

Employment Practices Liability Insurance

Policy Wording

Exclusively for
EEF Members

Arranged by:



Important Notice

Please read this Policy carefully to ensure that it is in accordance with your requirements and that you understand its terms exclusions and conditions. Please contact us immediately if any corrections are necessary.

Any enquiries you may have regarding your Policy may be addressed either to the insurance broker who arranged the Policy for you or directly to us. If you wish to make a complaint please note the following.

Complaints Procedure

Our Promise To You

- We will acknowledge complaints promptly.
- We will investigate quickly and thoroughly.
- We will keep you informed of progress.
- We will do everything to resolve your complaint fairly.
- We will learn from our mistakes and use your feedback to continually improve our service.

What To Do If You Have A Complaint

If you have a complaint, please, email us at CustomerRelations@travelers.com, contact us on 01737 787787 or write to us at the address below quoting your policy number or claim reference if appropriate.

Travelers Insurance Company Limited
61 - 63 London Road
Redhill
Surrey RH1 1NA

If your complaint cannot be resolved to your satisfaction and you are an eligible complainant (a private individual or a business with an annual turnover of less than £1 million), you may refer the matter to the Financial Ombudsman Service (FOS) at the following address:

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London E14 9SR

Tel 0845 080 1800
Email Enquiries@financial-ombudsman.org.uk

Data Protection Act

We have collected and may continue to collect certain information about individuals within or connected to your company and any subsidiaries ("data subjects") in the course of conducting our relationship with you. This information will be processed for the purpose of underwriting your insurance coverage, managing the policy, preventing and detecting fraud, providing risk management advice and administering claims. We may pass the information to our reinsurers, legal advisers, loss adjusters or agents for these and other purposes. This may involve its transfer to countries which do not have data protection laws.

Some of the information we collect may be classified as 'sensitive' – that is, information about disciplinary proceedings, convictions, sentences or alleged criminal activities.

Data subjects have a right of access to, and correction of, information that we hold about them. If they would like to exercise either of these rights, they should contact our Data Protection Compliance Officer at Exchequer Court, 33 St. Mary Axe, London, EC3A 8AG.

Contact details for notification of claims and circumstances

CLAIMS or CIRCUMSTANCES must be reported in writing to your relevant EEF regional office.

Please quote your Travelers Policy Number on all correspondence.

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The INSURED having made to INSURERS a PROPOSAL containing particulars and statements which shall form the basis of this contract and are incorporated herein and in consideration of payment of the PREMIUM, INSURERS will provide insurance in accordance with this POLICY during the POLICY PERIOD (or during any subsequent POLICY PERIOD agreed between INSURERS and the INSURED for which the INSURED may make a further PROPOSAL and for which INSURERS may accept payment) subject to the terms contained herein or endorsed hereon.

The POLICY, SCHEDULE(S) and any ENDORSEMENTS shall be read as one contract and any word or expression to which a specific meaning has been attached in any part of the POLICY, its ENDORSEMENT(S) (if any) or the SCHEDULE shall bear the same meaning wherever it may appear.

In the event of any inconsistency between the PROPOSAL and the POLICY then the terms of the POLICY will prevail.

Any general or specific reference to statute(s) or statutory provisions shall be construed as including a reference to any statutory modification, consolidation or re-enactment thereof for the time being in force and to include any bye-laws, statutory instruments, rules, regulations, orders, notices, directions, consents or permissions made thereunder and any conditions attaching thereto.

Certain words in this POLICY are printed in capitals. Those words have been defined in section 1 of the POLICY and bear the meaning defined in that section.

In this contract unless the context otherwise requires –

- (a) the singular includes the plural, and vice versa;
- (b) the male gender includes the female and neutral genders;
- (c) person includes a body corporate;
- (d) headings and notes are for information purposes only and are not to be construed as part of the POLICY

1 Definitions

The following words and phrases are used in this POLICY and in certain instances the words may be used in the plural or singular form. Wherever they appear they are deemed to have the meaning set out below.

1.1 BENEFITS

Shall mean fringe benefits, bonus payments, incentive or deferred compensation, medical or insurance benefits, perquisites and payments due to any person in connection with an EMPLOYEE benefit plan or pension scheme. BENEFITS includes stock or share options or any other right to be given or purchase stock or shares or the equivalent value of any of those options or rights.

1.2 BODILY INJURY

Shall mean death, injury, illness or disease whether bodily or mental.

