

The General terms and conditions and the following terms and conditions all apply to this section.

Special definitions for this section

Benefits	Any compensation awarded to an employee other than basic remuneration including but not limited to health benefits, amounts due in respect of employee benefit or pension scheme, share or stock options, incentives or deferred compensation.
Claim	Any written demand or civil, criminal, regulatory or arbitration proceeding made against you or an insured person seeking monetary damages or other legal relief alleging an employment practice wrongful act .
Defence costs	Costs incurred with our prior written agreement (not to be unreasonably withheld) to investigate, settle or defend any claim made against you or an insured person or to fund an appeal (including any premium paid for an appeal bond or similar bond obtained in relation to it) arising from any judgment, decision or award in relation to any claim .
Employee	Any person under a contract of service with you or any person directly engaged by you with or without payment including any volunteer solely whilst under your control in connection with your business
Employment claim	A claim by any employee for any actual or alleged wrongful, unfair or constructive dismissal, discharge or termination of employment, breach of written or implied contract, employment related misrepresentation, wrongful deprivation of a career opportunity, failure to grant tenure, negligent employee evaluation, harassment, unlawful discrimination, failure to provide adequate employee procedures and policies, invasion of privacy or any other claim as a result of the employment or non-employment by you of any current, former or potential employee .
Employment practice wrongful act	Any actual or alleged act, error or omission committed or attempted by you or an insured person or by any third party where you are held vicariously liable relating to any actual or alleged wrongful, unfair or constructive dismissal, discharge or termination of employment, breach of written or implied contract, employment related misrepresentation, wrongful deprivation or a career opportunity, failure to grant tenure, negligent employee evaluation, harassment, unlawful discrimination, failure to provide adequate employee procedures and policies, retaliation, defamation, invasion of privacy or any other claim arising solely as a result of the employment by you of any current, former or prospective employee .
Insured person	<ol style="list-style-type: none"> any natural person who was, is or during the period of insurance becomes a trustee, committee member, volunteer, director or officer of you, any de facto director whilst acting in such capacity for you, any shadow director as defined under Section 741(2) of the Companies Act 1985 or equivalent legislation in any other jurisdiction, Any employee of you, The lawful spouse, civil or unmarried partner of any person above solely because of their spousal, civil or unmarried partner relationship following a claim against that person. The estates, heirs or legal representatives of any person in above who has died or become incapacitated, insolvent or bankrupt but only for a claim against that person. <p>Insured person does not include any person acting in their capacity as a liquidator, external or statutory auditor, receiver, administrator or administrative receiver.</p>
Investigation	<p>An official examination, official enquiry or official investigation into you conducted by any Regulator, Government Department or other body legally empowered.</p> <p>Investigation does not include routine regulatory supervision, enquiry or compliance review, any internal investigation or any investigation which is not solely related to your or any insured person's conduct.</p>
Legal representation costs	Reasonable and necessary legal costs, fees, charges and expenses for which you are legally liable, incurred with our prior written consent (not including remuneration of any insured person or other additional costs of yours) for legal representation directly in relation to an investigation .

Charities - Employment practices liability

Policy wording

Subsidiary

Any entity in which **you**:

- a. own directly or through one or more of **your** subsidiaries more than 50% of the share capital or a majority of the voting rights or have the right to appoint or remove a majority of the entity's board of directors; or
- b. control a majority of its voting rights under a written agreement with other shareholders or members.

If an entity ceases to be a **subsidiary** during the **period of insurance**, cover will continue but only for a **claim** against **you** or an **insured person** arising from a **wrongful act or employment practice wrongful act** committed before it ceased to be a **subsidiary**.

Loss

The amount **you** and/or any **insured person** becomes legally liable to pay in respect of a **claim** including **defence costs, legal representation costs**, awards of damages, awards of costs, settlements with **our** prior written agreement (which shall not be unreasonably withheld).

Loss does not include any civil, regulatory or criminal fines or penalties, taxes, remuneration or employment related benefits, punitive and exemplary damages in relation to an **employment claim** or the multiplied portion of any damages award.

Retaliation

Any **claim** brought against an **employee** relating to any actual or alleged action taken by such **employee** exercising or attempting to exercise their rights under law.

You/your

Also includes:

- a. any **subsidiary**;
- b. any **subsidiary** created or acquired during the **period of insurance** provided that the number of the subsidiary's employees does not exceed 20% of the existing number employed by **you**, but only for a **claim** against **you** or an **insured person** arising from an **employment practice wrongful act** committed after the date of acquisition.

What is covered

Claims by employees

We will pay on **your** behalf the **loss** arising from a **claim** by an **employee** first made during the **period of insurance** against **you** or an **insured person** for an **employment practice wrongful act**.

