



Sport recreation and leisure liability insurance portfolio

Policy wording

A seamless integrated insurance solution for clients in the sport, recreation and leisure sector.

Please read this wording, together with any endorsements and the schedule, very carefully. If anything is not correct, please notify us immediately.

This wording is fully protected by the laws of copyright. No unauthorised use or reproduction is permitted.

Our promise to you

In return for the premium you have paid, we agree to insure you in accordance with the terms and conditions of the policy.

Steve Langan
Managing Director, Hiscox UK

Complaints procedure

Hiscox aims to ensure that all aspects of your insurance are dealt with promptly, efficiently and fairly. At all times Hiscox are committed to providing you with the highest standard of service. If you have any concerns about your policy or you are dissatisfied about the handling of a claim and wish to complain you should, in the first instance, contact Hiscox Customer Relations in writing at:

Hiscox Customer Relations
Hiscox House
Sheepen Place
Colchester
CO3 3XL

or by telephone on 01206 773705
or by email at customer.relations@hiscox.com.

Where you are not satisfied with the final response from Hiscox, you also have the right to refer your complaint to the Financial Ombudsman Service. For more information regarding the scope of the Financial Ombudsman Service, please refer to www.financial-ombudsman.org.uk.

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| General definitions | Words shown in bold type have the same meaning wherever they appear in this policy . The words defined below are used throughout this policy . Any other definitions are shown in the section to which they apply. |
| Additional insureds | Any individuals or entities shown in the schedule or listed in any endorsements . |
| Asbestos risks | <ol style="list-style-type: none">The mining, processing, manufacturing, use, testing, ownership, sale or removal of asbestos, asbestos fibres or material containing asbestos; orexposure to asbestos, asbestos fibres or materials containing asbestos other than where such exposure is due to your activities taking place in a building where you did not know asbestos, asbestos fibres or materials containing asbestos were present; orthe provision of instructions, recommendations, notices, warnings, supervision or advice given, or which should have been given, in connection with asbestos, asbestos fibres or structures or materials containing asbestos. |
| Confiscation | Confiscation, nationalisation, requisition, expropriation, deprivation, destruction of or damage to property by or under the order of any government or public or local authority. |
| Date recognition | Any failure by any equipment (including any hardware or software) to correctly recognise any given date or to process any data or to operate properly due to any failure to correctly recognise any given date. |
| Defence costs | Costs incurred with our prior written agreement to investigate, settle or defend a claim against you . |
| Endorsement | A change to the terms of the policy . |
| Excess | The amount you must bear as the first part of each agreed claim or loss. |
| Geographical limits | The geographical area shown in the schedule. |
| Member | Your: <ol style="list-style-type: none">current registered members;past members whilst acting on your behalf under your supervision;prospective members whilst participating in your activities under your supervision. |
| Nuclear risks | <ol style="list-style-type: none">Any sort of nuclear material, nuclear reaction, nuclear radiation or radioactive contamination;any products or services which include, involve or relate in any way to anything in a. above, or the storage, handling or disposal of anything in a. above;all operations carried out on any site or premises on which anything in a. or b. above is located. |
| Period of insurance | The time for which this policy is in force as shown in the schedule. |
| Policy | This insurance document and the schedule, including any endorsements . |
| Policyholder | The insured named in the schedule, not including any additional insureds . |
| Programme | A set of instructions written in a computer language which tells a computer how to process data or interact with ancillary equipment. |
| Retroactive date | The agreed retroactive date shown in your schedule. |
| Terrorism | An act, or the threat of an act, by any person or group of persons, whether acting alone or on behalf of or in connection with any organisation or government, that: <ol style="list-style-type: none">is committed for political, religious, ideological or similar purposes; andis intended to influence any government or to put the public, or any section of the public, in fear; and<ol style="list-style-type: none">involves violence against one or more persons; orinvolves damage to property; orendangers life other than that of the person committing the action; or |

General terms and conditions

- iv. creates a risk to health or safety of the public or a section of the public; or
- v. is designed to interfere with or to disrupt an electronic system.

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| Virus | Programmes that are secretly introduced without your permission or knowledge including, but not limited to, malware, worms, trojans, rootkits, spyware, dishonest adware, crimeware and other malicious unwanted software. |
| War | War, invasion, act of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power. |
| We/us/our | The insurers named in the schedule. |
| You/your | The policyholder and, if applicable, any additional insureds . |
| Your activities | Your activities declared to us and accepted by us , shown in the schedule. |

Conditions precedent

General conditions 2, 3 and 4 below, General claims condition 1 and the conditions shown in each section under the heading **Your obligations** are all conditions precedent to **our** liability. **We** will not make any payment under this insurance unless all requirements of those conditions are complied with.

General conditions

The following conditions apply to the whole of this **policy**. Any other conditions are shown in the section to which they apply.