1.3 CIRCUMSTANCE

Shall mean an incident, occurrence, fact, matter, act or omission which, regardless of the EXCESS, might give rise to a CLAIM (or any other entitlement to indemnity under the POLICY) and of which the INSURED first becomes aware and notifies to INSURERS during the PERIOD OF INSURANCE including but not limited to:

- 1.3.1 an intimation of an intention to make a CLAIM
- 1.3.2 any known direct or indirect criticism or dispute (whether expressed or implied) relating to any EMPLOYMENT VIOLATION which might give rise to a CLAIM (whether justified or not)
- 1.3.3 the INSURED being aware of a failing in their procedures or duties to the extent that such failing might give rise to a CLAIM.

1.4 CLAIM

Shall mean:

- 1.4.1 a written demand for monetary damages or compensation
- 1.4.2 receipt of a formal notice of a criminal proceeding
- 1.4.3 a civil proceeding commenced in any Court or Tribunal by the service of a Claim Form, complaint or similar pleading
- 1.4.4 an official investigation, formal administrative or regulatory proceeding commenced by the service on any INSURED of a notice of charges, formal investigative order or similar document
- 1.4.5 an arbitration, mediation, conciliation or other alternative dispute resolution proceeding

including any appeal from any CLAIM as defined herein first made or brought against any INSURED during the PERIOD OF INSURANCE for an EMPLOYMENT VIOLATION.

1.5 DEFENCE COSTS

Shall mean:

- 1.5.1 In respect of any INSURED PERSON all legal costs, disbursements and investigative expenses reasonably and necessarily incurred with the prior written and continuing consent of INSURERS
 - 1.5.1.1 defending any proceedings relating to a CLAIM; or
 - 1.5.1.2 conducting any proceedings for indemnity, contribution or recovery relating to a CLAIM
 - 1.5.1.3 investigating, assessing, negotiating, mediating, arbitrating, compromising or otherwise settling any CLAIM (or CIRCUMSTANCE as the case may be).
- 1.5.2 In respect of any INSURED ORGANISATION all legal costs reasonably and necessarily incurred in the retention of an independent barrister where such retention has been requested by EEF Limited.
- 1.5.3 DEFENCE COSTS do not include
 - 1.5.3.1 any internal or overhead expenses of the INSURED or INSURERS
 - 1.5.3.2 the cost of any INSURED'S time
 - 1.5.3.3 any remuneration payable to any INSURED PERSON
 - 1.5.3.4 any fees, levys or other charges payable to EEF Limited by any INSURED ORGANISATION.

- 1.5.4 In the event that in respect of any CLAIM EEF Limited consider themselves to have a conflict of interest then the INSURERS agree that in respect of any INSURED ORGANISATION the definition of DEFENCE COSTS shall include all legal costs, disbursements and investigative expenses reasonably and necessarily incurred with the prior written and continuing consent of INSURERS
- 1.5.4.1 defending any proceedings relating to a CLAIM; or
 - 1.5.4.2 conducting any proceedings for indemnity, contribution or recovery relating to a CLAIM
 - 1.5.4.3 investigating, assessing, negotiating, mediating, arbitrating, compromising or otherwise settling any CLAIM (or CIRCUMSTANCE as the case may be).
- 1.5.5 In the event that the POLICYHOLDER resigns their membership of EEF Limited then the INSURERS agree in respect of any INSURED ORGANISATION that with effect from the date the POLICYHOLDER membership is terminated the definition of DEFENCE COSTS shall include all legal costs, disbursements and investigative expenses reasonably and necessarily incurred with the prior written and continuing consent of INSURERS
- 1.5.5.1 defending any proceedings relating to a CLAIM; or
 - 1.5.5.2 conducting any proceedings for indemnity, contribution or recovery relating to a CLAIM
 - 1.5.5.3 investigating, assessing, negotiating, mediating, arbitrating, compromising or otherwise settling any CLAIM (or CIRCUMSTANCE as the case may be).
- 1.5.6 In the event of such termination of membership then the INSURERS shall be entitled to seek additional information from the POLICYHOLDER regarding the termination of membership and amend the terms and conditions of this POLICY and charge an additional PREMIUM.

1.6 DUE TO

Shall mean:

directly or indirectly caused by, resulting or arising from and/or in connection with

1.7 EMPLOYEE

Shall mean anybody who is:

1.7.1 under a contract of service or apprenticeship with an INSURED ORGANISATION, or

1.7.2 supplied to, hired or borrowed by an INSURED ORGANISATION including persons undertaking study or work experience

whilst employed or engaged by the INSURED ORGANISATION.

