

Management liability – employment practices liability

Policy wording

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

Applicable courts	The courts of competent jurisdiction in those countries stated as the applicable courts in the schedule.
Benefits	Any amounts awarded to an employee in respect of: <ol style="list-style-type: none"> 1. remuneration, including incentives, bonus, commission, health benefits, holiday pay, sick pay or notice pay, whether under statute or contract; 2. family leave payments, including maternity pay, paternity pay, parental leave pay, shared parental leave pay or adoption pay, whether under statute or contract; 3. amounts due under an employee benefit or pension scheme; 4. share or stock options; 5. deferred compensation; or 6. equal pay or redundancy pay.
Claim	Any written demand or civil, criminal, regulatory or arbitration proceeding first made against you or an insured person during the period of insurance alleging an employment practice wrongful act seeking monetary damages or other legal relief or penalty.
Computer or digital technology	Any programs , computer network, hardware, software, operational technology, internet-connected device, network-connected device, electronic device, information technology, communications system, including but not limited to any internet-of-things devices, email system, intranet, extranet, website or cloud computing services.
Cyber attack	Any digital attack or interference, whether by a hacker or otherwise, designed to disrupt access to, the operation of or cause damage to any data or computer or digital technology , including but not limited to any: <ol style="list-style-type: none"> 1. programs designed to damage, disrupt, extract data from, or gain unauthorised access to computer or digital technology including, but not limited to, malware, wipers, worms, trojans, rootkits, spyware, dishonest adware, crimeware, ransomware, crypto-jacking and other malicious software or viruses; or 2. denial of service attack or distributed denial of service attack.
Defence costs	Reasonable costs, not including any overheads, additional costs or remuneration, incurred with our prior written agreement 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 .
Emergency legal representation costs	Reasonable and necessary costs, not including any overheads, additional costs or remuneration to investigate or respond to any investigation , where it is not possible to obtain our prior written agreement, provided that you or the insured person notify us as soon as possible after such sums are incurred.
Employee	<ol style="list-style-type: none"> 1. Any person currently or formerly under a contract of service with you, including part-time workers. 2. Any independent person currently or formerly seconded or contracted to work for you. 3. Any current or former volunteer solely under your control and supervision in connection with your business.

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Employment practice wrongful act	<p>4. Any current or former applicant or candidate for employment with you.</p> <p>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:</p> <ol style="list-style-type: none"> 1. wrongful, unfair or constructive dismissal, discharge or termination of employment; 2. breach of written or implied contract of employment; 3. employment related misrepresentation; 4. wrongful deprivation of a career opportunity, failure to grant tenure or negligent employee evaluation; 5. harassment, unlawful discrimination or failure to provide adequate employee procedures and policies; 6. retaliation; or 7. defamation or invasion of privacy; <p>arising solely as a result of the employment or non-employment by you of any current or former employee, or the treatment of any volunteer whilst undertaking work for you and under your control and supervision.</p>
Hacker	<p>Anyone, including an employee of yours, who gains unauthorised access to or unauthorised use of any:</p> <ol style="list-style-type: none"> 1. computer or digital technology; or 2. data held electronically by you or on your behalf.
Insured person	<ol style="list-style-type: none"> 1. Any natural person who was, is, or during the period of insurance becomes a director, partner, LLP member, committee or board member, trustee or officer of you. 2. Any de facto director of you whilst acting in such capacity for you. 3. Any shadow director as defined under Section 251 of the Companies Act 2006 or any similar or successor legislation in any other jurisdiction. 4. Any employee of you. 5. The lawful spouse, civil or unmarried partner of any person in 1 to 4 above solely because of their spousal, civil or unmarried partner relationship following a claim or investigation against that person. 6. The estates, heirs or legal representatives of any person in 1 to 5 above who has died or become incapacitated, insolvent or bankrupt but only for a claim or investigation against that person. <p>Insured person does not include any external auditor or any liquidator, receiver, administrative receiver or other insolvency practitioner or officer of you or your assets.</p>
Investigation	<p>An official examination, official enquiry or official investigation into you or an insured person first notified as being required during the period of insurance and arising from any actual or alleged employment practice wrongful act, conducted by any regulator, government department or other body legally empowered.</p> <p>Investigation does not include any routine regulatory supervision, enquiry or compliance review, any internal investigation or any investigation into the activities of your industry or sector which is not solely related to your or any insured person's conduct.</p>
Legal representation costs	<ol style="list-style-type: none"> 1. Reasonable legal costs, fees, charges and expenses, not including any overheads, additional costs or remuneration, for which you or any insured person are legally liable, incurred with our prior written agreement for legal representation directly in relation to an investigation. 2. Emergency legal representation costs.

