission;
- Where we are required or permitted to do so by law;
- To credit reference and fraud prevention agencies and other companies that provide a service to us, our partners or you; or
- Where we may transfer rights and obligations under this agreement.

We may transfer your information to other countries on the basis that anyone we pass it to provides an adequate level of protection. In such cases, the Group will ensure it is kept securely and used only for the purpose for which you provided it. Details of the companies and countries involved can be provided on request.

From time to time we may change the way we use your information. Where we believe you may not reasonably expect such a change we shall write to you. If you do not object, you will consent to that change.

We will not keep your information for longer than is necessary.

Sensitive Information

Some of the information we ask you for may be sensitive personal data, as defined by the Data Protection Act 1998 (such as information about health or criminal convictions). We will not use such sensitive personal data about you or others except for the specific purpose for which you provide it and to carry out the services described in your policy documents. Please ensure that you only provide us with sensitive information about other people with their agreement.

How to contact us

On payment of a small fee, you are entitled to receive a copy of the information we hold about you. If you have any questions, or you would like to find out more about this notice you can write to:

Data Protection Liaison Officer,
Customer Relations Office,
RSA,
Bowling Mill,
Dean Clough Industrial Estate,
Halifax, HX3 5WA.

Royal & Sun Alliance Insurance plc (No. 93792).
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Financial Conduct Authority and the Prudential Regulation Authority.