EMPLOYEE includes past, present, and prospective EMPLOYEES and any independent contractor who is treated under applicable law as an EMPLOYEE including agency workers acting on behalf of the INSURED ORGANISATION.

1.8 EMPLOYMENT VIOLATION

Shall mean any violation of any statute, regulation, ordinance, common law, public policy or other torts relating to employment or engagement or discrimination in employment or engagement committed or allegedly committed or attempted by the INSURED ORGANISATION or by one or more INSURED PERSON against an EMPLOYEE in their capacities as such or by any other person for whom the INSURED is legally responsible.

1.9 ENDORSEMENT

Shall mean an endorsement attaching to and forming part of the POLICY.

1.10 EXCESS

Shall mean the amount stated in the SCHEDULE against 'EXCESS'.

1.11 EXPIRY DATE

Shall mean the last day of the PERIOD OF INSURANCE ending at midnight.

1.12 FINANCIAL LOSS

Shall mean damages, judgments or settlements and DEFENCE COSTS incurred in respect of EMPLOYMENT VIOLATIONS that any INSURED becomes legally liable to pay.

FINANCIAL LOSS does not include:

- 1.12.1 BENEFITS
- 1.12.2 Compensation or damages payable in respect of contractual or statutory notice periods
- 1.12.3 Taxes, fines, or penalties imposed by law
- 1.12.4 PUNITIVE DAMAGES
- 1.12.5 The costs associated with any obligation to make any adjustments, adaptations or reasonable accommodations to premises, buildings, or machinery DUE TO the requirements of disability discrimination law
- 1.12.6 The cost of complying with an order for reinstatement, interim relief or of stopping specific working practices

1.13 INCEPTION DATE

Shall mean the first day of the PERIOD OF INSURANCE commencing at 00.01 hours.

1.14 INSURED

Shall mean an INSURED ORGANISATION and/or any INSURED PERSON.

1.15 INSURED ORGANISATION

Shall mean the POLICYHOLDER and/or SUBSIDIARY COMPANIES.

1.16 INSURED PERSON

Shall mean any natural person who was, is or becomes

- 1.16.1 a director or officer of an INSURED ORGANISATION elected or appointed according to law whilst acting in such capacity on behalf of the INSURED ORGANISATION;
- 1.16.2 an EMPLOYEE, whilst acting in such capacity

INSURED PERSON does not include any external auditor appointed in accordance with Section 251 of the Companies Act 2006.

1.17 INSURERS

Shall mean Travelers Insurance Company Limited.

1.18 LIMIT OF LIABILITY

Shall mean the limit of INSURER'S liability under this contract stated in the SCHEDULE against 'Limit of Liability'.

The LIMIT OF LIABILITY shall be available in respect of any one CLAIM and in all but the total amount of indemnity available (including DEFENCE COSTS) in respect of all CLAIMS notified during the PERIOD OF INSURANCE shall not exceed the LIMIT OF LIABILITY in the aggregate.

1.19 PERIOD OF INSURANCE

Shall mean the period stated in the SCHEDULE as 'Period of Insurance' commencing on the INCEPTION DATE and ending on the EXPIRY DATE.

1.20 POLICY

Shall mean this contract of insurance between INSURERS and the INSURED. This POLICY is or shall be deemed to be treated as a joint insurance policy.

1.21 POLICYHOLDER

Shall mean the legal entity stated in the SCHEDULE against 'Policyholder'.

1.22 PREMIUM

Shall mean the sum(s) of money payable by the INSURED to INSURERS in consideration for INSURERS providing insurance in accordance with this POLICY, being either the sum agreed prior to INCEPTION DATE or the RENEWAL DATE or as may be adjusted during the PERIOD OF INSURANCE.

1.23 PROPOSAL

Shall mean any signed proposal form and/or declaration and any other information in addition thereto or in substitution thereof supplied to INSURERS by or on behalf of the INSURED prior to the INCEPTION DATE or to any renewal.

1.24 PUNITIVE DAMAGES

Shall mean punitive damages, aggravated damages, exemplary damages, special or additional awards. PUNITIVE DAMAGES does not include damages awarded for libel or slander.

1.25 RENEWAL DATE

Shall mean the first day immediately subsequent to the EXPIRY DATE.