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Loss	<p>In respect of a claim the amount you become or any insured person becomes legally liable to pay, including following a settlement entered into with our written agreement, for:</p> <ol style="list-style-type: none"> 1. awards of damages, including punitive, exemplary and multiplied damages, and civil fines and penalties if insurable in the jurisdiction where such award was first ordered; 2. claimants' legal costs and expenses; 3. defence costs and legal representation costs; and 4. public relations expenses. <p>Loss does not include any:</p> <ol style="list-style-type: none"> a. civil, regulatory or criminal fines or penalties, taxes or benefits; or b. regulator's costs or expenses (including Health and Safety Executive fees for intervention or similar regulator's costs and expenses) other than those in respect of an intended investigation or prosecution.
Outside entity	<p>Any organisation other than you:</p> <ol style="list-style-type: none"> 1. that is tax exempt and not for profit; or 2. in which you hold any issued share. <p>Outside entity does not include:</p> <ol style="list-style-type: none"> a. any company registered or domiciled outside of the United Kingdom of Great Britain and Northern Ireland, the Channel Islands, the Isle of Man or Gibraltar; b. any company whose securities are traded on any stock exchange in the USA or Canada; or c. any bank, investment company, investment advisor or manager, hedge or mutual fund, private equity or venture capital company, stock brokerage, insurer, or any similar financial organisation or institution including any organisation regulated by the FCA, PRA or any similar regulator.
Prior and pending date	<p>The date on which you first purchased employment practices liability insurance that has run continuously without a break in cover. If during such period you have merged or consolidated with another company or entity, or any party has acquired more than 50% of your issued share capital, assets, or the majority of your voting rights, the 'prior and pending date' will be the date of such merger, consolidation or acquisition.</p>
Retaliation	<p>Any employment related action taken against an employee in connection with such employee whistleblowing or exercising their employment rights.</p>
Social engineering communication	<p>Any request directed to you or someone on your behalf by a person improperly seeking to obtain possession or the transfer to a third-party of virtual currency, money, securities, data or property that such person or third-party is not entitled to.</p>
Subsidiary	<p>Any entity domiciled in the United Kingdom of Great Britain and Northern Ireland, the Channel Islands, the Isle of Man or Gibraltar in which you:</p> <ol style="list-style-type: none"> 1. 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, trustees, governors or equivalent; or 2. 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 or investigation against you or an insured person arising from any employment practice wrongful act, taking place, or alleged to have taken place before it ceased to be a subsidiary.</p>
You/your	<p>Also includes any subsidiary:</p> <ol style="list-style-type: none"> 1. existing at the start of the period of insurance; or

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2. created or acquired during the **period of insurance** provided that the newly created or acquired **subsidiary** does not trade any of its securities on any stock exchange, but only for a **claim** arising from an **employment practice wrongful act** committed after the date of creation or acquisition of such **subsidiary**.

If cover is required for any newly created or acquired **subsidiaries** which do not fall within the above parameters, **we** will consider providing cover subject to all appropriate information being provided. **We** will only cover such additional **subsidiaries** where **you** have agreed any amendments to the terms of the **policy** or additional premium that **we** require, and **we** have confirmed cover in writing.

What is covered

1. Claims against you or an insured person

We will pay on behalf of **you** or any **insured person** the **loss** arising from a **claim** for an **employment practice wrongful act** taking place, or alleged to have taken place, within the **geographical limits**, brought by:

Claims by employees

- a. **your employee**;

Outside entities

- b. an employee of an **outside entity** against any **insured person** arising directly from any activity performed in the **insured person's** capacity as an employee of such **outside entity**, provided that the **insured person** acts in that capacity at **your** specific written request. However, **we** will only pay in excess of any indemnity provided by the **outside entity** to its employees.

