Moonrock Drone insurance

Policy wording

A seamless integrated insurance solution for commercial drone pilots.

Please read this policy wording, together with any **endorsements** and **your** schedule, very carefully and keep them in a safe place. If anything is incorrect or changes, please notify **us** immediately.

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**.

Ben Horton
Executive Director, Hiscox Underwriting Ltd
Chief Underwriting Officer, 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
The Hiscox Building
Peasholme Green
York YO1 7PR
United Kingdom

or by telephone on +44 (0)800 116 4627 or +44 (0)1904 681 198
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 to review **your** case. This does not affect **your** legal rights.

Address:
Financial Ombudsman Service
Exchange Tower
London E14 9SR

Telephone: 0800 023 4567 or +44 20 7964 0500 from outside the United Kingdom

Email: complaint.info@financial-ombudsman.org.uk

Website: www.financial-ombudsman.org.uk

If you contact them or us, please quote the policy number stated in your policy schedule.

General terms and conditions

General definitions

We use some words throughout this **policy** with the same meaning wherever they appear. These are shown in bold type and **we** explain what they mean below.

Any other definitions when used in particular sections of the **policy** are shown in bold and have the same meaning whenever they appear in that section. **We** explain what they mean in the 'Special definitions' section of that part of the **policy**.

Activities

Any activities **you** have declared to **us** and which are stated in the Business field of **your** schedule, undertaken with **your** full knowledge and authority and under **your** control or the control of an authorised employee.

Artificial intelligence

Any machine learning, logical, statistical or other algorithm in **computer or digital technology** that can:

1. perform tasks or generate outputs, including but not limited to, actions, content, decisions, predictions or recommendations; or
2. adapt or vary its operation proactively, or in response to inputs.

Civil commotion

Where 12 or more persons are present together, whether in a public or private place, with a common purpose (which may be inferred from conduct):

1. to use, or threaten to use, physical force to inflict personal injury on any person or to damage property; or
2. which causes a person of reasonable firmness, had such person been present at the scene, to fear for their safety. For the purposes of this definition, no person of reasonable firmness need actually be, or be likely to be, present at the scene.

Communicable disease

Any communicable, infectious or contagious disease, including any related variation, strain, virus, complex or syndrome.

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.

Computer or digital technology error

Any negligent act, error or omission by anyone in the:

1. creation, handling, entry, modification or maintenance of; or
2. on-going operation, maintenance (including but not limited to installation, upgrading or patching) or development of,

any **computer or digital technology**.

Confiscation

Confiscation, nationalisation, requisition, expropriation, deprivation, destruction of or damage to property by or under the order of any government or military or public or local authority.

Cyber attack

Any digital attack or interference, whether by a **hacker** or otherwise, attempting or resulting in:

1. access to;
2. extraction of information from;
3. disruption of access to or the operation of; or
4. damage to

any data or **computer or digital technology** including but not limited to any:

   a. **programs** designed to damage, disrupt, extract data from, or gain access to any data or **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
   b. denial of service attack or distributed denial of service attack.

Drone Any remotely controlled un-manned aerial vehicle which is used for commercial purposes and which belongs to **you** or for which **you** are legally responsible. This definition also includes the following accessories where designed specifically for use with a drone:

1. filming, scanning, mapping, infrared and x-ray equipment including software;
2. bags and carry cases;
3. tools and cleaning equipment;
4. guards and safety equipment;
5. walkie-talkies and communications equipment;
6. power supplies and control equipment;
7. binoculars, cameras and photographic equipment;
8. **handheld devices** being used for the purpose of controlling a drone.

The following are not included within this definition:

1. aerial vehicles which weigh 20kg or more;
2. fixed wing aerial vehicles.

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.

Flight Any single flight or series of flights of **your drone** which are undertaken by **you**:

1. in connection with a single contract with the same end client of **yours**;
2. within a period of 24 consecutive hours; and
3. within a geographical radius of no more than 1,000 metres from where **your drone** was launched.

Geographical limits The geographical area stated in **your** schedule.

Hacker Any **artificial intelligence**, entity or person, including any employee of **yours**, who gains or attempts to gain unauthorised access to or use of any:

1. **computer or digital technology**; or
2. data held electronically by **you** or on **your** behalf.

Handheld devices Handheld electronic devices used in connection with **your activities** which belong to **you** or for which **you** are legally responsible, including:

1. phones and smartphones which make or receive telephone calls through a cellular network and their accessories;
2. laptops, tablets, PDAs and wearable technology; and
3. software and data carrying media but excluding data or information entered by **you** or on **your** behalf.

Hi-jacking The unlawful seizure or wrongful exercise of control of any **drone** through the use of force or the threat of force.

Nuclear risks

1. Any sort of nuclear material, nuclear reaction, nuclear radiation or radioactive contamination;
2. any products or services which include, involve or relate in any way to anything in 1. above, or the storage, handling or disposal of anything in 1. above; or
3. all operations carried out in, on or over any site or premises on which anything in 1. or 2. above is located.

Period of insurance The time for which this **policy** is in force as stated in **your** schedule.

Personal data — Any information about an individually identifiable natural person, including any information that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular individual, including but not limited to any information protected by the Data Protection Act 2018, General Data Protection Regulation (EU) 2016/679, or any related, similar or successor legislation or regulation in any jurisdiction.

Policy — This insurance document and **your** schedule, including any **endorsements**.

Program(s) — Code or instructions which tell **computer or digital technology** how to process data or interact with ancillary equipment, systems or devices.

Social engineering communication — Any request directed to **you** or someone on **your** behalf by any **artificial intelligence**, entity or person improperly seeking to obtain possession or the transfer to a third-party of virtual currency, money, securities, data or property to which such third-party is not entitled.

Solar weather — Solar flares, solar eruptions or bursts including plasma bubbles or ejections, magnetic field or magnetosphere fluctuations or disruptions.

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:

1. is committed for political, religious, ideological, racial or similar purposes; and
2. is intended to influence any government or an international governmental organisation or to put the public, or any section of the public, in fear; and
   a. involves violence against one or more persons; or
   b. involves damage to property; or
   c. endangers life other than that of the person committing the action; or
   d. creates a risk to health or safety of the public or a section of the public; or
   e. is designed to interfere with or to disrupt an electronic system.

War — War (whether declared or not), invasion, act of foreign enemies, hostilities, civil war, rebellion, revolution, insurrection, military or usurped power.

We/us/our — The insurers named in **your** schedule.

You/your — The insured named in the schedule.

General conditions

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

Presentation of the risk

1. In agreeing to insure **you** and in setting the terms and premium, **we** have relied on the information **you** have given **us**. **You** must provide a fair presentation of the risk and must take care when answering any questions **we** ask by ensuring that all information provided is true, accurate and complete. A fair presentation is one which clearly discloses in a reasonably clear and accessible manner all material facts which **you** (including **your** senior management and those responsible for arranging this insurance) know or ought to know following a reasonable search.