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| Basis of insurance | <p>1. Because of its importance, all information which you or anyone on your behalf provided before we agreed to insure you is incorporated into and forms the basis of this policy.</p> <p>All facts and matters which might be relevant to our consideration of your proposal must be disclosed and all material representations made to us must be true, otherwise we are entitled to treat this insurance as if it had never existed.</p> |
| Change of circumstances | <p>2. You must tell us as soon as reasonably possible of any change in circumstances during the period of insurance which may materially affect this policy. (A material fact or circumstance is one which might affect our decision to provide insurance or the conditions of that insurance). We may then change the terms and conditions of this policy.</p> |
| Due diligence | <p>3. You must take reasonable steps to prevent accident or injury and to protect your property against loss or damage. You must keep any property insured under this policy in good condition and repair.</p> |
| Premium payment | <p>4. We will not make any payment under this policy unless the policy premium has been paid.</p> |
| Cancellation | <p>5. The policyholder or we can cancel the policy by giving 30 days written notice. We will give a pro-rata refund of the premium for the remaining portion of the period of insurance after the effective date of cancellation that has already been paid. However, we will not refund any premium under ten pounds.</p> <p>If we have agreed that the premium can be paid to us by instalments and we have not received an instalment 14 days after the due date, we may cancel the policy. In this event, the period of insurance will equate to the period for which premium instalments have been paid to us. We will confirm the cancellation and amended period of insurance in writing.</p> |
| Multiple insureds | <p>6. The most we will pay is the relevant amount shown in the schedule.</p> <p>If more than one insured is named in the schedule, the total amount we will pay will not exceed the amount we would be liable to pay to any one of you, unless otherwise agreed by us in any section of this policy.</p> <p>You agree that the policyholder is authorised to receive all notices and agree any amendments to the policy.</p> |
| Aggregate limit | <p>7. Where this policy specifies an aggregate limit, this means our maximum payment for all relevant claims or losses covered under the policy during the period of insurance.</p> |

General terms and conditions

If the **period of insurance** is continuous, the aggregate limit will apply to all relevant claims or losses covered under the **policy** during the 12 months from the date the continuous cover starts. Each aggregate limit will be reinstated to the level shown in the schedule at each anniversary.

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| Rights of third parties | 8. You and we are the only parties to this policy . Nothing in this policy is intended to give any person any right to enforce any term of this policy which that person would not have had but for the Contracts (Rights of Third Parties) Act 1999. |
| Other insurance | 9. We will not make any payment under this policy where you would be entitled to be paid under any other insurance if this policy did not exist except in respect of any amount in excess of the amount that would have been payable under such other insurance had this policy not been effected. If such other insurance is provided by us the most we will pay under this policy will be reduced by the amount payable under such other insurance. |
| Governing law | 10. Unless some other law is agreed in writing, this policy will be governed by the laws of England. |
| Arbitration | 11. Any dispute arising out of or relating to this insurance, including over its construction, application and validity, will be referred to a single arbitrator in accordance with the Arbitration Act then in force. |

General claims conditions

The following claims conditions apply to the whole of this **policy**. Any other claims conditions and procedures are shown in the section to which they apply.

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| Your obligations | 1. We will not make any payment under this policy unless you : <ol style="list-style-type: none"> a. give us prompt notice of anything which is likely to give rise to a claim under this policy, in accordance with the terms of each section; b. give us, at your expense, any information which we may reasonably require and co-operate fully in the investigation of any claim under this policy; c. make every reasonable effort to minimise any loss, damage or liability and take appropriate emergency measures immediately if they are required to reduce any claim; d. give us all assistance which we may reasonably require to pursue recovery of amounts we may become liable to pay under this policy, in your name but at our expense. |
| Fraud | 2. If you , or anyone on your behalf, tries to deceive us by deliberately giving us false information or making a fraudulent claim under this policy then we will treat this policy as if it had never existed. |



Sport recreation and leisure liability – professional indemnity

Policy wording

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

Special definitions for this section

Membership dispute

A claim brought against **you** by a member of **your** organization challenging the outcome of any disciplinary procedure or decision regarding membership status.

You/your

Also includes any director, employee, **member**, volunteer, general partner, trustee or committee member of **yours** whilst acting on **your** behalf.

What is covered

Claims against you

If during the **period of insurance**, and as a result of **your activities** on or after the **retroactive date** within the **geographical limits**, any party brings a claim against **you** for:

- a. negligence or breach of a duty of care;
- b. negligent misstatement or negligent misrepresentation;
- c. infringement of intellectual property rights including copyright, patent, trademark or moral rights or any act of passing-off;
- d. breach of confidence or misuse of any information, which is either confidential or subject to statutory restrictions on its use;
- e. dishonesty of **your** individual partners, directors, employees, trustees, committee members or self-employed freelancers directly contracted to **you** and under **your** supervision;
- f. any other civil liability unless excluded under **What is not covered** below;

we will indemnify **you** against the sums **you** have to pay as compensation.

We will also pay **defence costs** but **we** will not pay costs for any part of a claim not covered by this section.

Avoiding a potential claim against you

If **your** client has reasonable grounds for being dissatisfied with the work **you** have done, refuses to pay for any or all of it, including amounts **you** legally owe to subcontractors at the date of the refusal, and threatens to bring a claim against **you** for more than the amount owed, it may be possible to settle the dispute with the client by **your** agreeing not to press for the disputed amount. If so, **we** will pay **you** the amount owed to **you** at that time if **we** believe that this will avoid a legitimate claim for a greater amount and **we** have given **our** prior written approval to settling in this way and for this 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** will pay the amount owed to **you** at that time. 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 shown 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 this payment **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 part of a claim not covered by this section.