2. Investigations

Legal representation costs

We will pay on behalf of **you** or any **insured person** the **legal representation costs only** arising from an **investigation** arising from an **employment practice wrongful act** taking place, or alleged to have taken place, within the **geographical limits**.

3. Additional cover

Court attendance compensation

If any **insured person** has to attend any court or tribunal as a witness in connection with a **claim** or **investigation** covered under this section, **we** will pay **you** compensation for each day, or part of a day that their attendance is required by **us**.

The most **we** will pay for court attendance compensation is £250 each day for each **employee** or £500 for each director, partner, member or officer. This limit is included within, and not in addition to, the limit of indemnity shown on the schedule.

The most **we** will pay in total for court attendance compensation for all **insured persons**, including any court or tribunal attendance compensation payable under any other management liability section of this **policy**, is £150,000 in the aggregate, regardless of the number of **claims**, **losses** or **investigations**.

Injunctions brought by EHRC

We will pay the **loss** arising from any injunction brought by the Equalities and Human Rights Commission under section 24 of the Equality Act 2006 or any similar or successor legislation, to prevent **you** or an **insured person** from committing an **employment practice wrongful act** against an **employee** within the **geographical limits**.

What is not covered

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

Deliberate or dishonest acts

1. based upon, attributable to or arising out of:
- a dishonest or fraudulent act or omission or any intentional breach of any statute or regulation;
 - an act intended to secure or which does secure a personal profit or advantage to which the individual concerned was not legally entitled;



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- c. an act intended to secure or which does secure a profit for any other company or entity to which the company or entity was not legally entitled.

This exclusion will only apply:

- a. for **claims** or **investigations** against **you**, where such act or omission was committed or condoned by **you** or any individual who falls within paragraphs 1. to 3. of the definition of **insured person**;
- b. for **claims** or **investigations** against an **insured person**, where such act or omission was committed or condoned by that **insured person**; and
- c. after a judgment or other final adjudication or an admission that such act did occur. In the event of such finding or admission, **you** or the **insured person**, as appropriate, must reimburse all payments made by **us** in relation to the corresponding **claim, loss** or **investigation**.

Prior claims and litigation

2. based upon, attributable to or arising out of:
- a. anything that has been reported to and accepted under any policy existing or expired, before the start of the **period of insurance**; or
- b. 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 before the **prior and pending date**.

Specific activities

3. 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.

This exclusion does not apply to any **claim** for **retaliation**.

Claims in the United States of America or Canada

4. based upon, attributable to or arising out of any:
- a. **claim** brought or **investigation** commenced; or
- b. **employment practice wrongful act** taking place, or alleged to have taken place; in the United States of America or Canada.

Bodily injury and property damage

5. 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. This exclusion does not apply to any **claim** for emotional distress arising from an **employment practice wrongful act**
- However, **we** will not in any event make payment for any **claim** in relation to which the **insured person** is obliged under any compulsory insurance law to maintain insurance in respect of any liability arising from the use, ownership or possession of any motor vehicle, except that this exclusion does not apply to **defence costs** or **legal representation** costs relating to any criminal or regulatory proceeding.

Takeovers and mergers

6. based upon, attributable to or arising out of any **employment practice wrongful act**, act, incident or occurrence performed, taking place, or alleged to have taken place after:
- a. **you** merge or consolidate with another company or entity; or
- b. any party acquires:
- i. more than 50% of **your** issued share capital or assets;
 - ii. the majority of **your** voting rights; or
 - iii. the right to appoint or remove a majority of **your** board of directors or board of trustees or equivalent.