If you fail to make a fair presentation

2. a. If **we** establish that **you** deliberately or recklessly failed to present the risk to **us** fairly, **we** may treat this **policy** as if it never existed and refuse to make any payment under it. **You** must reimburse all payments already made by **us** and **we** will be entitled to retain all premiums paid.
   b. If **we** establish that **you** failed to present the risk to **us** fairly but that **your** failure was not deliberate or reckless, the remedy **we** will have available to **us** will depend upon what **we** would have done had **you** made a fair presentation of the risk, as follows:
      i. if **we** would not have provided this **policy**, **we** may treat it as if it never existed and refuse to make any payment under it. **You** must reimburse all payments already made by **us**. **We** will refund any premiums **you** have paid; or

ii. if **we** would have provided this **policy** on different terms (other than as to premium), **we** will treat it as if it had been provided on such different terms from the start of the **period of insurance**. This may result in **us** making no payment for a particular claim or loss. **You** must reimburse any payment made by **us** that **we** would not have paid if such terms had been in effect.

Change of circumstances

3. **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** or cancel it in accordance with the cancellation condition.

If you fail to notify us of a change of circumstances

4. a. If **we** establish that **you** deliberately or recklessly failed to:

i. notify **us** of a change of circumstances which may materially affect the **policy**; or

ii. comply with the obligation in 1. above to make a fair presentation of the risk to **us** when providing **us** with information in relation to a change of circumstances;

we may treat this **policy** as if it no longer existed from the date of such change of circumstances and refuse to make any payment under it in respect of any claim made or any loss occurring after that date. **You** must reimburse all payments already made by **us** relating to claims made or losses occurring after such date.
We will be entitled to retain all premiums paid.

b. If **we** establish that **you** failed to notify **us** of a change of circumstances or to make a fair presentation of the risk to **us** when providing **us** with information in relation to a change of circumstances, but that **your** failure was not deliberate or reckless, the remedy **we** will have available to **us** will depend upon what **we** would have done had **you** fairly presented the change of circumstances to **us**, as follows:

i. if **we** would have cancelled this **policy**, **we** may treat it as cancelled from the date that such cancellation would have been effective and refuse to make any payment under it in respect of any claim made or any incident occurring after that date. **You** must reimburse any payments already made by **us** relating to claims made or losses occurring after such date. **We** will refund any premiums **you** have paid in respect of any period after the date when cancellation would have been effective; or

ii. if **we** would have provided this **policy** on different terms (other than as to premium), **we** will treat it as if it had been provided on such different terms from the date when **your** circumstances changed. This may result in **us** making no payment for a particular claim or loss.

Reasonable precautions

5. **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. **We** will not make any payment under this **policy** in respect of any incident occurring whilst **you** are not in compliance with this condition unless **you** can demonstrate that such non-compliance could not have increased the risk of the loss, damage, accident or injury occurring in the circumstances in which it occurred.

Premium payment

6. **We** will not make any payment under this **policy** until **you** have paid the premium.

Cancellation

7. **You** or **we** can cancel the **policy** by giving 30 days' written notice. **We** will give **you** a pro-rata refund of the premium for the remaining portion of the **period of insurance** after the effective date of cancellation for which **you** have already paid. However, **we** will not refund any premium:

a. under £20; or

b. if **we** have accepted any notification of any claim, potential claim or loss before the cancellation takes effect.

If **we** have agreed that **you** can pay **us** the premium 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** to **you** in writing.

Multiple insureds	8.	The most **we** will pay is the relevant amount stated in **your** schedule. If more than one insured is named in **your** schedule, the total amount **we** will pay will not exceed the amount **we** would be liable to pay to any one of **you**. **You** agree that the insured named in **your** schedule, or if there is more than one insured named in **your** schedule the first of them, is authorised to receive all notices and agree any amendments to the **policy**.
Aggregate limit	9.	Where a section of this **policy** specifies an aggregate limit, this means **our** maximum payment for all relevant claims or losses covered under that section of **your policy** during the **period of insurance**.
Rights of third parties	10.	**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	11.	**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.
Cover under multiple sections	12.	Where **you**, including anyone within the meaning of ‘you’ or ‘insured person’ in any section of the **policy**, are entitled to cover under more than one section of the **policy** in respect of the same claim or loss, or any part of a claim or loss, **we** shall only provide cover under one section of the **policy**, being the section that provides the most advantageous cover to **you** or the party entitled to cover.
Governing law	13.	Unless some other law is agreed in writing, this **policy** will be governed by the laws of England.
Arbitration	14.	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.
Non-admitted	15.	This **policy** is negotiated and made in the United Kingdom between **you** and **us**. **We** are authorised to conduct insurance business in the United Kingdom and in certain other jurisdictions. **You** acknowledge that no solicitation for the **policy** has been made by **us** outside of the United Kingdom, that unless otherwise agreed in writing the **policy** is subject to English Law and jurisdiction and that claims are payable in the United Kingdom. **You** acknowledge that any applicable local taxes outside of the United Kingdom, Channel Islands, Isle of Man, Gibraltar, the European Economic Area, or other jurisdiction in which **we** have informed **you** that **we** are authorised to conduct insurance business, will be paid by **you** directly to the appropriate authority.
Several liability	16.	This clause applies if more than one insurer and/or a Lloyd’s syndicate is party to this **policy**. The liability of an insurer or syndicate under this **policy** is several and not joint with any other insurers or syndicates party to this **policy**. An insurer is liable only for the proportion of liability it has underwritten. **We** will provide **you**, on request, with details of the insurers/syndicates who are party to this **policy** and the proportions of liability they have underwritten.
Sanctions	17.	**We** shall not be deemed to provide cover and shall not be liable to pay any claim or loss or provide any benefit under this **policy** to the extent that the provision of such cover, payment of such claim or loss or provision of such benefit would expose **us**, or would in **our** reasonable view give rise to any appreciable risk of exposing **us**, to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom, United States of America, or of any other relevant jurisdiction.

General claims conditions

The following claims conditions apply to the whole of this **policy**. **You** must also comply with the conditions shown in each section of the **policy** under the heading **Your obligations**.

Your obligations

1. **We** will not make any payment under this **policy** unless **you**:

   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; and

   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**.

2. **You** must:

   a. 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; and

   b. give **us** all assistance which **we** may reasonably require to pursue recovery of amounts **we** may become legally liable to pay under this **policy**, in **your** name but at **our** expense.

   If **you** fail to do so, **you** shall be liable to **us** for an amount equal to the detriment **we** have suffered as a result of **your** failure to comply with this obligation, which **we** may deduct from any payment **we** make under this **policy**.

Fraud

3. If **you** or anyone entitled to cover in respect of any claim or loss, or anyone on behalf of **you** or such other person, tries to deceive **us** by deliberately giving **us** false information or making a fraudulent claim under this **policy** then:

   a. **we** shall be entitled to give **you** notice of termination of the **policy** with effect from the date of any fraudulent act or claim or the provision of such false information;

   b. **we** shall be entitled to refuse to make any payment under the **policy** in respect of any claim made or any loss occurring after the date of any fraudulent act or claim or the provision of such false information;

   c. **you** must reimburse all payments already made by **us** relating to claims made or losses occurring after the date of any fraudulent act or claim or the provision of such false information; and

   d. **we** shall be entitled to retain all premiums paid.

   This does not affect **your** rights in relation to any claim made or loss occurring before the date of any fraudulent act or claim or the provision of such false information.