Your own losses

Loss of documents

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

What is not covered

Matters specific to your activities

- A. We will not make any payment for any claim or loss directly or indirectly due to:
1. any investment of, or direct advice on the investment of, client funds.
 2. any survey or valuation of physical property or any construction or erection work, other than heating, lighting, electrical, venting and other work normally undertaken by a building services engineer.
 3. **your** operation or administration of any pension or employee benefit scheme or trust fund, or the sale or purchase of or dealing in any stocks, shares or securities or the misuse of any information relating to them, or **your** breach of any legislation or regulation related to these activities.
 4. **your** liability for any breach of any taxation, competition, restraint of trade or anti-trust legislation or regulation.
 5. any pollution or contamination, including noise, electromagnetic fields, radiation and radio waves.
 6. the work of any personnel supplied by **you** to a client, unless **you** have breached a duty of care in supplying them.
 7. transmission of a computer virus.
 8. **your** liability under any contract which is greater than the liability **you** would have at law without the contract.

Matters insurable elsewhere

9. the death or any bodily or mental injury or disease suffered by anyone.
10.
 - a. anyone's employment with or work for **you**; or
 - b. any breach of an obligation owed by **you** as an employer; or
 - c. any kind of discrimination, harassment or unfair treatment.
 Paragraph c. above shall not apply to a **membership dispute**.
11. the ownership, possession or use of any land or building, any animal, any aircraft, watercraft or any motor vehicle.
12. the loss, damage or destruction of any tangible property other than **your** own loss under the Loss of documents cover in **What is covered**.
13. the loss, damage or destruction of any bearer bonds, coupons, share certificates, stamps, money or other negotiable paper.
14. the loss or distortion of any data held electronically.
15. any personal liability incurred by a director, officer, trustee, employee, volunteer, **member** or committee member of **yours** when acting in that capacity or managing **your activities**, or **your** breach of any fiduciary duty, or any statement, representation or information concerning **you** or **your** business contained in **your** accounts, reports or financial statements.
16. **your** supply, manufacture, sale, installation or maintenance of any product.

Defamation

17. defamation.

Deliberate, reckless or dishonest acts

18. any act, breach, omission or infringement **you** deliberately, spitefully, dishonestly or recklessly commit, condone or ignore.

Pre-existing problems

19. any existing problem arising from **your activities** which **you** knew about, or ought reasonably to have known about, before **we** agreed to insure **you**.

Prior activities

20. any of **your activities** performed before the **retroactive date**.

Date recognition

21. **date recognition**.

War, terrorism and nuclear

22. **war, terrorism** or **nuclear risks**.

Asbestos

23. **asbestos risks**.
24. **your** liability where **you** have performed as, or where **you** are deemed in law to be, a tour operator, travel agent, travel facilitator or travel organiser.



Sport recreation and leisure liability – professional indemnity Policy wording

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| | 25. any physician, surgeon or dentist providing medical diagnosis, prescription, treatment or advice. |
| | B. We will not make any payment for: |
| Claims brought by a related party | 1. any claim brought by an insured 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. |
| Restricted recovery rights | 2. that part of any claim where your right of recovery is restricted by any contract. |
| Consequential loss | 3. your lost profit, mark-up or liability for VAT or its equivalent. |
| Trading losses | 4. any trading loss or trading liability including those arising from the loss of any client, account or business. |
| Non-compensatory payments | 5. fines and contractual penalties, tax liabilities or debts, aggravated, punitive or exemplary damages, and also additional damages under section 97(2) of the Copyright, Designs and Patents Act 1988 or any statutory successor to that section. |
| Claims outside the applicable courts | 6. any claim, including arbitration, brought outside the countries set out in the schedule under 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. |

How much we will pay

We will pay up to the limit of indemnity shown in the schedule unless limited below. 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. **You** must pay the relevant **excess** shown in the schedule.

For lost, damaged or destroyed documents, information or data, we will pay the reasonable expenses **you** incur with **our** prior written consent in restoring or replacing them.

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

The most we will pay for claims where we are providing indemnity to more than one person or entity within the definition of **you** is a single limit of indemnity for all such claims and their **defence costs**.

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 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

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 14 days after it expires for any problem **you** first become aware of in the seven days before expiry:
 - a. **your** first awareness of a problem arising from **your** activities for a client which is likely to lead to a claim against **you**. This includes any criticism of **your** work even though regarded by **you** as unjustifiable.

If we accept **your** notification we will regard any subsequent claim as notified to this insurance;
 - b. any claim or threatened claim against **you**;
 - c. **your** discovery, or the existence of reasonable grounds for **your** suspicion, that any partner, director, employee, trustee, committee member or self-employed freelancer has acted dishonestly.



Sport recreation and leisure liability – professional indemnity

Policy wording

2. if, when dealing with **your** client or a third-party, **you** admit that **you** are liable for what has happened or make any offer, deal or payment, unless **you** have **our** prior written agreement. **You** must also not reveal the amount of cover available under this insurance, unless **you** had to give these details in negotiating a contract with **your** client or have **our** prior written agreement.

Control of defence

We have the right, but not the obligation, to take control of and conduct in **your** name, the investigation, settlement or defence of any claim. 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. Proceedings will only be defended if there is a reasonable prospect of success and taking into account the commercial considerations of the costs of defence.