1.26 RETALIATION

Shall mean an EMPLOYMENT VIOLATION by an INSURED relating to or alleged to be in response to any of the following activities:

- 1.26.1 the disclosure or threat of disclosure by an EMPLOYEE to a superior or to any governmental agency or authority of any act by an INSURED which act is alleged to be a violation of the law, common or statutory, of any state, territory, jurisdiction, or political subdivision thereof, or
- 1.26.2 the actual or attempted exercise by an EMPLOYEE of any right that such EMPLOYEE has under law, including rights under any law relating to EMPLOYEE rights, or
- 1.26.3 any EMPLOYEE strike, work to rule, or other similar action

1.27 SCHEDULE

Shall mean the schedule to the POLICY issued with the wording at INCEPTION DATE and as appropriate during the PERIOD OF INSURANCE to record any amendments to the cover.

1.28 SERIES OF CLAIMS

1.28.1 Shall mean two or more CLAIMS (whether made against or involving one or more persons or entities comprising the INSURED and whether made by the same or different claimants and whether falling under one or more Scope of Cover clauses of this POLICY and whether notified separately or in a consolidated notification to INSURERS) that:

- 1.28.1.1 arise directly or indirectly from or are attributable to the same originating cause source or event, or
- 1.28.1.2 arise from one act or omission, or
- 1.28.1.3 arise from one series of related acts or omissions, or
- 1.28.1.4 arise from the same act or omission in a series of related matters or transactions.

1.28.2 A SERIES OF CLAIMS shall be deemed to be an treated as a single CLAIM for the purposes of applying the LIMIT OF LIABILITY.

1.29 SUBSIDIARY COMPANY

Shall mean any company in which the POLICYHOLDER

- 1.29.1 holds more than 50% of the voting rights(either directly or indirectly); or
- 1.29.2 appoints a majority of the board of directors; or
- 1.29.3 has the right to appoint a majority of the board of directors, subject to a written agreement with other shareholders

2 Scope of Cover

INSURERS agree, subject to the terms of this POLICY;

2.1 Employment Practices Liability

To pay on behalf of any INSURED such FINANCIAL LOSS which arises from or is a consequence of any CLAIM for any EMPLOYMENT VIOLATION first made against any INSURED during the PERIOD OF INSURANCE.

2.2 Automatic Acquisition

- 2.2.1 That the INSURER will cover any SUBSIDIARY COMPANY which the POLICYHOLDER founds or acquires after the INCEPTION DATE of this POLICY provided:
 - 2.2.1.1 it is not domiciled outside the UK
 - 2.2.1.2 the acquisition or foundation does not increase the total number of people employed by the INSURED by more than 25% of the number stated in the APPLICATION
- 2.2.2 If the POLICYHOLDER requires the INSURER to provide cover for a newly founded or acquired SUBSIDIARY COMPANY which does not meet the parameters described above then the INSURER will provide cover for 30 days from the date when the SUBSIDIARY COMPANY was founded or acquired during which time the POLICYHOLDER must notify the INSURER of the foundation or acquisition and provide all appropriate information as required by the INSURER (which may include, but will not be limited to, the current staff handbook, details of employment procedures, copies of typical employment contracts, details of any current or intended redundancies and details of any CLAIMS or CIRCUMSTANCES which may be covered under such insurance provided by this POLICY) regarding the new SUBSIDIARY COMPANY. If the POLICYHOLDER does not provide this information, the 30 day period of cover will not apply. The INSURER may vary the terms of the POLICY with effect from the date that the new SUBSIDIARY COMPANY is acquired or founded.
- 2.2.3 The INSURER may agree to provide cover for EMPLOYMENT VIOLATIONS that occur prior to the date that the new SUBSIDIARY COMPANY is acquired subject to the INSURER'S written agreement and the presentation by the POLICYHOLDER of all appropriate information as required by the INSURER (which may include, but will not be limited to, the current staff handbook, details of employment procedures, copies of typical employment contracts, details of any current or intended redundancies and details of any CLAIMS or CIRCUMSTANCES which may be covered under such insurance provided by this POLICY)

2.3 Extended Reporting Period

- 2.3.1 That if the POLICYHOLDER refuses to renew this POLICY or if the INSURER refuses to renew this POLICY the POLICYHOLDER shall have the right, upon payment of 75% of the Total Annual PREMIUM stated in the SCHEDULE, to an extension of the PERIOD OF INSURANCE in respect of any CLAIM made against any INSURED during the 12 months after the EXPIRY DATE but only in respect of EMPLOYMENT VIOLATIONS committed prior to the EXPIRY DATE.
- 2.3.2 These rights shall terminate however unless the POLICYHOLDER provides written notice of such election and the written notice is received by the INSURER before the EXPIRY DATE and the PREMIUM is paid within 30 days of the EXPIRY DATE.
- 2.3.3 The LIMIT OF LIABILITY during the Extended Reporting Period shall be part of and not in addition to the LIMIT OF LIABILITY as stated in the SCHEDULE.
- 2.3.4 At the expiry of the Extended Reporting Period no further Extended Reporting Period will be available under this POLICY.
- 2.3.5 This cover is only available if no other similar insurance is effected elsewhere.