4. Where this **policy** provides cover for any individual who, or entity that, is not a party to the **policy**, and where such an individual or entity (or anyone on their behalf) tries to deceive **us** by deliberately giving **us** false information or making a fraudulent claim under this **policy**, **our** rights set out in 3. above apply only to any individual or entity that gave the false information or made the fraudulent claim.

General exclusions

The exclusions set out below apply to each and every section of this **policy** and shall not be varied by any other provision in this **policy**. Where the exclusions below are not consistent with any other provision in this **policy**, these exclusions apply and shall override the inconsistent provision.

In addition, other exclusions apply to this **policy** and these are included in the particular sections of the **policy** to which they apply.

1. We will not make any payment for any damage, loss, cost, expense or claim directly or indirectly caused by, contributed to by, resulting from or in connection with:

   a. **solar weather**;

   b. any fear or threat of 1.a.; or

   c. any action taken in controlling, preventing, suppressing, responding or in any way relating to 1.a.

Property damage

Policy wording

The General terms and conditions and the following terms and conditions all apply to this section. **Your** schedule will state whether **your policy** includes this section.

Special definitions for this section

Amount insured
The most **we** will pay as shown in **your** schedule. Unless **we** say otherwise, the amounts apply to each incident of loss and will be automatically restored to the full amount after **we** pay a loss provided **you** carry out **our** recommendations to prevent further loss or damage.

Breakdown
Damage caused by:

1. electrical or mechanical failure or malfunction arising from internal causes;
2. explosion, collapse or distortion due to internal steam or other internal fluid pressure;
3. electrical power surge;
4. operator error; or
5. fracturing by frost.

Computers
Computers and ancillary equipment, which belong to **you** or for which **you** are legally responsible, including software and data carrying media but excluding data or information entered by **you** or on **your** behalf.

Damage
Accidental physical loss or accidental physical damage including where caused by **storm**, **flood**, escape of water, fire, theft or attempted theft, unless otherwise excluded by **your policy**.

Flood
Rising surface or tidal water, or the overflow of water from any natural or artificial watercourse (other than water tanks, apparatus or pipes), whether driven by **storm** or not.

Money
Cash, bank and currency notes, cheques, travellers' cheques, postal orders, money orders, crossed bankers' drafts, current postage stamps, savings stamps and certificates, National Insurance stamps, trading stamps, gift tokens, customer redemption vouchers, company sales vouchers, credit card counterfoils, travellers' tickets, VAT purchase receipts, contents of franking machines and, insofar as they are not otherwise insured, holiday-with-pay stamps and luncheon vouchers, all belonging to **you**.

Other business property
Any **property** used in connection with **your activities** which belong to **you** or for which **you** are legally responsible, including:

1. **computers**;
2. **handheld devices** not being used for the purpose of controlling a **drone**;
3. tools, plant and machinery;
4. event and exhibition equipment;
5. hired-in equipment;
6. documents; and
7. accessories associated with any of the above.

Drone is not included within this definition.

Property
Tangible property.

Reconstitution of data
Reconstitution of the data **you** need to continue **your activities**, if **your** electronic records and electronic data have been lost or distorted.

Software
Programs which run **your computers** and **handheld devices**, including both **your** own operating **programs** and application **programs** used in the course of **your activities**.

Storm
High winds of a destructive nature, rainstorm, hailstorm or snowstorm.

Unattended vehicle	Any vehicle which is not under the personal supervision of **you** nor any person authorised by **you**.
United Kingdom	The United Kingdom of Great Britain and Northern Ireland, the Channel Islands and the Isle of Man.

What is covered

Damage to drones

We will insure **you** against **damage** to any **drone** occurring within the **geographical limits** during the **period of insurance**. This includes **damage** to any **drone** caused by **hi-jacking**.

Damage to other business property

If shown as insured in **your** schedule **we** will insure **you** against **damage** to **other business property** occurring within the **geographical limits** during the **period of insurance**.

Additional cover

The following are also provided up to the amount shown in **your** schedule:

Money

Damage to **money** occurring within the **United Kingdom** during the **period of insurance**.

Reconstitution of data and documents

1. **We** will pay the necessary and reasonable costs of:
    a. **reconstitution of data**; and
    b. replacing or reconstituting **your** documents which are not held electronically and which **you** need to continue **your activities**, if such documents have been lost or destroyed,

    as a direct result of **damage** covered under this section.

Alternative hire costs

2. **We** will pay the necessary and reasonable costs and expenses **you** incur in hiring an alternative **drone** to fulfil business contracts agreed in connection with **your activities** following **damage** to any **drone** covered under this section. **We** will only pay for hire costs for the period beginning at the date of the **damage** and continuing until **your drone** is repaired or replaced but for no longer than six months.

Continuing hire charges

3. **We** will pay the costs of continuing hire charges for any **drone** for which **you** are legally responsible under a standard hire contract directly following **damage** to any **drone** covered under this section.

What is not covered

In addition to the General exclusions set out in the General terms and conditions, the following exclusions also apply to this section of **your policy**.

We will not make any payment for:

1. **damage** to:
    a. buildings, land or water;
    b. any mechanically propelled vehicle which requires insurance under the Road Traffic Act 1988 or any equivalent act in any other territory, and any successor legislation;
    c. any aircraft or aerial device other than a **drone**;
    d. any hovercraft, motorised scooter, watercraft, marine rig or platform;
    e. any **property** whilst hired out by **you**;
    f. any personal possessions which are not used in connection with **your activities**;
    g. **money**, however this does not apply to the cover under **What is covered**, **Additional cover**, Money; or
    h. any electronic, online or crypto currency, including bitcoin, even where such currency exists in physical form.
2. **damage** to any **drone**:
    a. while being used for:
        i. personal or recreational purposes; or
        ii. any competitive purposes, including racing and stunt flying;
    b. while in **flight** unless the **drone** is being flown:
        i. under **your** control, or that of an employee authorised by **you**; or

ii. under **your** control while under the supervision of a suitably qualified assessor during an assessment with a UK Civil Aviation Authority approved National Qualified Entity.

This clause does not apply to **damage** occurring while the **drone** is being transported as air cargo.

c. while being transported as cargo, stowed in the hold of an aircraft or watercraft, or in the custody and control of the airport or seaport operator or their agents unless the **drone** is packed securely in a protective case designed to be used with the **drone** or is packed by a professional transit company;

d. occurring in, on or over any area where such use is restricted by order of any police or military force or any governmental, administrative or regulatory body with jurisdiction in that area; or

e. which happens while being used in any way that breaches the rules of drone flying, including any registration or qualification requirements, where applicable, as issued by the Civil Aviation Authority in the **United Kingdom** or a similar body in any country;

f. occurring while the **drone** is in **flight** or operation under the care, custody or control of any person under the influence of alcohol or any narcotic or controlled substance, other than drugs which are:

i. prescribed by such person's medical practitioner; and

ii. only used in accordance with the medical practitioner's and manufacturer's warnings, precautions and instructions for use.

3. the scratching of any camera lens while attached to any **drone**, unless the **drone** is insured by this **policy** and has suffered **damage** by the same cause and at the same time.

4. **damage** to any **property**:

a. while in the process of being cleaned, serviced, maintained, repaired, restored, altered or treated;

b. directly resulting from its own **breakdown**, however this does not apply to any **drone** while in **flight**; or

c. occurring while stored at any building, shipping container or storage unit which has been left unattended or unoccupied for more than 60 consecutive days.