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

**Special definitions
for this section**

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| Abuse or molestation | Bodily injury directly or indirectly caused by abuse, assault, harassment, mistreatment or maltreatment. |
| Bodily injury | Death, or any bodily or mental injury or disease of any person. |
| Denial of access | Nuisance, trespass or interference with any easement or right of air, light, water or way. |
| Inefficacy | The failure of any of your products or any service, process or system provided or managed by you to perform the function or serve the purpose for which it was intended. |
| Personal injury | False arrest, detention or imprisonment; malicious prosecution; wrongful entry into, or eviction of a person from, a room, dwelling or premises that they occupy; invasion of any rights of privacy. |
| Pollution | Any pollution or contamination, including noise, electromagnetic fields, radiation and radio waves. |
| Products | Any goods sold, supplied, distributed, manufactured, constructed, erected, installed, altered, tested, serviced, maintained, repaired, cleaned or treated by you . |
| Property damage | Physical loss of or damage to or destruction of tangible property including the resulting loss of use of such property. |
| Tool of trade | Mobile plant or equipment being used where insurance or security is not required under the provisions of any road traffic legislation. |
| You/your | Also includes any director, employee, member , volunteer, general partner, trustee or committee member of yours whilst acting on your behalf. |

What is covered

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| Claims against you | <p>If during the period of insurance, and as a result of your activities on or after the retroactive date within the geographical limits, any party first brings a claim against you for:</p> <ul style="list-style-type: none"> a. bodily injury or property damage occurring within the geographical limits; or b. personal injury or denial of access committed within the geographical limits; <p>we will indemnify you against the sums you have to pay as compensation.</p> <p>We will also pay defence costs but we will not pay costs for any part of a claim not covered by this section.</p> |
| Overseas personal liability | <p>We will indemnify you and if you so request, any of your directors, partners or trustees against legal liability as a result of bodily injury, property damage or personal injury incurred in a personal capacity whilst temporarily outside the United Kingdom of Great Britain and Northern Ireland, the Channel Islands or the Isle of Man other than:</p> <ul style="list-style-type: none"> a. where indemnity arises out of the ownership or occupation of land or buildings; b. where indemnity is provided by any other insurance. |
| Claims against principals | <p>If, as a result of your activities, any party brings a claim, which falls within the scope of What is covered, Claims against you, against a customer of yours for whom you are providing services under contract or agreement and you are liable for that claim, we will treat such claim as if made against you and make the same payment to such customer that we would have made to you, provided that the party to be indemnified:</p> <ul style="list-style-type: none"> a. has not, in our reasonable opinion, caused or contributed to the claim against them; b. accepts that we can control the claim's defence and settlement in accordance with the terms of this section; |

Sport recreation and leisure liability – public and products liability

Policy wording

- c. has not admitted liability or prejudiced the defence of the claim before we are notified of it;
- d. gives us the information and co-operation we reasonably require for dealing with the claim.

Motor contingent liability

If any party first brings a claim against you during the **period of insurance** for **bodily injury** and or **property damage** arising from any mechanically propelled vehicle or any trailer attached to it being used in connection with **your activities** within the **geographical limits**, we will indemnify you against the sums you have to pay as compensation.

We will not make any payment for any claim:

- a. arising from any mechanically propelled vehicle or any trailer attached to it which is:
 - i. owned by you; or
 - ii. loaned, leased, hired or rented to you; or
 - iii. provided by you; or
 - iv. being driven by you.
- b. for **property damage** to the vehicle or the trailer itself or to any goods carried in or on the vehicle or trailer;
- c. arising from the vehicle being driven by you or any person who to your knowledge or that of your representatives does not hold a licence to drive the vehicle;
- d. more specifically insured under another insurance policy.

Data Protection Act

We will indemnify you against your liability under Section 13 of the Data Protection Act 1998 in connection with personal data held by you but we will not make any payment for:

- a. any liability where you are entitled to indemnity under any other insurance;
- b. any claim for the cost of replacing, reinstating, rectifying, erasing, blocking or destroying any personal data;
- c. any claim arising from circumstances that you knew about or ought reasonably to have known about prior to the inception of this policy.

Extended notification period

If we do not offer renewal terms to you for this policy for reasons other than your non compliance with any of the terms and conditions of this policy, we will extend the period in which you can notify us of claims for an additional 12 month period beginning at the end of the **period of insurance**.

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

We will not make any payment for any claim or loss where:

- a. the incident that led to the claim occurred after the end of the **period of insurance**; or
- b. indemnity is provided by any other policy.

Criminal proceedings costs

If any governmental, administrative or regulatory body brings any criminal action against you during the **period of insurance** for any breach of statute or regulation directly relating to any actual or potential claim under this section, we will pay the costs incurred with our prior written consent to defend such an action against you or any employee of yours.

Defamation

If, during the **period of insurance** and as a result of your activities on or after the **retroactive date** within the **geographical limits**, any party brings a claim against you for defamation, we will indemnify you against the sums you have to pay as compensation.

We will also pay defence costs but we will not pay costs for any part of a claim not covered by this section.

We will not make any payment for defamation:

- a. for any claim which arises out of circumstances notified to your previous insurers or which are known to you at inception;
- b. for any claim which arises out of any statement which you knew, or ought reasonably to have known, was defamatory at the time of publication;
- c. for any claim brought outside the United Kingdom and Northern Ireland.

Additional cover

Court attendance
compensation

If any person within the definition of **you** has to attend court as a witness in connection with a claim against **you** covered under this section, we will pay **you** compensation for each day, or part of a day that their attendance is required by **our** solicitor.

What is not covered

Property for which you
are responsible

- A. We will not make any payment for any claim or loss directly or indirectly due to:
1. loss of or damage to any property belonging to **you** or which at the time of the loss or damage is in **your** care, custody or control. This does not apply to:
 - a. employees or visitors vehicles or effects while on **your** premises;
 - b. premises, including their contents, which are not owned or rented by **you**, where **you** are temporarily carrying out **your** activities;
 - c. premises rented to **you**, for loss or damage not insurable under property insurance policies and for which **you** would not be liable other than by the lease or other agreement.
 2. the ownership, possession, maintenance or use by **you** or on **your** behalf of any aircraft or other aerial device, hovercraft, watercraft (other than sailing craft less than 20 feet in length or hand propelled watercraft, in inland or territorial waters) or any mechanically propelled vehicles and their trailers.