2.4 Legal Representative

To pay on behalf of the estates, heirs or legal representatives of any INSURED PERSON such FINANCIAL LOSS arising from or in consequence of any CLAIM first made during the PERIOD OF INSURANCE arising solely from EMPLOYMENT VIOLATIONS by INSURED PERSONS committed prior to their death, incapacity, insolvency or bankruptcy provided that such estates, heirs or legal representatives shall satisfy the terms and conditions of this POLICY in so far as they can apply.

2.5 Marital Estates

To pay on behalf of the lawful spouse, civil partner (as defined by the Civil Partnership Act 2004) or domestic partner of any INSURED PERSON such FINANCIAL LOSS arising from, or in consequence of, any CLAIM first made during the PERIOD OF INSURANCE arising solely out of his or her capacity as the lawful spouse, civil or domestic partner of any INSURED PERSON. The cover provided by this clause is limited to FINANCIAL LOSS arising from actions or proceedings for the enforcement of judgments or damages against an INSURED PERSON which relate to the ownership of property (including marital community property) jointly held by the INSURED PERSON and his or her lawful spouse, civil or domestic partner. This clause will not cover any CLAIM arising out of any act or omission of the lawful spouse, civil or domestic partner.

2.6 Representation Costs

That this POLICY extends to cover reasonable and necessary legal representation fees, costs, charges and expenses incurred with the INSURER'S written consent in respect of the attendance of any INSURED PERSON at any official investigation into the employment practices of any INSURED ORGANISATION conducted by the Central Arbitration Committee, the Equality and Human Rights Commission or any other legally empowered body.

3 Excess

3.1 Subject to the terms and conditions set out in this POLICY and the applicable LIMIT OF LIABILITY INSURERS shall be liable under clauses 2.1, 2.2, 2.3, 2.4, 2.5 and 2.6 of this POLICY only for that part of any loss arising from each and every CLAIM or SERIES OF CLAIMS which exceeds the EXCESS

3.2 It is the express intention and shall be the effect of this POLICY that the INSURED shall pay an EXCESS in respect of each and every CLAIM even if comprised in a SERIES OF CLAIMS

3.3 The EXCESS does not reduce the LIMIT OF LIABILITY

4. Claims Conditions

4.1 Notification of a CLAIM or CIRCUMSTANCE

- 4.1.1 If during the PERIOD OF INSURANCE the INSURED shall receive any CLAIM, as a condition precedent to cover under the POLICY the INSURED must provide written notice to the INSURER as soon as is reasonably practicable, but no later than fourteen days after receipt by the INSURED of any CLAIM or notice from any person or entity of an intention to make a CLAIM.
- 4.1.2 Written notice must include, but not be limited to, a description of the CLAIM or CIRCUMSTANCES, the nature of the alleged or potential damage, the names of the actual or potential claimants and the date and manner in which the INSURED first became aware of the CLAIM or CIRCUMSTANCES.
- 4.1.3 Every claim form, summons or originating process (issued by the court as prescribed in the Civil Procedure Rules), impending prosecution notice or notice requiring arbitration in connection with any CLAIM or CIRCUMSTANCE shall immediately be forwarded to INSURERS unacknowledged.
- 4.1.4 If during the PERIOD OF INSURANCE the INSURED becomes aware of any CIRCUMSTANCE, the INSURED shall give notice to INSURERS of such CIRCUMSTANCE as soon as practicable. All CIRCUMSTANCES must in any event be notified to INSURERS by the EXPIRY DATE.
- 4.1.5 INSURERS agree that any CIRCUMSTANCE notified to them during the POLICY PERIOD which subsequently gives rise to a CLAIM after the EXPIRY DATE shall be deemed to be a CLAIM first made during the PERIOD OF INSURANCE.
- 4.1.6 Notification will only be deemed to have been made to INSURERS if made in writing to the relevant Regional Office of EEF Limited. If the POLICYHOLDER has terminated their membership of EEF Limited then notification should be made in writing to Travelers Professional Risks Limited, Exchequer Court, 33 St Mary Axe, London EC3A 8AG. If posted, the date of posting will constitute the date written notice was given and proof of posting will be sufficient proof of notice.

