

Charities - Professional and legal liability

Policy wording

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

Special definitions for this section

Claim	<ol style="list-style-type: none"> Any written demand or civil or arbitration proceeding seeking monetary damages first made against you during the period of insurance alleging a wrongful act. Any criminal or regulatory proceeding first made against you during the period of insurance alleging a wrongful act.
Crisis containment costs	Costs incurred in utilising the services of Chelgate Limited following a claim to prevent, limit or mitigate the actual or anticipated adverse or negative publicity or media attention of you .
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 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 .
Health and safety/ corporate manslaughter claim	Any claim under the provisions of the Corporate Manslaughter and Homicide Act 2007 or the Health & Safety at Work etc. Act 1974 or its equivalent in any other jurisdiction.
Identity crime	An agreement entered into by any third party representing themselves as you .
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 250 of the Companies Act 2006 or equivalent legislation in any other jurisdiction. any employee of you. the lawful spouse, civil or unmarried partner of any person within a, b, c and d of this definition 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 a, b, c, d or e of this definition 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 your business activities conducted by the Charity Commission or any other Regulator, Government Department or other body legally empowered.</p> <p>Investigation does not include routine regulatory supervision, tax enquiry or compliance review, any internal investigation or any investigation which is not solely related to your or any insured person's conduct.</p>
Loss	The amount you become legally liable to pay to any claimant in respect of a claim including defence costs , awards of damages (including punitive and exemplary damages where legally permissible), awards of costs, settlements with our prior written agreement (which shall not be unreasonably withheld).

Charities - Professional and legal liability

Policy wording

It does not include any civil, regulatory or criminal fines or penalties, taxes or the multiplied portion of any damages award.

Pollutant	Any contaminant, irritant or other substance, including, but not limited to, asbestos, lead, smoke, vapour, water, oil, oil products, dust, fibres, soot, fumes, acids, alkalis, chemicals, waste (including materials that have been or are intended to be recycled, reconditioned or reclaimed).
Pollution	Actual, alleged or threatened discharge, seepage, treatment, removal, disposal, dispersal, emission, release or escape of any pollutant or any regulatory order, direction or request to test for, monitor, remove, contain, treat, detoxify, or neutralise any pollutant.
Subsidiary	<p>Any entity in which you:</p> <ol style="list-style-type: none"> 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 control a majority of its voting rights under a written agreement with other shareholders or members. <p>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.</p>
Wrongful act	<p>Any actual or alleged act, error or omission committed or attempted by you arising from the performance your duties including:</p> <ol style="list-style-type: none"> breach of any duty, including fiduciary or statutory duty; breach of trust; negligence, negligent misstatement, misleading statement or negligent misrepresentation; defamation; breach of warranty of authority; any other act, error or omission attempted or allegedly committed or attempted by an you solely as a result of your business activity; breach of any duty, including fiduciary or statutory duty;
You/your	<p>Also includes any subsidiary, and any subsidiary created or acquired during the period of insurance provided that the newly created or acquired subsidiary:</p> <ol style="list-style-type: none"> is not domiciled in the United States of America; does not trade any of its securities on any United States of America exchange; <p>but only for a claim against you arising from a wrongful act committed after the date of creation or acquisition of such subsidiary.</p> <p>If you require cover for any newly created or acquired subsidiary which does not fall within the above parameters, we will consider providing cover subject to you providing all appropriate information. We shall be entitled to amend the policy terms and conditions during the period of insurance including but not limited to the charging of a reasonable additional premium.</p>

What is covered

Claims by others	<p>We will pay on behalf of you the loss arising from a claim first made during the period of insurance against you for any wrongful act within the geographical limits.</p> <p>You must pay the relevant excess (if any) shown in the schedule.</p>
Health and safety/corporate manslaughter claims	<p>We will pay on your behalf loss arising from a health & safety/corporate manslaughter claim (or equivalent legislation in any other jurisdiction) for a wrongful act within the geographical limits.</p> <p>You must pay the relevant excess shown in the schedule. The excess shall apply to loss and defence costs.</p> <p>This cover will only apply excess of any other insurance and indemnification available from any other source.</p>

Charities - Professional and legal liability

Policy wording

Identity crime	<p>We will pay on behalf of you the loss arising from identity crime</p> <p>You must pay the relevant excess shown in the schedule. The excess shall apply to loss and defence costs.</p>
Breach of data protection	<p>We will pay on behalf of you the loss arising from a claim arising from breach of the Data Protection Act 1998 or its equivalent in any other jurisdiction</p> <p>You must pay the relevant excess shown in the schedule. The excess shall apply to loss and defence costs.</p>
Pension/employee benefit schemes claims	<p>We will pay on your behalf loss in respect of a claim arising from your operation or administration of any pension or employee benefit scheme or trust fund.</p> <p>You must pay the relevant excess (if any) shown in the schedule. The excess shall apply to loss and defence costs.</p>
Pollution claims	<p>We will pay on your behalf loss in respect of a claim arising from pollution.</p> <p>You must pay the relevant excess (if any) shown in the schedule. The excess shall apply to loss and defence costs.</p> <p>The limit provided under this cover shall be £100,000.</p> <p>This limit shall form part of the total aggregate limit for this section shown in the schedule.</p>
Representation costs	<p>We will pay on behalf of you the legal representation costs arising from an investigation first made during the period of insurance.</p> <p>You must pay the relevant excess (if any) shown in the schedule. The excess shall apply to loss and defence costs.</p>
Taxation claims	<p>We will pay on your behalf loss in respect of a claim arising from your failure to comply with taxation regulations including PAYE, VAT and Customs.</p>
Your own losses	<p>We will pay your direct financial loss if during the period of insurance, and in the performance of your business activity, you discover a loss from the dishonesty of an employee, where there was a clear intention to cause you financial loss or damage and to obtain a personal financial gain over and above salary, bonus or commission.</p> <p>The limit provided under this cover shall be £100,000.</p> <p>This limit shall form part of the total aggregate limit for this section shown in the schedule.</p>
Document replacement	<p>If during the period of insurance any document, information or data of yours is lost, damaged or destroyed while in your possession we will pay the cost of replacing and/or restoring.</p>
Crisis containment costs	<p>We will pay on behalf of you the crisis containment costs arising from a claim</p> <p>The limit provided under this cover shall be limited to a maximum of £25,000 per policy. This limit shall be in addition to the total aggregate limit for this section shown in the schedule.</p> <p>For the avoidance of doubt, should the Trustees and individual liability section of this policy also be effected, only one crisis containment limit shall apply.</p>