This does not apply to:

- a. any **tool of trade**;
- b. the loading or unloading of any vehicle off the highway;
- c. any claim covered under **What is covered**, Motor contingent liability.

Injury to employees

3. **bodily injury** to any person arising out of and in the course of their employment under a contract of service or apprenticeship with **you**.

Pollution

4. a. i. any **pollution** of buildings or other structures or of water or land or the atmosphere; or
 - ii. any **bodily injury** or **property damage** directly or indirectly caused by **pollution**; unless caused by a sudden, identifiable, unintended and unexpected incident which occurs in its entirety at a specific time and place during the **period of insurance**;
- b. any **pollution** occurring in the United States of America or Canada.

Computer virus

5. transmission of a computer virus.

Professional advice

6. designs, plans, specifications or formulae provided by **you** for a fee.

Your products

7. the costs of recalling, removing, repairing, reconditioning or replacing any **product** or any of its parts.
8. a. any **products** relating to aircraft, including missiles or spacecraft, and any ground support or control equipment used in connection with such **products**;
- b. any **products** installed in aircraft, including missiles or spacecraft, or used in connection with such craft, or for tooling used in their manufacture including ground-handling tools and equipment, training aids, instruction manuals, blueprints, engineering or other data, advice and services and labour relating to such craft or **products**.

Inefficacy

9. **inefficacy**.

Deliberate or reckless acts

10. any act, breach, omission or infringement **you** deliberately, spitefully, dishonestly or recklessly commit, condone or ignore which could reasonably be expected to cause injury or damage to another party even if such injury or damage is of a different degree or type than could reasonably have been anticipated.

Contracts

11. **your** liability under any contract which is greater than the liability **you** would have at law without the contract.

Date recognition

12. **date recognition**.



Sport recreation and leisure liability – public and products liability Policy wording

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| War, terrorism and nuclear | 13. war, terrorism or nuclear risks. |
| Asbestos | 14. asbestos risks. |
| Abuse | 15. abuse or molestation |
| Prior activities | 16. any of your activities performed before the retroactive date. 17. your liability where you have performed as, or where you are deemed in law to be, a tour operator, travel agent, travel facilitator or travel organiser. 18. any physician, surgeon or dentist providing medical diagnosis, prescription, treatment or advice. |
| | B. We will not make any payment for: |
| Restricted recovery rights | 1. that part of any claim where your right of recovery is restricted by any contract. |
| Non-compensatory payments | 2. fines and contractual penalties, punitive or exemplary damages. |
| Claims outside the applicable courts | 3. any claim, including arbitration, brought outside the countries set out in the schedule under 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. |
| Claims outside the geographical limits | 4. any claim brought against you resulting from activities you undertake in any country outside the geographical limits. |

How much we will pay

We will pay up to the limit of indemnity shown in the schedule for each actual or threatened claim, unless limited below. 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. You must pay the excess for each claim.

All claims which arise from the same original cause, a single source or a repeated or continuing set of circumstances will be regarded as one claim.

Claims brought by insured parties

For claims brought by an insured or insureds entitled to indemnity under this section of the policy against any other insured or insureds entitled to indemnity under this section of the policy, we will deal with such claims as if a separate policy has been issued to each insured party. However, the most we will pay is:

1. the limit of indemnity shown in the schedule;
2. twice the limit of indemnity shown in the schedule in total;

in respect of each such claim.

Special limits

Products

For claims arising from your products, the most we will pay is a single limit of indemnity for the total of all such claims. We will also pay for defence costs for those claims until the limit of indemnity has been exhausted. You must pay the relevant excess shown in the schedule.

Pollution

For claims arising from pollution, the most we will pay is a single limit of indemnity for the total of all such claims and their defence costs, including any claims forming part of a series of other claims regarded as one claim under this section. The most we will pay for defence costs in relation to pollution claims is the amount shown in the schedule. You must pay the relevant excess shown in the schedule.

Claims brought against you in USA or Canada

If it is stated in the schedule that cover is provided for claims brought in the United States of America or Canada, the most we will pay is a single limit of indemnity for the total of all such claims and their defence costs. You must pay the relevant excess shown in the schedule.

Criminal proceedings costs

The most we will pay for the costs to defend all criminal proceedings brought during the period of insurance is the amount shown in the schedule.



Sport recreation and leisure liability – public and products liability Policy wording

Court attendance
compensation

We will pay you the following compensation for each day, or part day:

1. you or your partner or director £500
2. any other employee £250

The most we will pay for the total of all court attendance compensation is £10,000.

Paying out the limit
of indemnity

At any stage 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 those claims or their defence costs.

Your obligations

We will not make any payment under this section:

If a problem arises

1. unless you notify us promptly of the following within the period of insurance, or at the latest within 14 days after it expires for any circumstance you first become aware of in the seven days before expiry:

- a. your first awareness of any circumstance 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.

However for claims arising out of **bodily injury**, you must notify us immediately and in any event within 30 days of a claim or anything which may give rise to a claim under this section. You should make this notification directly to us (and your insurance adviser, if you have one) as follows, ensuring you quote your policy number:

by email to: liability.claims@hiscox.com; or

by post to: Hiscox Liability Claims, 25 London Road, Sittingbourne ME10 1PE.