You must pay the relevant **excess** (if any) shown in the schedule. This **excess** shall not apply to any **claim** brought solely against an **insured person**.

Claims by others

We will pay on **your** behalf the **loss** arising from a **claim** by anyone other than an **employee** first made during the **period of insurance** against **you** for an **employment practice wrongful act**.

You must pay the relevant **excess** (if any) shown in the schedule. This **excess** shall not apply to any **claim** brought solely against an **insured person**.

Representation costs

We will pay on behalf of **you** or any **insured person** the **legal representation costs** where **your** or an **insured person's** attendance is required arising from an **investigation** first notified as being required during the **period of insurance**.

What is not covered

A. **We** will not make any payment for any **claim, loss or investigation**:

1. based upon, attributable to or arising out of:
 - a. membership or non-membership of any trade union or equivalent labour organisation or any involvement in trade union activities;
 - b. **your** failure to act in accordance with any collective bargaining agreement.

The above shall not apply to any **claim** for **retaliation**.

2. based upon, attributable to or arising out of any responsibility, duty or obligation imposed by law in relation to health & safety, unemployment, social security, retirement or disability benefits or any similar law whether statutory or common law.

The above shall not apply to **retaliation**.

Charities - Employment practices liability

Policy wording

Matters insurable elsewhere	3. for the death or any bodily or mental injury or emotional distress suffered by anyone, or the loss, damage or destruction of any tangible property, other than emotional distress directly arising from any employment practice wrongful act .
Prior claims, investigations and circumstances	4. based upon, attributable to or arising out of any claim, investigation or circumstance which you were aware of, or that has been reported under any policy existing or expired, prior to the start of the period of insurance .
Claims in the United States of America	5. based upon, attributable to or arising out of any employment practice wrongful act committed or attempted in the United States of America.
Prior litigation	6. based upon, attributable to or arising out of any prior or pending litigation or proceedings (including allegations deriving from the same or essentially the same facts) involving an insured person, you or an outside entity initiated prior to the date shown under the prior and pending litigation date in the schedule.
Deliberate or dishonest acts	7. based upon, attributable to or arising out of a dishonest or fraudulent act or omission or committed by any insured person . This exclusion shall only apply after a judgment or other final adjudication or an admission by an insured person such act did occur. In applying the above, the actions of any insured person shall not be imputed to any other insured person for the purposes of determining whether cover is available for any claim against such other insured person .
Specific activities	B. We will not make any payment other than defence costs or legal representation costs : 1. based upon, attributable to or arising out your failure to pay any amount you are contractually committed to pay to an employee including but not limited to any payments for contractual or statutory notice periods or breach of any obligation pursuant to any minimum wage legislation or benefits payable. 2. based upon, attributable to or arising out your failure to pay taxes.
Non-compensatory payments	3. based upon, attributable to or arising out any non-pecuniary or injunctive relief. 4. based upon, attributable to or arising out of anyone else's liability which you are legally obliged to assume under any contract or agreement. This does not apply to any claim that would have resulted in the absence of such contract or agreement. 5. based upon, attributable to or arising out any amount in respect of the costs of complying or refusing to comply with a court or other order for the reinstatement of an employee , however this shall not apply to basic remuneration from the original date of dismissal to the date of court or other order.

Special conditions

General terms	<p>The General definitions, General conditions and General claims conditions set out in the General terms and conditions all apply equally to each insured person and to you, except for General condition 4. Premium payment, which apply only to you.</p> <p>General condition 1, paragraph 2 & General claims condition 2. shall only apply to you.</p> <p>General condition 2 shall not apply to this section.</p> <p>You agree to act on behalf of all the insured persons as regards paying the premium and giving or receiving notice of all matters relevant to this section.</p>
Extended notification period	<p>If we or you refuse to renew this section of the policy for any reason other than non-payment of premium, you may purchase an extended notification period of 12 months upon payment of 50% of the full annual premium. If you do so, the first paragraph of item 1 under Your Obligations will then be amended to:</p> <p>We will not make any payment under this section:</p> <ol style="list-style-type: none"> 1. unless you notify us promptly of the following within the period of insurance or at the latest within 12 months after it expires:

Charities - Employment practices liability

Policy wording

This extended notification period is only available if:

- we** receive **your** written notice of purchase and **your** premium within 45 days following the end of the **period of insurance**; and
- this section of the **policy** is not replaced or succeeded by any other policy providing employment practices liability cover; and
- at the end of the **period of insurance**, **you** have not merged or consolidated with another company.

If **we** offer renewal terms, conditions, limits of liability or premium different from those of the expiring **policy**, this does not constitute a refusal to renew.

The entire premium for this section is considered fully earned at the beginning of the extended notification period. **We** will not refund any premium to **you** if **you** cancel the extended notification period before it ends.