5. **damage** to any **property** or **money** not being used, stored or transported by **you** or on **your** behalf and with **your** permission.

6. **damage** caused by:

a. wear and tear, inherent defect, rot, fungus, mould, vermin or infestation, or any gradually operating cause;

b. dryness or humidity, being exposed to light or extreme temperatures, unless such **damage** is caused by **storm** or fire;

c. **storm** or **flood** occurring while the **property** is being stored unless it is stored in a building that is built of brick, stone or concrete and roofed with slate, tiles, concrete, metal, asbestos or any other non-combustible material or in a shipping container;

d. theft or attempted theft unless the **property** is:

i. stored in a locked building or shipping container or in a gated compound secured with a closed shackle padlock and the theft or attempted theft involves entry to, or exit from the building, shipping container or compound by forcible and violent means; or

ii. completely hidden out of sight within the storage compartment, boot or trailer of the vehicle so that the presence of the item cannot be identified; and

iii. all security measures on the vehicle or trailer are fully operational and activated at the time of the theft;

e. frost, other than **damage** due to water leaking from burst pipes forming part of the permanent internal plumbing of a building in which the **property** is being stored.

7. misuse, inadequate or inappropriate maintenance, faulty workmanship, defective design or the use of faulty materials.

8. unexplained loss or disappearance, inventory shortage or loss due to any clerical or accounting error.

9. financial loss due to **you** not receiving payment in full if **you** part with any title, possession of or rights to **property**.

10. the cost of any routine repair, inspection, maintenance, cleaning or adjustment where no **damage** has occurred.

11. deliberate damage to or neglect of any **property** by **you**.

12. any indirect losses which result from the incident which caused **you** to claim, other than as provided under **What is covered**, **Additional cover**, Reconstitution of data and documents, Alternative hire costs and Continuing hire charges.

13. a. **damage** caused solely by pollution or contamination; or

    b. any clean-up or decontamination costs or expenses resulting or arising from pollution or contamination.

14. **damage** to, or any loss, cost or expense arising in respect of any item of **computer or digital technology** which is directly caused by:

    a. a **cyber attack** or fear or threat of a **cyber attack**;

    b. a **hacker** or fear or threat of a **hacker**;

    c. a **computer or digital technology error**;

    d. its digital connectivity to any other item of **computer or digital technology** which has been directly affected by a **cyber attack** or **hacker**;

    e. its digital connectivity to any other item of **computer or digital technology** which has been directly affected by a **computer or digital technology error**.

    We will however cover any other **damage**, loss, cost or expense insured under this section which is caused by the **cyber attack**, **hacker**, or **computer or digital technology error**.

    For the purpose of exclusions c. and e. above only, **computer or digital technology** does not include any remotely controlled un-manned aircraft which is owned or operated by **you** or for which **you** are legally responsible.

    We will not make any payment for loss arising from any electronic, online or crypto currency, including Bitcoin.

15. any claim or loss directly or indirectly due to the actual or alleged processing, acquisition, storage, destruction, erasure loss, alteration, disclosure, use of or access to **personal data**.

16. any **damage**, loss, cost or expense directly or indirectly caused by, contributed to by, resulting from or in connection with any of the following:

    a. **terrorism**;

    b. **civil commotion** which occurs outside of England, Scotland or Wales;

    c. **war**;

    d. **confiscation**;

    e. **nuclear risks**;

    f. **communicable disease** or the fear or threat of **communicable disease**; or

    g. any action taken in controlling, preventing, suppressing or in any way responding to a. to f. above.

    If there is any dispute between **you** and **us** over the application of 16a or 16b above, it will be for **you** to show that the clause does not apply.

17. **damage** to **money**:

    a. in any **unattended vehicle**; or

    b. sent by or while in the custody of any unregistered mailing service.

18. loss of **money** due to any **social engineering communication** or any other act of fraud or dishonesty, other than the physical theft of **money**.

19. any cost incurred in preparing or submitting a claim under this **policy**.

20. the value to **you** of any lost or distorted records or data.

21. the amount of the **excess**.

How much we will pay

We will pay up to the **amount insured** shown in the Property damage section of **your** schedule, unless limited below or in **your** schedule.

Repair and replacement

At **our** option **we** will repair, restore, replace or pay for any loss or **damage** to items on the following basis:

1. for **property** other than **computers**, **handheld devices** and hired-in equipment, the cost of repair or replacement as new.
2. for **computers** and **handheld devices**, the cost of repairs or replacement as new. If **damage** to **computers** and **handheld devices** results in existing **software** being incompatible with the replacement **computers** and **handheld devices**, at **our** option **we** will also pay for:
    a. i. the necessary modifications to the replacement **computers** and **handheld devices**; or
       ii. the conversion of the existing **software** into a format which is compatible with the replacement **computers** and **handheld devices**; and
    b. the cost of replacing incompatible data-carrying media following 2.a.i. or 2.a.ii. above.
3. for hired-in equipment, the lesser of:
    a. the extent of **your** legal liability in respect of repairing or replacing the hired-in equipment as specified in the hire contract;
    b. the costs of repair of the hired-in equipment; or
    c. the costs of replacement of the hired-in equipment with a model of equivalent specification, age and condition.

If any item was built or assembled by **you**, **we** will only pay the price **you** paid for the constituent parts.

Other interests

Any payment **we** make will take into account the interest of any party having an insurable interest in the **property**, provided **you** have advised **us** of the nature and extent of the interest together with the name and address of that interested party.

Your obligations

If any damage occurs

We will not make any payment under this section unless **you**:

1. notify **us** promptly of any **damage** which might be covered;
2. report to the police, as soon as is reasonably possible, any **damage** arising from any criminal act and obtain a crime reference from them; and
3. arrange for urgent repairs to be done immediately. Before any other repair work begins **we** have the right to inspect the damaged **property**. **We** will tell **you** if **we** want to do this.

Backing-up electronic data

You must take all reasonable steps to make back-up copies of data at least once a week and keep the copies at an alternate storage site. If **you** do not, **we** may reduce any payment **we** make under this section by an amount equal to the detriment **we** have suffered as a result.

Manufacturer’s instructions

You must ensure that **you** comply with the **drone** manufacturer’s instructions with regard to:

1. operating the **drone** in specific weather conditions;
2. **drone** battery maintenance;
3. maximum **drone** payload weight; and
4. precautions and packaging whilst the **drone** is in transit.

We will not make any payment under this section in respect of any incident occurring whilst **you** are not in compliance with this condition unless **you** can demonstrate that such non-compliance could not have increased the risk of the loss occurring in the circumstances in which it occurred.

Public liability
Policy wording

The General terms and conditions and the following terms and conditions all apply to this section. **Your** schedule will state whether **your policy** includes this section.

Special definitions for this section

Abuse or molestation

1. Physical, mental or financial abuse, assault, battery, mistreatment or maltreatment;
2. sexual exploitation or any actual or attempted sexual relations, sexual contact or intimacy;
3. discrimination, victimisation, harassment, voyeurism or any use or distribution of images, in whatever manner, without the consent of any person shown; or
4. any other act of a sexual nature or undertaken with a sexual motive.

