

The General terms and conditions and the following terms and conditions all apply to this section. Cover under this section is given on an each and every claim or loss basis unless otherwise specified.

Special definitions for this section

Advertising	Advertising, publicity, or promotion in or of your products or services, including online.
Applicable courts	The courts of competent jurisdiction in those countries stated as the applicable courts in the schedule.
Business activity	The activities stated in the schedule, which you perform in the course of your business .
Claim	Any written assertion of liability or any written demand for financial compensation or injunctive relief first made against you within the applicable courts .
Client	Any person or entity with whom you have contracted to provide services or deliverables that expressly fall within your business activity .
Defence costs	All reasonable and necessary lawyers' and experts' fees and legal costs incurred with our prior written agreement in investigating, settling, defending, appealing or defending an appeal against a covered claim but not including any overhead costs, general business expenses, salaries, or wages incurred by you or any other person or entity entitled to coverage under this section.
Employee	An individual performing employment duties solely on your behalf in the ordinary course of your business activity and who is subject to your sole control and direction and to whom you supply the instruments and place of work necessary to perform such business activity . You and your independent contractors will not be treated as employees under this section.
Liquidated damages	A sum of money, or mechanism for calculating such sum, agreed between you and your client by contract as the amount payable by you in the event of a specified breach of such contract provided that, at the time the sum or mechanism was agreed, it represented a fair and reasonable estimate of your client's loss in the event of your breach of the contract.
Loss	Any financial harm caused to your business .
Personal data	<ol style="list-style-type: none"> Any data relating to a living individual who can be identified from that data; or any sensitive personal data as defined in the Data Protection Act 1998 or any similar or successor legislation.
Pollution	Any pollution or contamination, including noise, electromagnetic fields, radiation and radio waves.
Potential claim	Anything likely to lead to a claim covered under this section.
Retroactive date	The date stated as the retroactive date in the schedule. For any subsidiary acquired by you during the period of insurance the retroactive date will be the date of acquisition.
Subsidiary	<p>An entity domiciled in the United Kingdom of Great Britain and Northern Ireland, the Channel Islands, the Isle of Man or Gibraltar:</p> <ol style="list-style-type: none"> that has been identified in your proposal for this policy and of which you own more than 50% of the book value of the assets or of the outstanding voting rights as of the first day of the period of insurance; or which you acquire during the period of insurance where the turnover at the date of acquisition is less than 20% of your turnover and the acquired entity's business activity is the same as yours.
You/your	<p>Also includes:</p> <ol style="list-style-type: none"> any person who was, is or during the period of insurance becomes your partner, director, trustee, in-house counsel or senior manager in actual control of your operations; and any subsidiary.

What is covered

Claims against you	If during the period of insurance , and as a result of your business activity or advertising on or after the retroactive date within the geographical limits , any party brings a claim against you for any actual or alleged:
Breach of contract and liquidated damages	1. breach of any contract between you and your client , including any service level agreement forming part of such contract, or any claim for liquidated damages , but only where such claim is brought by your client ;
Intellectual property infringement	2. intellectual property infringement (but not any patent infringement or trade secret misappropriation), including but not limited to: <ul style="list-style-type: none"> a. infringement of copyright, trademark, trade dress, publicity rights, moral rights or design rights; b. cyber-squatting violations; c. any act of passing-off; d. misappropriation of formats, characters, trade names, character names, titles, plots, musical compositions, voices, slogans, graphic material or artwork;
Negligence	3. negligence or breach of any duty to use reasonable care and skill, including but not limited to negligent misrepresentation or negligent loss of or damage to any third-party document, data or information for which you are responsible;
Breach of confidentiality	4. breach of any duty of confidence, invasion of privacy, or violation of any other legal protections for personal information;
Defamation	5. defamation, including but not limited to libel, slander, trade libel, product disparagement, or malicious falsehood;
Dishonesty	6. dishonesty of employees or sub-contractors or outsourcers directly contracted to you or under your supervision;
Civil liability	7. any other civil liability;
	unless excluded under What is not covered below, we will pay the amount agreed by you and us through good faith negotiation, mediation or some other form of alternative dispute resolution to settle a claim or the amount to satisfy a judgment or arbitration award against you including any judgment or award ordering the payment of claimants' lawyers' fees and costs. We will also pay defence costs , but we will not pay costs for any part of a claim not covered by this section.
Sub-contractors or outsourcers	We will indemnify you against any claim falling within the scope of What is covered , Claims against you, which is brought as a result of business activity undertaken on your behalf by any sub-contractor or outsourcer.
Network security and personal data events	We will also indemnify you if, during the period of insurance and as a result of your business activity or advertising , a claim is brought against you for any actual or alleged: <ul style="list-style-type: none"> 1. transmission of malicious software including, but not limited to, a computer virus, worm, logic bomb or trojan horse; 2. denial of service attack against a third-party; 3. unauthorised acquisition, access, use, or disclosure of personal data or confidential corporate information that is held or transmitted in any form; or 4. prevention of authorised electronic access to any computer system, personal data or confidential corporate information.
Payments toward your outstanding fees	If: <ul style="list-style-type: none"> 1. your client has reasonable grounds for being dissatisfied with the work you have done or which has been done on your behalf and refuses to pay for any or all of it, including amounts you legally owe to sub-contractors or at the date of the refusal; 2. your client threatens to bring a claim against you for more than the amount owed; and