We will not make any payment for a **claim** due to an **employment practice wrongful act** committed or alleged to have been committed after the end of the original **period of insurance**.

The limit of indemnity for the extended notification period will be part of and not in addition to the limit of indemnity shown in the schedule.

You will not have the right to purchase an extended notification period if **you** merge or consolidate with another company.

Excess reduction for
Business HR audit

If **you** complete and implement any recommendations of an online audit by Business HR at **your** own cost, **we** agree to reduce the excess shown in the schedule by 50%.

Takeovers and
acquisitions

If during the **period of insurance** **you** acquire or create a **subsidiary** where the number of employees exceeds 20% of the total number already employed by **you**, then this section will cover that **subsidiary** for 30 days after its acquisition or creation. Cover will not extend beyond this period unless **we** have received written notice containing full details of such acquisition or creation and **we** have agreed by written endorsement to provide cover and **you** have paid any additional premium. **We** will not provide any cover for any **claim** arising from an **employment practice wrongful act** occurring prior to the acquisition or creation, unless **we** specifically agree to do so.

No cover will be available under this section for claims based on any **employment practice wrongful act** occurring after the date of:

- your** acquisition by, or **your** merger or consolidation with another entity so that **you** are not the surviving entity;
- the appointment of a liquidator, trustee, receiver or any similar official; or

unless **we** have received prior written notice and **we** have agreed by written endorsement to provide cover and **you** have paid any additional premium.

In the event of a **takeover or merger** occurring during the period of insurance **we** may extend the Policy to continue in force for a period of up to 72 months from the expiry date of the current period of insurance, provided that such extension shall only apply to **claims** arising from any **employment practice wrongful act** committed or alleged prior to the date of takeover or merger.

The above extension shall be at **our** sole discretion and will be subject to such additional terms and conditions and premium as **we** may require. The extended notification period special condition shall not apply to any such extension.

How much we will pay

The most **we** will pay for the total of all **claims** and their **defence costs** and all **legal representation costs** is the limit of indemnity shown in the schedule irrespective of the number of **claims** made.

The amount **we** will pay for **claims** and their **defence costs** includes any amount **we** pay on an **insured person's** behalf as a director of an **outside entity**, and on **your** behalf, and for **claims** against an **insured person's** spouse.

Paying out the limit
of indemnity

At any stage of a **claim**, **we** can pay the **insured person** the applicable limit of indemnity or what remains after any earlier payment from that limit. **We** will then have no further liability for any **claim** or **loss**.

Your obligations

Notification

We will not make any payment under this section:

1. unless **you** notify us promptly of the following within the **period of insurance** or at the latest within 45 days after it expires:
 - a. **your** first awareness of any **employment practice wrongful act** or any shortcoming in **your** employment practices which is likely to lead to a **claim** against **you**.
If **we** accept **your** notification **we** will regard any subsequent **claim** as notified to this insurance.
 - b. any **claim** or threatened **claim** against **you**;
2. if, when dealing with an employee or a third party, **you** admit that **you** are liable for what has happened or make any offer, deal or payment without **our** prior written agreement. **You** must also not reveal the amount of cover available under this insurance.

You must notify us of any circumstance **you** reasonably expect to give rise to a claim giving reasons for such expectation and including full particulars as to the dates and persons involved.

Control of defence and payment of a claim

You and any **insured person** must give **us** the information and co-operation which **we** may reasonably require and take all reasonable steps to defend any **claim**. **You** and the **insured person** should not do anything which may prejudice **our** position.

Any **insured person** may with **our** prior written approval appoint legal representation. However, where a **claim** is made against more than one **insured person** the same legal representative should be used unless there is a material conflict of interest between **insured persons**.

We shall have the right to participate fully in the defence of any **claim** including negotiation of any settlement. **We** shall have the right to defend any **claim** brought by **you**.

Where there is a dispute between **us** and **you** and/or any **insured person** over cover, proposed settlement or continuing the defence of a **claim**, **you** or **we** may request the obtainment of an opinion from a mutually agreed Queens Counsel or equivalent in a different jurisdiction. Such opinion shall be binding on **us** and **you** and any **insured person** and will establish whether policy cover exists, defence of said **claim** will continue or settlement will be agreed. The costs of such opinion shall be met by **us**.

We shall pay **defence costs** above any **excess** and covered by this section on an ongoing basis prior to the final resolution of any **claim**. **You** and/or any **insured person** must reimburse **us** for any **defence costs** paid where it is determined there is no entitlement under this section.

If a **claim** is made which is not wholly covered by this section, and/or is also made against **you** and any other person who is not **you** or an **insured person**, **we**, **you** and the **insured person** shall use our best endeavours to agree a fair allocation between **loss** that is covered and **loss** not covered by this section.