Abuse or molestation retroactive date

The date stated as the retroactive date in the abuse or molestation cover section of **your** schedule.

Asbestos risks

1. The mining, processing, manufacturing, use, testing, ownership, sale or removal of asbestos, asbestos fibres or material containing asbestos; or
2. exposure to asbestos, asbestos fibres or materials containing asbestos; or
3. the 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.

Bodily injury

Death, or any bodily injury, illness, disease or mental injury.

Defence costs

Costs incurred with **our** prior written agreement to investigate, settle or defend a claim against **you**.

Employee

Any person working for **you** in connection with **your activities** who is:

1. employed by **you** under a contract of service or apprenticeship;
2. hired to or borrowed by **you**;
3. self-employed or working on a labour-only basis under **your** control or supervision;
4. engaged by labour-only sub-contractors;
5. a labour master or a person supplied by them;
6. engaged under a work experience or training scheme; or
7. a voluntary worker engaged with **your** permission.

Invasion of privacy

Invasion of any rights of privacy or any nuisance, trespass or interference with any easement or right of air, light, water or way.

Pollution

Any pollution or contamination, including noise, electromagnetic fields, radiation and radio waves.

Products

Any goods which are:

1. sold, supplied, distributed, manufactured, constructed, installed, altered, tested, serviced, maintained, repaired, cleaned or treated by **you**; and
2. not in **your** care, custody or control at the time of any occurrence giving rise to a claim under this section of **your policy**.

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

Land-based mobile plant or equipment being used where insurance or security is not required under the provisions of any road traffic legislation. This does not include **drones**.

United Kingdom	The United Kingdom of Great Britain and Northern Ireland, the Channel Islands and the Isle of Man.
You/your	The insured named in **your** schedule. Also includes any person who was, is or during the **period of insurance** becomes **your** director, partner, trustee, committee member, senior manager or officer in actual control of **your activities**.

What is covered

Claims against you

If, as a result of **your activities**, any party brings a claim against **you** for:

1. **bodily injury**, other than **abuse or molestation**, or **property damage** occurring during the **period of insurance**; or
2. **invasion of privacy** committed during the **period of insurance**,

we will indemnify **you** against the sums **you** have to pay as compensation, including **your** liability for any claimants' legal costs and expenses. This includes a claim against any **employee** when they are acting on **your** behalf in whatever capacity.

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

Abuse or molestation claims

If, as a result of **your activities**, any party brings a claim against **you** during the **period of insurance** for **abuse or molestation** committed after the **abuse or molestation retroactive date**, **we** will indemnify **you** against the sums **you** have to pay as compensation. This includes a claim against any **employee** when they are acting on **your** behalf in whatever capacity.

However, **we** will not in any event provide cover:

1. in respect of any allegation of slavery or people trafficking; or
2. to any party who commits, condones or ignores any **abuse or molestation**.

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

Overseas personal liability

We will indemnify **you** and if **you** request, any of **your** directors, partners, trustees, committee members, **employees** or the spouse, domestic or civil partner of any such person against legal liability as a result of **bodily injury** or **property damage**, which falls within the scope of **What is covered**, Claims against you, and which is incurred in a personal capacity while temporarily outside the **United Kingdom**. However, **we** will not make any payment where such liability:

1. arises out of:
   a. any loss of a third party's key or electronic pass card;
   b. any failure to secure a third party's premises;
   c. the ownership or occupation of land or buildings; or
2. is covered by any other insurance.

Claims against principals

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 any third party with whom **you** have entered into a contract or agreement in connection with **your activities** and **you** are liable for that claim had it been brought against **you**, **we** will treat such claim as if made against **you** and make the same payment to such party that **we** would have made to **you**, provided that they:

1. have not, in **our** reasonable opinion, caused or contributed to the claim against them;
2. accept that **we** can control the claim's defence and settlement in accordance with the terms of this section;
3. have not admitted liability or prejudiced the defence of the claim before **we** are notified of it; and
4. give **us** the information and co-operation **we** reasonably require for dealing with the claim.

Cross liabilities	If more than one insured is named in **your** schedule, **we** will deal with any claim as though a separate policy had been issued to each of them provided that **our** liability in the aggregate shall not exceed the limit of indemnity stated in **your** schedule.
Loss of third party keys	If, during the **period of insurance** and as a result of **your activities**, **you** lose any key or electronic pass card belonging to a third party for which **you** are legally responsible, and that party brings a claim against **you**, **we** will pay the reasonable costs to replace the relevant locks, keys or electronic pass cards.
Failure to secure third party premises	If, during the **period of insurance**, **you** fail to secure the premises of a third party where **you** have been carrying out **your activities**, and that party brings a claim against **you**, **we** will pay the sums **you** have to pay as compensation to such third party, provided that **you** have taken reasonable steps to secure the premises as required by that third party. **We** will also pay **defence costs** but **we** will not pay costs for any part of a claim not covered by this section.
Unauthorised use of third party telephones by your employees	If, during the **period of insurance** and as a result of **your activities**, any of **your employees** uses a third party's telephone system without authority, including any mobile or internet-based telephone network, and that party brings a claim against **you**, **we** will pay the sums **you** have to pay as compensation to such third party, provided that **we** are notified within three months of the unauthorised use. **We** will also pay **defence costs** but **we** will not pay costs for any part of a claim not covered by this section.
Defective Premises Act	If, during the **period of insurance**, **you** dispose of any premises in connection with **your activities** and any party brings a claim against **you** under Section 3 of the Defective Premises Act 1972) or Section 5 of the Defective Premises Measure (Northern Ireland) Order 1975, **we** will pay for 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 in any event make any payment for any: 1. liability where **you** are entitled to cover under any other insurance; or 2 costs of remedying any actual or alleged defect, which if not remedied may result in a claim.

Additional cover

Representation costs	At **your** request, **we** will pay **your** reasonable costs to: 1. defend **you** or any **employee** if any governmental, administrative or regulatory body brings any criminal action against **you** or such **employee** for any breach of statute or regulation; 2. represent **you** or any **employee** at any properly constituted external investigation, inquiry or professional disciplinary proceeding, including representation at a coroner's inquest or equivalent; and 3. assist **you** or any **employee** in responding to a request made by a coroner or equivalent, the police or a member of the judiciary for documentation or other assistance, within the **United Kingdom**. This includes any related appeal which **we** consider has reasonable prospects of success. **We** will only pay these costs: a. if the costs relate directly to any actual or potential claim covered under this section; b. if the payment of such costs is likely, in **our** reasonable opinion, to reduce the amount of any actual or potential claim; c. if **you** have **our** prior written agreement before such costs are incurred; and d. up to the date of any admission by or final adjudication against **you** or the relevant **employee** that any breach of statute or regulation occurred. However, **we** will not in any event pay any representation costs for any **employee** bringing a claim under this section.
Court attendance compensation	If **you** or any **employee** of **yours** has to attend court as a witness in connection with a claim against **you** covered under this section, **we** will pay **you** the compensation stated in **your** schedule for each day, or part of a day, that their attendance is required by **us**.

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What is not covered

In addition to the General exclusions set out in the General terms and conditions, the following exclusions also apply to this section of **your policy**.