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Policy wording

3. **we** believe that it may be possible to settle the dispute with the **client** by **your** agreeing not to press for the disputed amount,

we may pay **you** the amount owed to **you** over and above the **excess**. If **we** do, **you** must agree not to press **your client** for the disputed amount.

Alternatively, if it is not possible to reach agreement with the **client** on this basis but **we** still believe that by not pressing for the disputed amount **you** will avoid a legitimate **claim** or counterclaim for a greater amount, **we** may pay the amount owed to **you** at that time, over and above the **excess**.

If a **claim** is still brought, **we** will deal with it but **our** total payment, including what **we** have already paid **you** or on **your** behalf, will not exceed the applicable limit of indemnity in the schedule. **You** must return the amount **we** have paid if **you** eventually recover the debt, less **your** reasonable expenses.

Once **we** agree to make any payment above, **you** will assign to **us** such rights as **you** have in relation to the amounts owed to **you**.

We will not make any payment for any money owed to **you** if the **claim** or threatened **claim**, or part of the **claim** or threatened **claim**, is not covered by this section.

Your own losses

Losses from dishonesty

If during the **period of insurance**, and in the performance of **your business activity** within the **geographical limits**, **you** discover a loss from the dishonesty of **your employees** or sub-contractors or outsourcers directly contracted to **you** and under **your** supervision, where there was a clear intention to cause **you** loss or damage and to obtain a personal financial gain over and above any salary, bonus or commission, **we** will indemnify **you** against **your** direct financial loss, provided the loss was suffered on or after the **retroactive date**.

Loss of documents

If during the **period of insurance** any document, information or data of **yours** which is necessary for the performance of **your business activity** is lost, damaged or destroyed while in **your** possession, **we** will pay the reasonable expenses **you** incur with **our** prior written agreement in restoring or replacing it. The most **we** will pay for the total of all such expenses is the relevant amount in the schedule.

What is not covered

- A. **We** will not make any payment for any **claim** or **loss** or part of any **claim** or **loss** directly or indirectly due to:

Insufficient resources

1. **your** failure to take all reasonable steps to ensure that **you** have sufficient technical, logistical and financial resources to perform a contract.

Injury

2. any death of or any bodily or mental injury or disease suffered or alleged to be suffered by anyone.

However this exclusion does not apply to any part of any **claim**:

- seeking damages for mental anguish or distress where such damages solely stem from a covered **claim** for defamation, breach of privacy, or negligent publication; or
- directly arising from designs, plans, specifications, formulae, directions or advice prepared or given by **you** for a fee, provided that such **claim** is first brought within the **applicable courts** but always excluding USA or Canada.

Property damage

3. loss, damage or destruction or loss of use of any tangible property.

However this exclusion does not apply to any:

- claim** directly arising from designs, plans, specifications, formulae, directions or advice prepared or given by **you** for a fee, provided that such **claim** is first brought within the **applicable courts** but always excluding the USA or Canada;
- claim** for alleging or arising from damage to electronic data;
- loss** directly arising from any document of **yours** which is necessary for the performance of **your business activity** and which is lost, damaged or destroyed while in **your** possession.