4.2 No Admission of Liability

In the event or discovery of a CLAIM or CIRCUMSTANCE, the INSURED shall not admit liability, incur any costs or make any offers of settlement in connection therewith or otherwise prejudice the conduct or the defence or settlement of such CLAIM or CIRCUMSTANCE without INSURERS' prior written consent (not to be unreasonably withheld).

4.3 Conduct of CLAIMS

Following notification of a CLAIM or CIRCUMSTANCE, INSURERS shall be entitled, in their absolute discretion, to take over and conduct in the name of the INSURED the investigation, defence or settlement of any such matter.

4.4 CLAIMS and CIRCUMSTANCES – Control & Co-operation

- 4.4.1 The INSURED shall give to INSURERS all such information and assistance as INSURERS may reasonably require and that are in the INSURED'S power to provide and will concur in doing all such things as INSURERS may reasonably require.
- 4.4.2 The INSURED shall co-operate with INSURERS and their appointed representatives:
 - 4.4.2.1 by providing all such information, assistance, signed statements or depositions as may be required to facilitate compliance with all and any Civil Procedure Rules, Practice Directions and Pre-Action Protocols as may be issued
 - 4.4.2.2 by allowing them to present the best possible defence of a CLAIM within the time constraints available
 - 4.4.2.3 by ensuring ready access to all and any information that they may require in the defence or investigation of any CLAIM or CIRCUMSTANCE and of any matters relating thereto
 - 4.4.2.4 by ensuring the payment on demand of the EXCESS in conjunction with the terms of any settlement (including any payment into court) agreed by INSURERS
 - 4.4.2.5 by continuing to provide such information and assistance as may be required and promptly and fully informing INSURERS of all developments of which the INSURED becomes aware concerning any reported CLAIM or CIRCUMSTANCE

- 4.4.2.6 by providing and continuing to provide all such information, assistance, signed statements or depositions as may reasonably be required to permit INSURERS to exercise rights of subrogation
- 4.4.2.7 by providing such information and assistance as may be required in investigating issues of POLICY response.
- 4.4.3 The INSURED shall bear their own costs and expenses incurred in complying with any Claims Condition.

4.5 Legal Representation

In respect of any CLAIM or CIRCUMSTANCE the INSURED shall agree to the appointment of legal representation chosen by INSURERS.

4.6 Fraudulent Requests for Indemnity

If the INSURED shall make any request for indemnity or compensation under this POLICY knowing such request to be false or fraudulent as regards the amount or otherwise this POLICY shall become void ab initio and the INSURED shall forfeit all benefit hereunder.

4.7 Fair Allocation

If a CLAIM :

- 4.7.1 is made against any INSURED and any defendant not insured under this POLICY
- 4.7.2 includes both FINANCIAL LOSS which is covered under this POLICY and FINANCIAL LOSS together with associated DEFENCE COSTS which are not covered

the INSURER and the INSURED will use all reasonable endeavours to determine a fair allocation between FINANCIAL LOSS which is covered and FINANCIAL LOSS and DEFENCE COSTS which are not covered under this POLICY.

5 General Conditions

5.1 Due Observance

The due observance of the terms and ENDORSEMENTS of the POLICY by the INSURED and all persons comprising the INSURED insofar as they relate to anything to be done or complied with by the INSURED and the truth of the statements, answers and information supplied in connection with the PROPOSAL shall be a condition precedent to any liability of INSURERS to make any payment under this POLICY.

5.2 Discharge of Liability

INSURERS may at any time pay to the INSURED in connection with any CLAIM or SERIES OF CLAIMS under this POLICY the LIMIT OF LIABILITY (less any sums already paid) or any lesser sum (after deduction of the EXCESS) for which such CLAIM or SERIES OF CLAIMS can be settled and upon such payment INSURERS shall cease to have the conduct and control of such CLAIM or SERIES OF CLAIMS and shall not be under any further liability in respect of such CLAIM or SERIES OF CLAIMS except for DEFENCE COSTS incurred prior to such payment.

INSURERS shall not be liable for any loss which the INSURED may claim to have sustained in consequence of INSURERS taking the action described in this clause.

5.3 Subrogation

INSURERS shall be subrogated to all the INSURED'S rights of recovery, contribution or indemnity against any person or entity before or after payment under this POLICY. The INSURED shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The INSURED shall do nothing to prejudice such rights.