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

Property for which you are responsible

1. **property damage** to any item belonging to **you** or which at the time of the loss, damage or destruction is in **your** care, custody or control. This does not apply to:
   a. vehicles or personal effects belonging to **your employees** or visitors, while on **your** premises;
   b. premises, including their contents, fixtures and fittings, which are not owned or rented by **you**, where **you** are temporarily carrying out **your activities**;
   c. premises, including their contents, fixtures and fittings, which are rented to **you**, unless **you** are obliged by lease or other agreement to maintain the property insurance cover in respect of these;
   d. property belonging to **your** clients or customers, provided that the loss or damage to such property occurs while it is in the process of being installed, altered, testes, services, maintain repaired, cleaned or treated by **you**; or
   e. loss of a third-party's keys or electronic pass cards.

Vehicles and craft

2. the ownership, possession, maintenance or use by **you** or on **your** behalf of any aircraft or other aerial device, hovercraft, self-balancing motorised scooter, watercraft (other than hand propelled or sailing craft less than 20 feet in length in inland or territorial waters) or any mechanically propelled vehicles and their trailers.

   This does not apply to:
   a. any **drone**;
   b. any **tool of trade**;
   c. the loading or unloading of any vehicle off the highway.

Injury to employees

3. **bodily injury** to any:
   a. **employee**; or
   b. person supplied by **you** to a client under contract which occurs anywhere other than at **your** premises.

Defamation and intellectual property

4. a. defamation, including but not limited to libel, slander, trade libel, product disparagement and malicious falsehood; or
   b. any infringement of intellectual property rights including but not limited to copyright, trademark or moral rights or any act of passing-off.

Personal data

5. any actual or alleged processing, acquisition, storage, destruction, erasure, loss, alteration, disclosure, use of or access to **personal data**.

Confidential corporate information

6. any actual or alleged negligent or intentional misuse, unauthorised disclosure, dissemination or improper use of corporate confidential information, including but not limited to trade secrets, financial data, client lists, marketing strategies, proprietary technology, or any other sensitive information which **you** are legally required to keep confidential.

Pollution

7. a. i. any **pollution**; or
      ii. any **bodily injury** or **property damage** directly or indirectly caused by any **pollution**,

      unless the **pollution** is 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**; or
   b. any **pollution** occurring in the United States of America or Canada.

Cyber incidents

8. or contributed to by, resulting from or in connection with any:
   a. **cyber attack**;
   b. **hacker**;
   c. **social engineering communication**;

d. **computer or digital technology error**;

e. any fear or threat of 8.a. to 8.c. above; or

f. any action taken in controlling, preventing, suppressing, responding or in any way relating to 8.a. to 8.e. above.

Professional advice 9. the provision or preparation of, or the failure to provide or prepare any:

a. technical drawing, blueprint or plan;

b. design, specification or formula;

c. **program** or automated system; or

d. instruction, training, direction or advice,

by **you** or on **your** behalf in relation to **your activities** and responsibilities as a drone pilot before, during or after any **flight**.

Treatment, care, diagnosis or prescription 10. a. the provision of or failure to provide any treatment, remedy, therapy or care of a person or animal, other than the provision of first aid to a person in connection with **your activities**;

b. the medical, dental or veterinary diagnosis of or failure to diagnose any person or animal;

c. the prescription of or failure to prescribe any drug or medicine; or

d. the administration of or failure to administer any drug, medicine, vaccination or any medical, dental or veterinary test.

Tour operator's liability 11. any of **your activities** where **you** are deemed in law to be liable, solely as a result of:

a. the Package Travel and Linked Travel Arrangements Regulations 2018;

b. any similar or successor legislation; or

c. any other legislation specifically imposing liability upon tour operators, travel agents, travel facilitators, travel organisers or similar organisations or **activities**.

Your products 12. any **products**.

Opioids 13. or contributed to by, resulting from or in connection with the use, sale, promotion, manufacture, supply, distribution, delivery, transport, transfer, possession or prescription of any opioid, opioid product or product derived from or containing opium or opiates.

Deliberate or reckless acts 14. 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.

Placed personnel 15. the actions of any person supplied by **you** to a client under contract.

Railways and aircraft 16. the operation, maintenance or construction of any:

a. railway, rail track, rail signalling or rolling stock; or

b. missile, spacecraft or any other aircraft or aerial device other than a **drone**.

Restricted areas 17. the use of any **drone** in, on or over any area where such use is restricted by order of any police or military force or any governmental, administrative or regulatory body with jurisdiction in that area.

Flight 18. the use of any **drone** while in **flight** that breaches the rules of drone flying, including any registration or qualification requirements, where applicable, as issued by the Civil Aviation Authority in the **United Kingdom** or the similar body in any country.

Personal use 19. the use of any **drone** for personal or recreational purposes.

Hazardous activities 20. the use of any **drone** for:

a. any competitive purposes, including racing;

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b. stunt flying; or

c. the spraying of crops or distribution of pesticides or fertilizers.

Hazardous premises 21. any work undertaken by **you** or on **your** behalf which takes place in, on or over any:

a. airport, aerodrome, aircraft tower or protected space site, including within any flight restricted zone of such sites;

b. form of power station or oil/gas facility; or

c. form of mine or refinery.

Armed forces 22. armed forces activities including operations, exercises and training.

Substance abuse 23. the use of any **drone** in **flight** or operation under the care, custody or control of any person under the influence of alcohol or any narcotic or controlled substance, other than drugs which are:

a. prescribed by such person's medical practitioner; and

b. only used in accordance with the medical practitioner's and manufacturer's warnings, precautions and instructions for use.

Bona fide sub-contractors 24. any work undertaken by bona fide sub-contractors in connection with **your activities** unless **you** take all reasonable steps to ensure that they have and maintain in force public liability insurance with a limit of indemnity of not less than the limit which is held by **you**.

We will not make any payment for any claim or loss where **you** fail to demonstrate to **our** satisfaction that **you** have complied with this requirement.

Contracts 25. **your** liability under any contract which is greater than the liability **you** would have at law without the contract.

Civil commotion and nuclear 26. or contributed to by, resulting from or in connection with any:

a. **civil commotion**, strike or industrial action;

b. **nuclear risks**;

c. fear or threat of 26.a. or 26.b. above; or

d. action taken in controlling, preventing, suppressing, responding or in any way relating to 26.a. to 26.c. above.

If there is any dispute between **you** and **us** over the application of 26.a. above, it will be for **you** to show that the exclusion does not apply.

Asbestos 27. **asbestos risks**.

Perfluoroalkyl and polyfluoroalkyl substances 28. or contributed to by, resulting from or in connection with any:

a. perfluoroalkyl or polyfluoroalkyl substances;

b. any fear or threat of 28.a. above; or

c. any action taken in controlling, preventing, suppressing, responding or in any way relating to 28.a. or 28.b. above.

B. **We** will not make any payment for:

Restricted recovery 1. that part of any claim where **your** right of recovery is restricted by any contract.

Non-compensatory payments 2. any fines, penalties, punitive or exemplary damages, or compensation ordered or awarded by a criminal court.

Claims outside the applicable courts 3. any claim, including arbitration, brought outside the countries stated in the Applicable courts field of the Public liability section of **your** schedule. This also applies to proceedings in the applicable courts to enforce, or which are based on, a judgment or award from outside the countries stated in the Applicable courts field of the Public liability section of **your** schedule.