Government investigation/enforcement

4. any governmental enforcement of any legislation, regulation or order from any regulatory authority.

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However, this exclusion shall not apply to any otherwise covered **claim** from a national, local, federal, state or foreign government, agency or entity that is a **client** and has asserted the **claim** in its capacity as a **client** and not in its official governmental capacity.

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| Patent/trade secret | 5. | any actual or alleged infringement, use, or disclosure of a patent, or any use, disclosure or misappropriation of a trade secret. |
| Infrastructure interruption | 6. | any failure or interruption of service provided by an internet service provider, telecommunications provider, utility provider or other infrastructure provider except to the extent you provide those services as part of your business activity . |
| Stocks, accounts, taxation and fiduciary | 7. | any: <ul style="list-style-type: none"> a. liability or breach of any duty or obligation owed by you regarding the sale or purchase of any stocks, shares, or other securities, or the misuse of any information relating to them, including breach or alleged breach of any related legislation or regulation; b. liability or breach of any duty or obligation owed by you regarding any statement or representation (express or implied) contained in your accounts, reports or financial statements, or concerning your financial viability; c. violation of any taxation, competition, restraint of trade or anti-trust law or regulation; d. breach of any fiduciary duty owed by you. |
| Pension and employee benefit schemes | 8. | any liability or breach of any duty or obligation owed by you in connection with the operation or administration of any health, pension or employee benefit scheme, plan, trust or fund. |
| Insolvency | 9. | your insolvency or the insolvency of your suppliers. |
| Sweepstakes, gambling or lotteries | 10. | your provision of any sweepstakes, gambling activities or lotteries. |
| Land, animals and vehicles | 11. | the ownership, possession or use of any land, building, animal, aircraft, watercraft or motor vehicle. |
| Negotiable instruments | 12. | the loss, damage or destruction of any bearer bonds, coupons, share certificates, stamps, money or other negotiable paper. |
| Employees | 13. | anyone's employment with you or any breach of an obligation owed by you as an employer. |
| Discrimination | 14. | any discrimination, harassment or unfair treatment, unless arising directly from your breach of a duty of care in the performance of a business activity . |
| Directors and officers' liability | 15. | any liability or breach of any duty or obligation owed to you or your shareholders by any of your directors, officers, trustees or board members, including but not limited to any: <ul style="list-style-type: none"> a. allegation of insider trading; b. breach of any duty of corporate loyalty; c. liability for any statement, representation or information concerning you or your business contained in your accounts, reports or financial statements. |
| Personal liability | 16. | any personal liability incurred by any director, officer, trustee, or board member of yours when acting in that capacity or managing your business other than when performing a business activity for a client or advertising . |
| Dishonest or criminal conduct | 17. | any fraudulent, dishonest, malicious or criminal conduct intended to cause harm to another person or business (but not in respect of a defamation claim), or any knowing or wilful violation of a law, whether committed by you or committed by another whose conduct or violation of the law you have ratified or actively condoned, or any act you knew, at the time you performed it, would give rise to a claim or loss . |

However, this exclusion will not apply unless:

- a. such conduct or wilful violation of the law has been established by a final adjudication in any judicial, administrative, or alternative dispute resolution proceeding; or
- b. such conduct or wilful violation of the law has been established by **your** admission