At our request, you must confirm the facts in writing within 30 days with as much information as is available.

2. unless you notify us as soon as practicable of:
 - a. your discovery that products are defective;
 - b. any threatened criminal action by any governmental, administrative or regulatory body.
3. if, when dealing with your client or a third-party, you admit that you are liable for what has happened or make any offer, deal or payment, unless you have our prior written agreement. You must also not reveal the amount of cover available under this insurance, unless you had to give these details in negotiating a contract with your client or have our prior written agreement.

Correcting problems

We will not make any payment for products claims if you fail to take reasonable steps to remedy or rectify, at your expense, any defect or failure in the goods or services you have supplied to a client, customer or distributor.

Control of defence

We have the right, but not the obligation, to take control of and conduct in your name, the investigation, settlement or defence of any claim. 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. Proceedings will only be defended if there is a reasonable prospect of success and taking into account the commercial considerations of the costs of defence.

Special definitions for this section

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

Bail costs

Costs incurred with our prior written agreement to pay for a bond or other financial instrument to guarantee an **insured person's** bail or equivalent in any other jurisdiction.

Claim

Any written demand or civil, criminal, regulatory or arbitration proceeding first made against an **insured person** during the **period of insurance** seeking monetary damages or other legal relief or penalty alleging a **wrongful act**.

Any **extradition proceeding** made against an **insured person** during the **period of insurance**.

Defence costs

Costs incurred with our prior written agreement to investigate, settle or defend any **claim** made against 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

1. Any person under a contract of service with **you**.
2. Any independent person seconded to **you**.
3. Any applicant or candidate for employment with **you**.

Employment claim

Any **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, retaliation, defamation, invasion of privacy arising solely as a result of the employment or non-employment by **you** of any current, former or prospective **employee**.

Extradition proceeding

Any proceeding commenced under the provisions of the United Kingdom Extradition Act 2003 or its equivalent in any other jurisdiction including any associated appeals.

Health and safety/ manslaughter claim

Any **claim** against any **insured person** alleging involuntary, constructive or gross negligence manslaughter or any **claim** under the provisions of the Health & Safety at Work etc. Act 1974 or its equivalent in any other jurisdiction.

Insured person

1. Any natural person who was, is, or during the **period of insurance** becomes a partner, member, trustee, committee member, director 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 250 of the Companies Act 2006 or equivalent legislation in any other jurisdiction.
4. Any **employee** of **you**.
5. 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.
6. The estates, heirs or legal representatives of any person above who has died or become incapacitated, insolvent or bankrupt but only for a **claim** against that person.

Investigation

An official examination, official enquiry or official investigation into **your** activities conducted by any regulator, government department or other body legally empowered.

Investigation does not include routine regulatory supervision, enquiry or compliance review, any internal investigation or any investigation into the activities of **your** industry which is not solely related to **your** or any **insured person's** conduct.

Legal representation costs

Reasonable and necessary legal costs, fees, charges and expenses for which any **insured person** is 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**.

Loss

In respect of a **claim** the amount any **insured person** becomes legally liable to pay for **defence costs**, **legal representation costs**, awards of damages including punitive and exemplary damages where legally permissible, awards of costs including claimants legal costs and expenses and settlements with our prior written agreement.



Management liability – trustees, directors and individual officers' liability

Policy wording

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 unless awarded for defamation.

Membership dispute

A claim brought against **you** by a member of **your** organisation challenging the outcome of any disciplinary procedure or decision regarding membership status.

Outside entity

Any organisation other than **you**:

1. that is tax exempt and not for profit; or
2. in which **you** hold any issued share other than:
 - a. any company registered outside of the United Kingdom of Great Britain and Northern Ireland, the Channel Islands, the Isle of Man or the Republic of Ireland; or
 - b. any company traded on any recognised stock exchange; or
 - c. any bank, investment company, investment advisor or manager, hedge or mutual fund, private equity or venture capital company, stock brokerage, insurer or similar organisation.

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**.

Prior and pending litigation date

The date stated as the prior and pending litigation date in the schedule.

Securities

Any debt or equity interest in **you**.

Subsidiary

Any entity in which **you**:

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; or
2. 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** committed before it ceased to be a **subsidiary**.

Wrongful act

Any actual or alleged act, error or omission committed or attempted by an **insured person** arising from the performance of the **insured person's** duties solely in their capacity as **your** director, trustee, committee member, officer or **employee** including:

1. breach of any duty, including fiduciary or statutory duty;
2. breach of trust;
3. negligence, negligent misstatement, misleading statement or negligent misrepresentation;
4. defamation;
5. wrongful trading under section 214 of the Insolvency Act 1986 (or equivalent legislation);
6. breach of warranty of authority;
7. any other act, error or omission attempted or allegedly committed or attempted by an **insured person** solely because of their status as a director, trustee, partner, committee member, officer or **employee** of **you**.

You/your

Also includes a **subsidiary**, and any **subsidiary** created or acquired during the period of insurance provided that the newly created or acquired **subsidiary**:

1. is not domiciled in the United States of America; or
2. does not trade any of its **securities** on any United States of America exchange;

Management liability – trustees, directors and individual officers' liability

Policy wording

but only for a **claim** against an **insured person** arising from a **wrongful act** committed after the date of creation or acquisition of such **subsidiary**.

If **you** require cover for any newly created or acquired **subsidiaries** which do 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 terms and conditions of this section during the **period of insurance** and may charge a reasonable additional premium.