Geographical limits	4.	any claim brought against **you** or representation costs arising from any **activities** carried out by **you** or on **your** behalf in any country outside the **geographical limits**.
Excess	5.	the amount of any **excess**.

How much we will pay

We will pay up to the limit of indemnity stated in **your** schedule for the total of all claims, losses and **defence costs**, irrespective of the number of claims.

You must pay the amount of any **excess** stated in **your** schedule for each claim.

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 such claims or their **defence costs**.

Special limits

War

For claims arising from **war**, the most **we** will pay is the amount stated in **your** schedule for the total of all such claims and their **defence costs**.

Terrorism

For claims arising from **terrorism**, the most we will pay is the amount stated in **your** schedule for the total of all such claims and their **defence costs**.

Hi-jacking and confiscation

For claims arising from **hi-jacking** and **confiscation**, the most **we** will pay is the amount stated in **your** schedule for the total of all such claims and their **defence costs**.

Abuse or molestation

For claims brought against **you** for **abuse or molestation**, the most **we** will pay is the amount stated in **your** schedule for the total of all such claims and their **defence costs**.

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**. The most **we** will pay for **defence costs** in relation to **pollution** claims is the amount stated in **your** schedule.

Claims brought against you in the USA or Canada

If it is stated in **your** 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**.

Unauthorised use of third party telephones by your employees

The most **we** will pay for the total of all claims and their **defence costs** arising from the unauthorised use of a third party's telephone system is the amount stated in **your** schedule.

Additional cover

Representation costs

The most **we** will pay for the total of all representation costs covered under this section of the **policy** is the amount stated in **your** schedule.

Court attendance compensation

The most **we** will pay for the total of all court attendance covered under this section of the **policy** is stated in **your** schedule.

Your obligations

Notification of claims

A. **We** will not make any payment under this section unless **you** notify **us**:

1. as soon as possible and in any event within seven days of:

   a. a claim or anything which may give rise to a claim for or arising out of **bodily injury** or **abuse or molestation**;

   b. **your** discovery, or the existence of reasonable grounds for **your** suspicion, that any director, partner, trustee, committee member or **employee** has committed **abuse or molestation**; or

   c. anything which may give rise to a request for us to pay representation costs under **What is covered**, **Additional cover**, Representation costs.

2. promptly of any other claim or anything which may give rise to any other claim against **you**.

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

You should make this notification directly to **us** (and **your** insurance adviser, if **you** have one) as follows:

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

by post to: UKSC Liability Claims, The Hiscox Building, Peasholme Green, York YO1 7PR.

Please ensure **you** quote **your policy** number.

Not admitting liability B. 1. When dealing with **your** client or any third party, **you** must not admit that **you** are liable for what has happened or make any offer, deal or payment, unless **you** have **our** prior written agreement.

Our rights of recovery 2. **You** must ensure that **our** rights of recovery against any third party, including but not limited to any subrogated rights of recovery, are not restricted or financially limited by any term in any contract or agreement into which **you** have entered, unless **you** have **our** prior agreement in writing.

Correcting problems 3. **You** must take reasonable steps to remedy or rectify, at **your** expense, any defect or failure in the goods or services **you** have supplied to any client, customer or distributor.

We will not make any payment under this section in respect of any incident occurring while **you** are not in compliance with the conditions stated under **Your obligations**, B.1. to B.3. above, unless **you** can demonstrate that such non-compliance could not have increased the risk of the claim arising or the loss occurring or the amount of the claim or loss.

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 or any part of a claim.

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

Appointment of legal representation **We** have the right, but not the obligation, to select and appoint an adjuster, lawyer or any other appropriate person of **our** choosing to deal with the claim.

Partially covered claims **We** will not pay any part of a claim and its associated costs which is not covered by this section.

If a claim is made which is:

1. not wholly covered by this section; or

2. made against **you** and any other party who is not covered under this section,

then, at the outset of the claim, **we** and **you** agree to use best efforts to determine a fair allocation of covered and non-covered parts of any claim and associated costs, including **defence costs** on the basis of the relative legal and financial exposures.

Advancement of defence costs **We** will pay **defence costs** covered by this section on an ongoing basis prior to the final resolution of any claim. However, **we** will not pay any **defence costs** in connection with any claim or part of a claim which is not covered under this section. **You** must reimburse **us** for any **defence costs** paid where it is determined there is no entitlement under this section.

Payment of full limit of indemnity **We** have no further duty to indemnify **you** against any claim where **we** pay **you** the applicable limit of indemnity as described in **How much we will pay**, Paying out the limit of indemnity, or if the overall limit of indemnity stated in **your** schedule has been exhausted.

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

Disputes For the purposes of **Control of defence** in this section of the **policy**, General condition 14, Arbitration, within the General terms and conditions is amended to read as follows:

Any dispute as to whether to settle or to continue the defence of a claim or as to the fair allocation of any partially covered claim and its associated costs, will be referred to a single King's Counsel (or equivalent in this or any other jurisdiction) to be mutually agreed or in the absence of such agreement to be nominated by the President of the Law Society of England and Wales. The opinion of such King's Counsel shall be binding on **you** and **us** in relation to matters referred under this clause. The costs of such opinion shall be met by **us**.

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Employers' liability

Policy wording

The General terms and conditions and the following terms and conditions all apply to this section. **Your** schedule will state whether **your policy** includes this section.

Special definitions for this section

Activities

Any activities **you** have declared to **us** and which are stated in the Business field of **your** schedule.

The following are also included where they are incidental to such activities:

1. the maintenance of property or premises owned or occupied by **you**;
2. the provision or management of:
   a. canteen, social, sports, education or welfare organisations; or
   b. first aid or security services,

   for the benefit of **your employees**; or
3. attendance at conferences and promotional events which directly relate to **your** activities within the **geographical limits**.

Bodily injury

Death or any bodily injury, illness, disease or mental injury.

Defence costs

Costs incurred with **our** prior written agreement to investigate, settle or defend a claim against **you**.

Employee

Any person working for **you** in connection with **your activities** who is:

1. employed by **you** under a contract of service or apprenticeship;
2. hired to or borrowed by **you**;
3. self-employed and working on a labour-only basis under **your** control or supervision;
4. engaged by labour-only sub-contractors;
5. a labour master or a person supplied by them;
6. engaged under a work experience or training scheme; or
7. a voluntary worker engaged with **your** permission,

provided such person is:

a. normally resident in the **United Kingdom** or the Republic of Ireland; or
b. working for **you** in the **United Kingdom** for a continuous period of at least 14 consecutive days.

United Kingdom

The United Kingdom of Great Britain and Northern Ireland, the Channel Islands and the Isle of Man.

What is covered

Claims against you

If any **employee** brings a claim against **you** for **bodily injury** and such **bodily injury**:

1. occurs during the **period of insurance**;
2. arises out of their work for **you** in connection with **your activities**; and
3. occurs within the **geographical limits**,

we will indemnify **you** against the sums **you** have to pay as compensation, including **your** liability for any claimants' legal costs and expenses.

This includes any claim which is otherwise covered under this section where such claim arises from a **cyber attack**, a **hacker** or any **computer or digital technology error**.