Acquired subsidiaries

7. based upon, attributable to or arising out of any **employment practice wrongful act**, act, incident or occurrence performed, taking place, or alleged to have taken place:
- a. before the date of creation or acquisition by **you** of such **subsidiary**; or

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	b.	after an entity ceases to be a subsidiary .
Employer obligations	8.	based upon, attributable to or arising out of any responsibility, duty or obligation imposed by law in relation to health and safety, unemployment, social security, retirement or disability benefits or any similar law whether statutory or common law. This exclusion does not apply to any claim for retaliation .
Claims outside the applicable courts	9.	first brought outside the applicable courts . This exclusion also applies to proceedings in the applicable courts to enforce, or which are based on, a judgment or award from outside the applicable courts .
Cyber incidents	10.	based upon, attributable to or arising out of any: a. cyber attack ; b. hacker ; c. unintentional error in or affecting any computer or digital technology ; or d. social engineering communication . B. We will not make any payment other than defence costs for any claim or legal representation costs for any investigation based upon, attributable to or arising out of:
Benefits and contractual payments	1.	your failure to pay any amount you are contractually committed to pay to an employee , including but not limited to benefits .
Pensions and benefit schemes	2.	the loss of any right or benefit under any pension scheme, private health insurance or other employee benefit scheme or the operation or administration of any pension or employee benefit scheme or trust fund, or your breach of any legislation or regulation related to these activities.
Failure to pay taxes	3.	your failure to pay taxes.
Liabilities assumed under contract	4.	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.
Non-pecuniary relief	5.	any non-pecuniary or injunctive relief.
Employee reinstatement	6.	the costs of complying or refusing to comply with a court or other order for the reinstatement of an employee .
Modification of property	7.	the costs of modifying any building or property in order to make such building or property more accessible to any disabled persons.

Special conditions

General terms	The General definitions, General conditions and General claims conditions set out in the General Terms all apply equally to each insured person and to you , except for General condition 6. Premium payment which applies only to you . 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.
Information provided by an insured person	All information which any insured person provided before we agreed to insure you will be considered as a separate application for each insured person and as such the knowledge of or any statement made by an insured person will not be imputed to any other insured person for the purposes of determining whether cover is available for any claim or investigation against such other insured person .

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Severability of exclusions When determining the applicability of the exclusions within **What is not covered**, the **wrongful act**, act, incident or occurrence performed, taking place, or alleged to have taken place of one **insured person** shall not be imputed onto any other **insured person** who neither committed nor condoned such **wrongful act**, act, incident or occurrence.

Extended notification period If:

1. **we** or **you** refuse to renew this section of the **policy** for any reason other than non-payment of premium, administration, liquidation or insolvency; or
2. **you** merge or consolidate with another entity or any party acquires more than 50% of your issued share capital or assets or the majority of **your** voting rights during the **period of insurance**;

you or any **insured person** may purchase an extended notification period, in accordance with the options shown below:

One-year period	50% of the annual premium for this section
Three-year period	100% of the annual premium for this section
Six-year period	200% of the annual premium for this section

If **you** do so, this section will remain in force but only in respect of any covered **claim, loss** or **investigation** arising from any **wrongful act**, act, incident or occurrence performed, taking place, or alleged to have taken place before the end of the original **period of insurance**.

This extended notification period is only available if **we** receive written notice of purchase from **you** or an **insured person** and the premium is paid to **us** within 90 days following the end of the **period of insurance**.

If **you** or an **insured person** does so, the first paragraph 1a. under **Your obligations** in this section will then be amended to:

a. unless **you** or any **insured person** notifies **us** promptly of the following, and within the **period of insurance** or the extended notification period:

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

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

You or any **insured person** will not have the right to purchase an extended notification period if:

1. cover under this section is continued solely as a result an extended notification period;
2. this section of the **policy** is replaced or succeeded by any other policy providing employment practices liability cover; or
3. this section or the **policy** is cancelled, other than by **you** on an anniversary date.

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.

Management buy-outs If during the **period of insurance** **your** existing management conduct a management buy-out, **we** agree to provide cover to the same level and terms of this **policy** for the new company for a period of 45 days from the buy-out date for any **employment practice wrongful act** committed by any individual **insured person** subsequent to the buy-out.

We will only provide such cover if the new company is domiciled in the United Kingdom of Great Britain and Northern Ireland, the Channel Islands, the Isle of Man or Gibraltar.

This cover will only apply excess of any other insurance and indemnification available from any other source.

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

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Excess waiver

However, **we** will not reduce **your excess** below £2,500 irrespective of the Business HR audit.