	in a proceeding or otherwise; or
	c. you or we discover evidence of such conduct or wilful violation of the law; at which time you shall reimburse us for all payments made by us in connection with such conduct or wilful violation of the law and all of our duties in respect of that entire claim shall cease.
Reckless conduct	18. any conduct committed in reckless disregard of another person or business' rights, but not in respect of a defamation claim .
Pre-existing problems	19. anything, including any potential claim or any actual or alleged shortcoming in your work, likely to lead to a claim or loss , which you knew or ought reasonably to have known about before we agreed to insure you .
War, terrorism and nuclear	20. war, terrorism or nuclear risks .
Asbestos	21. asbestos risks .
Pollution	22. pollution .
Third-party defect	23. any defect in any software, hardware, firmware, or associated network cabling that is solely caused by a third-party, including but not limited to any third-party software supplier, manufacturer or originator. However, this exclusion does not apply to: <ol style="list-style-type: none"> covered defence costs incurred by you to defend such parts of a claim but only until there is a finding in any legal proceeding, including any arbitration, or any admission that the defect at issue is solely caused by a third-party, at which time you shall reimburse us for all defence costs that we have paid toward that claim; or any amount you satisfy us that you are legally able to recover under a written contract.
Repair/replace/recall	24. any costs or expenses involved in the repair, upgrade, correction, recall or replacement of any software, hardware, firmware, or associated network cabling including any costs or expenses relating to your legal obligation to comply with an injunction. However, this exclusion does not apply to any part of a judgment requiring you to pay direct damages to your client in respect of a covered claim for breach of contract.
Commercial disputes	25. any commercial dispute with your business partner or business associate, including but not limited to any reseller, distributor, original equipment manufacturer, third-party sales agent, systems integrator, or joint venture partner, but only to the extent such a claim is based upon: <ol style="list-style-type: none"> a commission or royalty, or any other term upon which such partner or associate is to be compensated in connection with doing business with you, or any compensation or remuneration promised or owed by you pursuant to those terms; or your decision to cease doing business with such a partner or associate.
Chargeback	26. any chargeback, liability, or fee incurred by you or your client as a result of a merchant service provider, including any credit card company or bank, wholly or partially reversing or preventing a payment transaction. B. We will not make any payment for:
Claims brought by a related party	1. any claim brought by any person or entity falling within the definition of you or any party with a financial, executive or managerial interest in you , including any parent company or any party in which you have a financial, executive or managerial interest, including any subsidiary company. However, this does not apply to a claim based on a liability to an independent third-party directly arising out of the performance of your business activity .

Claims by current and former employees

2. any **claim** made against **you** by any person or entity that **you** currently employ or formerly employed, including but not limited to **employees**, sub-contractors or outsourcers.

However, this exclusion will not apply to any part of any **claim**:

- solely based on **business activity** performed when such person or entity was not working for **you**; or
- based on a liability to an independent third-party directly arising out of the performance of **your business activity**.

However, this exclusion shall not apply to any otherwise covered **claim** from an **employee**, subcontractor or outsourcer that is brought entirely independently of that party's position as **your employee**, subcontractor or outsourcer.

Non-compensatory payments

3. a. punitive or exemplary damages, which **you** are legally obliged to pay. However **we** will pay an award of such damages if insurable in the jurisdiction where such award was first ordered; or
- b. service credits, contractual fines or contractual penalties, other than **liquidated damages**.

Fines and penalties

4. criminal, civil, or regulatory sanctions, fines, penalties, disgorgement of profits, treble damages or multiple damages which **you** are legally obliged to pay, including but not limited to those imposed by any national, local, federal, state or foreign governmental body or any licensing organisation.

Claims outside the applicable courts

5. any **claim**, including arbitration, brought outside the **applicable courts**.
This applies to proceedings in the **applicable courts** to enforce, or which are based on, a judgment or award from outside the **applicable courts**.

Trading losses

6. any trading loss or trading liability including those arising from the loss of any **client**, account or business.

How much we will pay

We will pay up to the limit of indemnity for this section stated in the schedule unless limited below or otherwise stated in the schedule. **We** will also pay for **defence costs**. However, if a payment greater than the limit of indemnity has to be made for a **claim our liability for defence costs** will be limited to the same proportion that the limit of indemnity bears to the amount paid.

Any amounts to be paid by **us** shall not include or be calculated based on any of **your** overhead expenses, **your** liability for debt, taxes, lost costs or profits, salaries or wages, or any future cost of doing business, including but not limited to the cost of any future licence or royalty, or costs of improving **your** security, or performing audits.

You must pay the relevant **excess** stated in the schedule. The **excess** will only be eroded by the covered part of the **claim**.

When **we** settle a loss under **Your own losses**, Losses from dishonesty, **we** will deduct any sums **you** owe or the value of any property **you** hold belonging to the perpetrator.