What is covered

| | |
|---|---|
| Claims against an insured person | We will pay on behalf of any insured person the loss arising from a claim against any insured person for any wrongful act within the geographical limits . |
| Charitable body, incorporated club or company reimbursement | We will pay on your behalf the loss which you are legally obliged or permitted to pay on behalf of an insured person arising from a claim against an insured person for a wrongful act within the geographical limits . You must pay the relevant excess shown in the schedule. If you are permitted or obliged to provide such payment but fail to do so for any reason other than your insolvency, we will pay the amount of the claim less the relevant excess regardless of whether you advanced payment or indemnified an insured person for such loss . |
| Health and safety/ manslaughter | We will pay on your behalf loss which you are legally obliged or permitted to pay on behalf of an insured person arising from a health and safety/manslaughter claim , including any equivalent legislation in any other jurisdiction, against an insured person for a wrongful act within the geographical limits . You must pay the relevant excess shown in the schedule. |
| Extradition proceedings | We will pay on your behalf the loss arising from any extradition proceeding against any insured person during the period of insurance . |
| Employment | We will pay on behalf of any insured person the loss arising from an employment claim during the period of insurance brought by a current, former or potential employee of yours . This cover does not apply if the insured person is covered under the Management liability – employment practices liability section of this policy. |
| Outside entity | We will also indemnify the insured person against the sums that person has to pay as loss for a claim arising directly from any wrongful act the insured person commits in their capacity as a director or officer of an outside entity , provided that the insured person acts in that capacity at your specific written request and the claim does not arise from a wrongful act committed after the insured person ceased to act in this capacity. However, we will only pay in excess of any indemnity provided by the outside entity to its directors or officers and any other insurance available to its directors and officers. |
| Pension or employee benefit schemes | We will pay on behalf of any insured person the loss in respect of a claim arising from an insured person's operation or administration of any pension or employee benefit scheme or trust fund of yours . |
| Pollution | We will pay on behalf of any insured person the loss in respect of a claim arising from pollution . |
| Representation costs | <ol style="list-style-type: none"> 1. We will pay on behalf of any insured person the legal representation costs arising from an investigation first notified as being required during the period of insurance. 2. We will pay on your behalf the legal representation costs arising from an investigation against an insured person which you are legally obliged or permitted to pay on behalf of the insured person first notified as being required during the period of insurance. |
| Bail costs | We will pay on behalf of any insured person bail costs arising from a claim against an insured person for a wrongful act within the geographical limits . |
| Additional cover | |
| Additional defence costs | In the event that the limit of indemnity for this section is exhausted we will pay for additional defence costs up to the amount stated in the schedule, provided that the insured person has previously not been the subject of a claim for a wrongful act or series of wrongful acts that led to the exhaustion of the limit of indemnity for this section. This additional cover applies to the payment of defence costs only. |

What is not covered

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

- | | |
|---|--|
| Deliberate or dishonest acts | <p>1. based upon, attributable to or arising out of:</p> <ul style="list-style-type: none"> a. a dishonest or fraudulent act or omission or any intentional breach of any statute or regulation committed by any insured person; b. an act intended to secure or which does secure a personal profit or advantage to which any insured person was not legally entitled; c. an act intended to secure or which does secure a profit for any other company or organisation where an insured person is a director, partner, officer, trustee or employee of such company. <p>This exclusion will only apply after a judgment or other final adjudication or an admission by an insured person that such act did occur. We may request that an opinion be obtained from a mutually agreed Queens Counsel or equivalent in a different jurisdiction as to the prospects of a court finding that such act did occur. This exclusion shall apply if counsel is of the opinion that there are no reasonable prospects of the court finding that such act did not occur. Such opinion will be binding on us and the insured person. The costs of such opinion shall be met by us.</p> |
| Prior claims, investigations and circumstances | <p>2. 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.</p> |
| Prior litigation | <p>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 prior and pending litigation date.</p> |
| Defined benefit pension schemes | <p>4. based upon, attributable to or arising out of an insured person's operation or administration of any defined benefit pension scheme or their breach of any legislation or regulation relating to these activities.</p> |
| RICO/SEC/ERISA | <p>5. based upon, attributable to or arising out of the following legislation in the United States of America:</p> <ul style="list-style-type: none"> a. any breach of the Racketeer Influenced and Corrupt Organizations Act 18 USC Sections 1961 et seq., any amendments to this act or any rules or regulations made under it; b. any breach of the Securities Act of 1933 or the Securities Exchange Act of 1934, both as amended, the rules or regulations of the Securities Exchange Commission under either or both acts, similar securities laws or regulations of any state, or any laws of any state relating to any transaction arising out of, involving or relating to the sale of securities; c. any breach of the Employment Retirement Income Security Act of 1974 as amended, or any rules or regulations made under it, or similar provisions of any federal, state or local law. |
| Matters insurable elsewhere | <p>6. for mental or emotional distress (except an employment claim), sickness, disease, bodily injury or death suffered by anyone, or the loss, damage or destruction of any tangible property including loss of use of such property.</p> <p>This exclusion shall not apply to any health and safety/manslaughter claim.</p> <p>7. based upon, attributable to or arising out of the use of any mechanically propelled vehicle for which compulsory insurance is required under any legislation.</p> <p>This exclusion does not apply to legal representation costs or defence costs directly relating to any criminal or regulatory proceedings.</p> |
| Claims brought by a related party in the United States of America or Canada | <p>8. based upon, attributable to or arising out of any claim brought or maintained by you, an outside entity or an insured person within or subject to the laws of the United States of America or Canada, however this exclusion will not apply to:</p> <ul style="list-style-type: none"> a. defence costs; b. any shareholder derivative proceedings in your name without your or any insured person's solicitation, assistance or participation; |