Any recovery made or contribution or indemnity obtained shall be applied first to INSURERS' outlay or anticipated outlay and then to the EXCESS in priority to any uninsured loss of the INSURED.

5.4 Payment of PREMIUM

Payment of the PREMIUM to INSURERS (or to the insurance intermediary acting as INSURERS' agent for the collection of PREMIUM) within thirty days of the INCEPTION DATE, or within such other period as may be agreed in writing with INSURERS, is a condition precedent to any cover under this POLICY.

In the event that the PREMIUM is not paid within the agreed period this POLICY will be cancelled with effect from the INCEPTION DATE, provided INSURERS have given at least fourteen days written notice to the INSURED of their intention to cancel the POLICY.

If INSURERS accept payment by instalments then in the event of any default in payment of any default in payment of any instalment the full outstanding balance shall become payable immediately. If the INSURED fails to pay such amount within seven days of written notice of the default this POLICY will be cancelled with effect from the INCEPTION DATE, provided INSURERS have given a further fourteen days written notice to the INSURED of their intention to cancel the POLICY.

5.5 Reasonable Care

The directors or officers of the INSURED shall take all reasonable precautions to prevent losses or liability arising in connection with the insured risks and in the event of a CLAIM or CIRCUMSTANCE will take all reasonable steps (subject to the Claims Conditions) to prevent further loss.

5.6 Applicability To Each Person Separately

Any APPLICATION will be construed to be a separate application for cover for each INSURED. For the purposes of determining the availability of cover under this POLICY, no

5.6.1 statement in any APPLICATION, nor

5.6.2 knowledge possessed by any INSURED PERSON

shall be imputed to any other INSURED PERSON, but the statements and any knowledge possessed by a director or officer of the INSURED ORGANISATION shall be imputed to the INSURED ORGANISATION.

5.7 Representation

The POLICYHOLDER will represent the INSURED with respect to all matters concerning this POLICY and all CLAIMS under it except where specifically stated.

6 Additional Clauses

The following additional clauses apply to this POLICY:

6.1 POLICY avoidance

The POLICY shall be avoidable at the option of INSURERS in the event of non-disclosure, misrepresentation or any untrue statement by the INSURED regarding any fact or matter material to INSURERS.

6.2 Change of Ownership

- 6.2.1 If any person, entity or group:
 - 6.2.1.1 acquires more than 50% of the POLICYHOLDERS share capital; or
 - 6.2.1.2 acquires the majority of the voting rights the POLICYHOLDER; or
 - 6.2.1.3 assumes the right to appoint or remove the majority of the POLICYHOLDER'S board of directors ; or
 - 6.2.1.4 assumes control over the majority of the voting rights in the POLICYHOLDER subject to written agreement with other shareholders or members; or
 - 6.2.1.5 merges with the POLICYHOLDER

during the PERIOD OF INSURANCE then the cover provided by this POLICY only applies in respect of EMPLOYMENT VIOLATIONS occurring prior to the effective date of that Change of Ownership.

- 6.2.2 The POLICYHOLDER must give written notice to the INSURER of the Change of Ownership as soon as reasonably practicable together with any information the INSURER may require.

6.3 Cessation of Subsidiaries

In the event of any organisation ceasing to be a SUBSIDIARY COMPANY, this POLICY will continue in force in respect of that company, but only in respect of any EMPLOYMENT VIOLATION prior to the date of cessation.

6.4 Joint INSUREDS

Where INSURERS are liable to indemnify more than one INSURED in respect of any CLAIM or SERIES OF CLAIMS the total amount of indemnity payable under this POLICY shall not exceed the LIMIT OF LIABILITY. Furthermore, the EXCESS will apply to all the INSUREDS jointly.

6.5 Combined CLAIMS

Where a CLAIM or SERIES OF CLAIMS gives rise to an entitlement on the part of the INSURED to indemnity under clause 2.1 and all or any of clauses 2.2, 2.3, 2.4, 2.5, 2.6 and/or 2.7 of this POLICY, the maximum amount payable by INSURERS under clause 2.1 and such other clause or clauses as may entitle the INSURED to indemnity shall not exceed the LIMIT OF LIABILITY.

6.6 Several Liability Notice

This POLICY is underwritten 100% by Travelers Insurance Co Ltd except where a co-insurance basis is specified by ENDORSEMENT.

Where indemnity is provided on a co-insurance basis the subscribing insurers' obligations under this POLICY are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer that for any reason does not satisfy all or part of its obligations hereunder.