The **excess** as shown in the schedule shall not apply in the event of:

1. a determination of no liability made in favour of any **insured person**;
2. a dismissal or stipulation to dismiss any **claim** or **investigation** without prejudice.

How much we will pay

The most **we** will pay for each **claim**, **loss**, or **investigation**, including their **defence costs** and **legal representation costs** is the limit of indemnity shown in the schedule or within the relevant clause of **What is covered**.

All **claims**, **investigations** and circumstances likely to give rise to a **claim**, **loss** or **investigation**, which arise from the same original cause, a single source or a repeated or continuing shortcoming will be regarded as one claim under the **policy**. This includes **claims**, **losses** and **investigations** arising after, as well as during, the **period of insurance**.

The amount **we** will pay for **claims**, **losses** and **investigations** and their **defence costs** includes any amount **we** pay on an **insured person's** behalf as an employee of an **outside entity**.

You must pay any relevant **excess** shown in the schedule. The **excess** shall not apply to any **claim** or **investigation** made solely against an **insured person**.

Paying out the limit of indemnity

At any stage of a **claim** or **investigation**, **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** or any **insured person** notifies **us** promptly of any **claim** against **you** or an **insured person** within the **period of insurance** or at the latest within 45 days after it expires for any problem **you** become aware of within the seven days before expiry.
2. to **you** or any **insured person** if, prior to the **period of insurance**, **you** or such **insured person** had knowledge of a material misstatement in or omission from the information provided to **us** upon which **we** agreed to insure **you**.
3. if, when dealing with a third party, **you** or the **insured person** admit that **you** or the **insured person** are liable for what has happened, or make any offer, deal or payment without **our** prior written agreement. If **you** or an **insured person** does, **we** may reduce any payment **we** make under this **policy** by an amount equal to the detriment **we** have suffered as a result.

Control of defence and payment under this section

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** or **investigation**. **You** and the **insured person** should not do anything which may prejudice **our** position.

We have the right, but not the obligation, to take control of and conduct in **your** name or the name of any **insured person**, the investigation, settlement or defence of any **claim** or **investigation**. If **we** think it necessary **we** will appoint an adjuster, solicitor or any other appropriate person to deal with the **claim** or **investigation**.

Where there is a dispute between **us** and **you** or any **insured person** over cover, proposed settlement or continuing the defence of a **claim** or **investigation**, **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** or **investigation** will continue or settlement will be agreed. The costs of such opinion shall be met by **us**.

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

If a **claim** or **investigation** is made which is not wholly covered by this section 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.

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Currently, Business HR Solutions has in excess of 85,000 registered users that use its reference tools, trusting in its quality service to inform them of the latest developments and legislation in relation to human resources and health and safety. Like them, you can now enjoy support on human resources and health and safety issues through Business HR Solutions' website.

Website access

To access the website, please follow these simple steps:

1. register online at <http://www.hrsolutions-uk.com/registrations/>;
2. you will then receive a confirmation email from Business HR Solutions' support team asking you to create your password;
3. you now have access to the Business HR Solutions' site;
4. we encourage you to bookmark the site for ease of reference (<https://hrsolutions.force.com/support>).

Website resources

Included as standard through an easy to navigate website:

1. access to a variety of employee contracts, forms, policies, letters and a handbook that you may need to manage your staff;
2. a wide range of downloadable guides;
3. a free online risk assessment for both human resources and health and safety;
4. monthly e-newsletters, keeping you up-to-date with changes in the law.

Advice helpline

With your access to Business HR Solutions you are also entitled to one **free** call to the advice line service per annum. To take advantage of this service please call 0333 247 2005 or email help@hrsolutions-uk.com. If you have not already registered on the website, then please have your policy number to hand when you call, or include it in your email.

The advice line is staffed by experienced advisors who will give you pragmatic guidance either by telephone or email. All advice given over the telephone is confirmed by email.

You are also able to purchase additional time for just £95 per hour plus VAT if and when needed, saving on solicitor's bills and reducing the risk of legal claims. All purchased unused time is saved for your next call.

Support

If you are having difficulty accessing the website, then please contact the helpline on 0333 247 2005 who will attempt to resolve the issue with you.