The amount **we** pay will include **defence costs** but **we** will not pay costs for any part of a claim not covered by this section.

Claims against principals

If, as a result of **your activities**, any **employee** brings a claim which falls within the scope of **What is covered**, Claims against you, against any:

1. named third party as stated in the Employers' liability section of **your** schedule; or
2. other third party with whom **you** have entered into a contract or agreement in connection with **your activities**,

and **you** would have been liable for that claim had it been brought against **you**, **we** will treat such claim as if made against **you** and make the same payment to the party stated in 1 or 2 above which **we** would have made to **you**, provided that the party stated in 1 or 2 above:

a. has not, in **our** reasonable opinion, caused or contributed to the claim against them;
b. accepts that **we** can control the defence and settlement of the claim in accordance with the terms of this section;
c. has not admitted liability or prejudiced the defence of the claim before we are notified of it; and
d. gives **us** the information and co-operation **we** reasonably require for dealing with the claim.

Unsatisfied court judgments

If any **employee** obtains a judgment for damages following **bodily injury** against any company or individual operating from premises within the **United Kingdom** and that judgment remains unpaid for more than six months, **we** will pay to the **employee** at **your** request the amount of any unpaid damages and awarded costs provided that:

1. the **bodily injury** is caused during the **period of insurance** and arises out of and in the course of their employment in connection with **your activities**;
2. **we** would have covered **your** liability if **you** had caused the **bodily injury**;
3. there is no appeal outstanding; and
4. the **employee** assigns their judgment to **us**.

Additional cover

Representation costs

At **your** request, **we** will pay **your** reasonable costs to:

1. defend **you** or any **employee** if any governmental, administrative or regulatory body brings any criminal action against **you** or such **employee** for any breach of statute or regulation;
2. represent **you** or any **employee** at any properly constituted external investigation, inquiry or professional disciplinary proceeding, including representation at a coroner's inquest or equivalent; and
3. assist **you** or any **employee** in responding to a request made by a coroner or equivalent, the police or a member of the judiciary for documentation or other assistance,

within the **United Kingdom**. This includes any related appeal which **we** consider has reasonable prospects of success.

We will only pay these costs:

a. if the costs relate directly to any actual or potential claim covered under this section;
b. if the payment of such costs is likely, in **our** reasonable opinion, to reduce the amount of any actual or potential claim; and
c. if **you** have **our** prior written agreement before such costs are incurred; and
d. up to the date of any admission by or final adjudication against **you** or the relevant **employee** that any breach of statute or regulation occurred.

However, **we** will not in any event pay any representation costs for any **employee** bringing any claim against **you** under this section.

Court attendance compensation

If **you** or any **employee** of **yours** has to attend court as a witness in connection with a claim against **you** which is covered under this section, **we** will pay **you** the compensation stated in **your** schedule for each day, or part of a day that their attendance is required by **us**.

What is not covered

In addition to the General exclusions set out in the General terms and conditions, the following exclusions also apply to this section of **your policy**.

We will not make any payment for:

1. any claim or part of a claim or loss directly or indirectly due to:

Deliberate or reckless acts

a. any act, breach or omission **you** deliberately or recklessly commit, condone or ignore. However, this exclusion will only apply to the extent permitted by the laws of the **United Kingdom** in relation to compulsory employers' liability insurance.

Offshore employees

b. any **bodily injury** caused to any of **your employees** while they are offshore. An **employee** is regarded as being offshore from the moment they board any form of transport at the departure point for an offshore rig or platform until the moment they disembark on their return from the rig or platform;

Road traffic legislation

c. any **bodily injury** to any **employee** while being carried in or upon, or entering or getting onto, or alighting from a vehicle as a passenger, for which insurance or security is required under any road traffic legislation; or

Placed personnel

d. any **bodily injury** to any person supplied by **you** to a client under contract.

Fines and penalties

2. any fines, penalties, punitive or exemplary damages, or compensation ordered or awarded by a criminal court.

Claims outside the applicable courts

3. any claim, including arbitration, brought outside the countries stated in the Applicable courts field of the Employers' liability section of **your** schedule.

This also applies to proceedings in the applicable courts to enforce, or which are based on, a judgment or award from outside the countries stated in the Applicable courts field of the Employers' liability section of **your** schedule.

For any claim, including arbitration, brought against **you** under this section by any **employee** normally resident in the Republic of Ireland, the countries stated in the Applicable courts field of the Employers' liability section of **your** schedule include the Republic of Ireland.

How much we will pay

We will pay up to the limit of indemnity stated in **your** schedule, including **defence costs**, unless limited below or in **your** schedule.

All claims, losses and **defence costs** relating to one or more **employees** which arise from the same original cause or source, or a repeated or continuing series of events will be regarded as one claim.

Special limits

War, terrorism and nuclear risks

The most **we** will pay for the total of all claims, losses and **defence costs** arising from **war**, **terrorism** and **nuclear risks** covered under this section is the amount stated in **your** schedule. If **we** decide that this limit applies to a claim in respect of **terrorism**, it is **your** responsibility to prove that the claim does not arise from **terrorism**.

Additional cover

Representation costs

The most **we** will pay for the total of all representation costs covered under this section of the **policy** is the amount stated in **your** schedule.

Court attendance compensation

The most **we** will pay for the total of all court attendances covered under this section of the **policy** is the amount stated in **your** schedule.

Your obligations

1. **You** must notify **us** as soon as possible and in any event within seven days of a claim or anything which may give rise to a claim under this section, including any request for **us** to

pay representation costs.

You should make this notification directly to **us** and **your** insurance adviser, if **you** have one, as follows:

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

by post to: Hiscox Liability Claims, The Hiscox Building, Peasholme Green, York YO1 7PR.

Please ensure **you** quote **your** policy number.

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

2. When dealing with **your employee** or a third party, **you** must not admit that **you** are liable for what has happened or make any offer, deal or payment, unless **you** have **our** prior written agreement.

If **you** do not comply with these obligations **we** may seek recovery from **you** of any payment **we** make under this section by an amount equal to the detriment that **we** have suffered as a result.

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.

Compulsory insurance

This insurance is in accordance with the provisions of any law relating to compulsory insurance of liability to employees in the **United Kingdom** or the Continental Shelf around these countries. **You** must repay all payments **we** make which **we** would not have been liable to pay in the absence of such law.

Employers' Liability Tracing Office

Your policy details will be added to the employers' liability database, managed by the Employers' Liability Tracing Office (ELTO). This data will be available for search by registered users as well as individual claimants on a limited basis, who wish to verify the employers' liability insurer of an employer at a particular point in time.

You can find out more:

1. from **your** insurance adviser, if **you** have one;
2. by contacting **us**; or
3. at www.elto.org.uk.

You must also provide **us** with the following information for each entity insured under this section of the **policy**:

a. employer name;

b. full address of employer including postcode; and

c. HMRC Employer Reference Number (ERN).

If any insured entity does not have an ERN, **you** must confirm to **us** which of the following reasons applies:

i. the entity has no employees;

ii. all staff employed earn below the current Pay As You Earn (PAYE) threshold; or

iii. the entity is not registered in England, Wales, Scotland or Northern Ireland.

You must inform **us** immediately of any changes to the above information.