Multiple claims from a single source

All **claims**, **losses** and **potential claims** which arise from the same original cause, a single source or a repeated or continuing problem in **your** work will be treated as a single **claim, loss** or **potential claim**. This includes such **claims**, **losses** and **potential claims** arising after, as well as during, the **period of insurance**.

Special limits

The most **we** will pay for each item below, unless otherwise stated in the schedule, is a single limit of indemnity, which is an aggregate limit, for the total of all **claims** (including their **defence costs**) brought against **you** arising from:

Dishonesty

1. the dishonesty of **your** partners, directors, **employees**, subcontractors or outsourcers;

Property damage

2. the physical loss or destruction of or damage to tangible property; and

Injury

3. claims brought against **you** arising from the death, disease or bodily or mental injury of anyone.

Losses from dishonesty

The most **we** will pay for the total of **your** own losses arising from the dishonesty of **your**

Paying out the limit of indemnity

employees, sub-contractors or outsourcers is the amount in the schedule.

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

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 pay **defence costs** already incurred at the date of **our** payment. **We** will then have no further liability for that **claim** or its **defence costs**.

Your obligations

If a problem arises

1. **We** will not make any payment under this section unless **you** notify **us** of:
 - a. any **claim** made against **you** or any **loss** as soon as practicable and within the **period of insurance** or at the latest within 14 days after the **policy** expires for any **claim** or **loss** **you** first became aware of in the seven days before expiry;
 - b. **potential claims** under this section, such notification must be as soon as practicable and within the **period of insurance** or at the latest within 14 days after the **policy** expires, and must to the fullest extent possible identify the particulars of the **potential claim**, including identifying any potential claimant, the likely basis for liability, the likely demand for relief and any additional information about the **potential claim** that **we** reasonably request. If such a **potential claim** notification is made to **us** then **we** will treat any **claim** arising from the same particulars as that notification as if it had first been made against **you** on the date **you** properly notified **us** of it as a **potential claim**, even if that **claim** is first made against **you** after the **period of insurance** has expired.
 - c. **your** discovery, or the existence of reasonable grounds for **your** suspicion, that any **employee** or sub-contractor or outsourcer has acted dishonestly, as soon as reasonably practicable.
2. **You** must:
 - a. ensure that **our** rights of recovery, including but not limited to any subrogated rights of recovery, against a third-party are not unduly restricted or financially limited by any term in any of **your** contracts;
 - b. not admit that **you** are liable for what has happened or make any offer, deal or payment, unless **you** have **our** prior written agreement.

If **you** fail to comply with these obligations, **we** may reduce any payment **we** make under this section by an amount equal to the detriment **we** have suffered as a result.

Control of defence

Defence arrangements

This is a duty to defend section. This means that **we** have the right and duty to defend **you** against any **claim** which is covered in its entirety.

Appointment of legal representation

If **we** think it necessary **we** will appoint an adjuster, solicitor or any other appropriate person to deal with the **claim**. **We** may appoint **your** own solicitor but on a similar-fee basis as **our** solicitor and only for work done with **our** prior written approval.

Partially covered claims

If a **claim** which is only partially covered is made against **you**, **we** have the right and duty to defend **you**, but amounts relating to non-covered parts of **claims** will be deducted from **our** final settlement. However, for **claims** or parts of **claims** which allege or arise from any infringement, use or disclosure of a patent, or any use, disclosure or misappropriation of a trade secret, **we** and **you** agree to allocate all amounts, including **defence costs**, upon **our** receipt of the **claim** or **potential claim**.

We and **you** agree to use best efforts to determine a fair allocation of covered and non covered parts of **claims**. If **you** and **we** cannot agree on a fair allocation **you** and **we** agree to follow the dispute resolution process in the General terms and conditions of this **policy**.

If a covered or partially covered **claim** is made against **you**, then **we** have the right to appoint suitably qualified legal representation to defend **you**.

We have no duty to defend **you** against **claims** where:



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Policy wording

Payment of full limit
of indemnity

Payment of excess

1. no part of the **claim** is covered; or
2. **we** pay **you** the limit of indemnity as described in **How much we will pay**, Paying out the limit of indemnity.

Our duty to make any payment under this section arises only after the applicable **excess** is fully paid. The **excess** will only be eroded by the covered parts of a **claim**.