Management liability – trustees, directors and individual officers' liability

Policy wording

- c. any claim brought by your liquidator, receiver or administrative receiver or similar body;
- d. any employment claim;
- e. any claim made by a past insured person of you;
- f. any claim seeking a contribution or indemnity if such claim is otherwise covered by this section.

| | |
|-----------------------------|--|
| Breach of professional duty | 9. based upon, attributable to or arising out of any claim relating to a breach of or failure to provide professional duties or services, including a membership dispute. This exclusion will not apply to a claim by any of your shareholders including any shareholder derivative proceedings in your name without your or any insured person's voluntary solicitation, assistance or participation arising from any actual or alleged failure to supervise the performance of any professional services. |
| Shareholders | 10. brought by or on behalf of any company owning 15% or more of your issued share capital. |
| Takeovers and mergers | 11. based upon, attributable to or arising out of any claim for a wrongful act committed by an insured person after you merge or consolidate with another company or any party acquires more than 50% of your issued share capital. 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 loss arising out of any claim for a wrongful act committed by an insured person prior to the effective date of sale or dissolution. |
| Share offerings | 12. based upon, attributable to or arising out of any claim for a wrongful act committed by an insured person in relation to any actual public offering of your share capital unless we have given our prior written agreement and the policyholder has paid any additional premium and accepted any amendments we may require to the terms and conditions of this section. |
| Financial advantage | 13. based upon, attributable to or arising out of the gaining of any financial advantage to which the insured person was not entitled, including the repayment of any wrongfully received monies. |

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 applies only to the policyholder..</p> <p>General condition 1, paragraph 2 and General claims condition 2 shall not apply to this section. Under this section only we waive our right to rescind the policy on the grounds of non-disclosure or misrepresentation or fraud.</p> <p>General condition 2 shall not apply to this section.</p> <p>General condition 5. Cancellation shall only apply to this section at the end of the period of insurance or the anniversary date whichever comes first.</p> <p>The policyholder agrees 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> |
| Information provided by an insured person | <p>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 against such other insured person.</p> |
| Extended notification period | <p>If we or the policyholder refuses to renew this section of the policy for any reason other than non-payment of premium, administration, liquidation or insolvency, you or any insured person 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 in this section will then be amended to:</p> <p>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:</p> |



Management liability – trustees, directors and individual officers' liability

Policy wording

This extended notification period is only available if:

1. we receive written notice of purchase from you or an insured person and the premium within 30 days following the end of the period of insurance; and
2. this section of the policy is not replaced or succeeded by any other policy providing trustees, directors and individual officers liability cover; and
3. at the end of the period of insurance, you have not merged or consolidated with another company, nor has any party acquired 50% or more of your issued share capital.

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 if you or any insured person cancels the extended notification period before it ends.

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

1. you merge or consolidate with another company or any party acquires more than 50% of your issued share capital; or
2. if cover under this section is continued solely as a result of the Former trustees and directors special condition; or
3. if this section or the policy is cancelled.

Takeovers and mergers extended notification period

In the event that you merge or consolidate with another company, or any party acquires more than 50% of your issued share capital, during the period of insurance you may on payment of an additional premium of 200% of the annual section premium request that this section continue in force for a period of 72 months from the expiry date of the current period of insurance, provided that such extension shall only apply to claims arising from any wrongful act committed or alleged prior to the date of such takeover or merger.

The extended notification period and former trustees and directors' special conditions shall not apply to any such extension.

Management buy-outs

If during the period of insurance the 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 30 days from the buy-out date for any wrongful act committed by any individual insured person subsequent to the buy-out.

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

Former trustees and directors

In the event that you do not renew or replace this section of the policy, and only in respect of any insured person who ceases to be a trustee or director prior to the date of non-renewal for reasons other than disqualification or your insolvency, administration or liquidation from holding such a position, this section shall continue in force for a period of 120 months from the date of non-renewal (the 'run-off period'), provided that:

1. this section shall only apply to claims arising from any wrongful act committed or alleged prior to the date of retirement of the insured person;
2. the run-off period shall run concurrently with any extended notification period;
3. no similar insurance is effected elsewhere;
4. this section or the policy has not been cancelled.

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 for all insured persons of the policyholder is the limit of indemnity shown in the schedule irrespective of the number of claims made.

The most we will pay for the total of all claims and their defence costs and all legal representation costs for insured persons of all additional insureds 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 costs 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.

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 14 days after it expires for any problem you become aware of within the seven days before expiry:
 - a. the insured person's first awareness of any wrongful act;
 - b. any claim or threatened claim against an insured person or the insured person's lawful spouse, civil or unmarried partner;
 - c. any investigation into you or an insured person;
 - d. the threat or commencement of any disqualification proceedings against any insured person;
 - e. the threat or commencement of proceedings against any insured person for pollution.
2. 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. You must also not reveal the amount of cover available under this insurance.
3. to any insured person who, prior to the period of insurance, had knowledge of a material misstatement in or omission from the information provided to us upon which we agreed to insure you.

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.

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. If we think it necessary we will appoint an adjuster, solicitor or any other appropriate person to deal with the claim.

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 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.