What is not covered

Deliberate or dishonest acts	<p>A. We will not make any payment for any claim or loss or investigation:</p> <ol style="list-style-type: none"> 1. based upon, attributable to or arising out of: <ol style="list-style-type: none"> a. other than your own losses, a dishonest or fraudulent act or omission or any intentional breach of any statute or regulation. b. other than your own losses, an act intended to secure or which does secure profit or advantage to which you or an insured person is not legally entitled; c. an act intended to secure or which does secure a profit for any other company where an insured person is a trustee, director, officer or employee of such company. d. any statement you or an insured person knew was defamatory at the time of publication by you or the insured person.
------------------------------	--

Charities - Professional and legal liability

Policy wording

Prior claims, investigations and circumstances	2. based upon, attributable to or arising out of any claim or circumstance that has been reported under any policy existing or expired prior to the start of the period of insurance .
Prior litigation	3. 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.
Defined benefit pension schemes	4. based upon, attributable to or arising out of your operation or administration of any defined benefit pension scheme or their breach of any legislation or regulation relating to these activities.
Failure to fund pension and employee benefit schemes	5. based upon, attributable to or arising out of your failure to fund any pension, employee benefit scheme or trust fund.
Employment	6. based upon, attributable to or arising out of any employment claim .
Claims brought In the United States of America	7. based upon, attributable to or arising out of any wrongful act committed or attempted in the United States of America.
Bodily injury	8. based upon, attributable to or arising out of the death or any bodily or mental injury or disease suffered by anyone, unless arising directly from your breach of a duty of care. This exclusion shall not apply to any health & safety/corporate manslaughter claim . This cover will only apply excess of any other insurance and indemnification available from any other source.
Medical services	9. based upon, attributable to or arising out of the provision of or failure to provide any medical services required in the treatment or care of any person.
Products	10. based upon, attributable to or arising out of the manufacture, sale supply, installation or maintenance of any product of yours .
Contractual liability	11. based upon, attributable to or arising out of any claim in respect of a breach of contract, whether actual or implied, written or oral which is greater than you would have at law without the contract.
Market fluctuation	12. based upon, attributable to or arising out of any claim resulting from any market trends and/or fluctuations over which you or any insured person have no control.
Takeovers and mergers	13. based upon, attributable to or arising out of any claim for a wrongful act committed by you after you merge or consolidate with another company. In the event of a subsidiary ceasing during the period of insurance to be a subsidiary cover under this section shall be amended to apply solely to arising out any claim for a wrongful act committed by you prior to the effective date of sale or dissolution.
Matters specific to your own losses	B. We will not make any payment for loss based upon, attributable to or arising out of: <ul style="list-style-type: none"> a. any accounting or arithmetical error or omission or unexplained shortage; b. any default or non payment of any loan or other credit arrangement; c. your or any insured persons expenses incurred in establishing the amount of any financial loss to you; d. any loss of interest, loss or profit or any indirect losses which result from the incident which caused you to claim.

Special conditions

Extended notification period

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 **Your Obligations** will then be amended to:

We will not make any payment under this section unless **you** notify **us** promptly of the following within the **period of insurance** or at the latest within 12 months after it expires:

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 corporate 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 a **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 shall not have the right to purchase an extended notification period if **you** merge or consolidate with another company or any party.

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, civil or unmarried partner.

Each **claim** shall be treated as first made when **we** receive notice of the first **claim**. **Legal representation expenses** shall be treated as first made when attendance of an **insured person** is first notified as being required at an **investigation**.

You must pay the relevant **excess** shown in the schedule.

Special limits

For any **claim** for your own losses, the most **we** will pay is £100,000.

You must pay the relevant **excess** shown in the schedule.

Paying out the limit of indemnity

At any stage of a **claim**, **we** can pay **you** 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 unless **you** notify **us** promptly of the following within the **period of insurance** or at the latest within 45 days after it expires:

- your** first awareness of any **wrongful act**.
If **we** accept **your** notification, **we** will regard any subsequent **claim** as notified to this insurance.
- any **investigation** into **you**.

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

You 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**.

If it is not possible to obtain **our** consent prior to incurring **defence costs** we will give retrospective consent provided our consent is obtained within 14 days of first incurrence of such **defence costs**.

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** 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, **we** and **you** shall use our best endeavours to agree.

Crisis containment costs contact details**24 hour crisis line: Telephone 0207 9397 999**

Main contacts – Terence Fane-Saunders/James Darley

Chelgate can also be contacted at: No 1 Tanner Street, London, SE1 3LE

Tel: 020 7939 7939

Fax: 020 7939 7938

Email: hiscox@chelgate.com

Web: www.chelgate.com

You will be asked to provide **your policy** number and to confirm that a **claim** has been notified to **us**.