6.7 Contracts (Rights of Third Parties) Act 1999

Having regard to the provisions of the Contracts (Rights of Third Parties) Act 1999, for the avoidance of doubt:

- 6.7.1 this POLICY is not intended to confer any enforceable rights upon any third party whether or not an interest of such party is noted in the POLICY
- 6.7.2 the parties hereto shall be entitled to rescind or vary this POLICY without the consent of any third party whether or not an interest of such third party is noted on the POLICY
- 6.7.3 in the event of proceedings by a third party against INSURERS for the enforcement of a term of this POLICY INSURERS shall have available to them by way of defence or set-

off any matter which would have been available to them by way of defence or set-off if the proceedings had been brought by the INSURED.

6.8 Insurance Contract Disputes and Jurisdiction

- 6.8.1 This POLICY and any dispute, claim or difference concerning the POLICY (including as to its validity and application) shall be governed exclusively by and construed in accordance with the Law of England, whose courts shall have exclusive jurisdiction save where there is a reference to arbitration in 6.8.2 below.
- 6.8.2 Any dispute, claim or difference between INSURERS and the INSURED as to the correct interpretation of this POLICY shall be referred by either party to a single arbitrator in accordance with the Arbitration Act 1996 to be chosen by agreement, or in default, to be appointed by the President of the Chartered Institute of Arbitrators, whose decision shall be binding on both parties.

6.9 No Refund of PREMIUM

No refund or waiver of the PREMIUM is available from INSURERS in part or in full once the POLICY PERIOD has commenced except at INSURERS' sole discretion or as required by Additional Clause 6.10.

6.10 Cancellation

Subject to thirty days notice which shall be provided in writing to the POLICYHOLDER, this POLICY will be cancelled by the INSURERS in the event of the Claims Handling Agreement with EEF Limited being terminated. The date of cancellation will be the effective date of the termination of the Claims Handling Agreement with EEF Limited and the unearned proportion of the PREMIUM will be returned to the POLICYHOLDER.

This POLICY may be cancelled from the INCEPTION DATE by the INSURERS in the event of non-payment of the PREMIUM by the POLICYHOLDER.

The POLICYHOLDER may cancel this POLICY in the event that they are unable to agree to any additional terms and PREMIUM which the INSURERS require following the POLICYHOLDERS termination of their membership of EEF Limited. In this event the INSURERS agree that the unearned proportion of the PREMIUM will be returned to the POLICYHOLDER.

7 Exclusions

INSURERS shall not be liable to indemnify the INSURED under this POLICY for

7.1 BODILY INJURY and Damage

Any CLAIM or CIRCUMSTANCE arising from

- 7.1.1 BODILY INJURY of any person (excluding damages or compensation for injury to feelings and damages or compensation for personal injury made by a Court or Tribunal arising out of an act of discrimination)
- 7.1.2 damage to or destruction of any tangible property including loss of use and any consequential loss directly resulting from that damage or destruction.

7.2 EMPLOYEE Compensation

Any CLAIM or CIRCUMSTANCE arising directly or indirectly from any obligation under statute or at common law in respect of

- 7.2.1 employers liability
- 7.2.2 disability benefits
- 7.2.3 health and safety
- 7.2.4 unemployment benefits

except that this exclusion shall not apply in respect of any CLAIM for RETALIATION or in respect of cover provided under Scope of Cover clause 2.4 (Health and Safety Prosecution) if the NAMED INSURED has purchased such cover under this POLICY.

7.3 Fraud/Intentional Acts

any CLAIM or CIRCUMSTANCE arising directly or indirectly from any intentionally dishonest or fraudulent act or omission or any wilful or reckless violation of any statute or regulation committed by any INSURED, if a judgment or other final decision establishes such an intentionally dishonest or fraudulent act or omission or wilful or reckless violation, or if an INSURED admits to it.

7.4 Jurisdiction

Any CLAIM instituted or pursued outside of the United Kingdom (including the Channel Islands and the Isle of Man) or in which it is contended that the laws of any other country, territory or possession should or do apply or which involves the enforcement or attempted enforcement of a judgement or finding of a Court or tribunal or arbitration located outside of the United Kingdom (including the Channel Islands and the Isle of Man).

7.5 Other Policies

Any CLAIM or CIRCUMSTANCE where the INSURED is entitled to indemnity under any other policy except in respect of any amount which is beyond the amount which would have been payable under such policy has this POLICY not been effected.

7.6 PREVIOUS CLAIMS AND CIRCUMSTANCES

Any matter notified under this POLICY as a CLAIM or CIRCUMSTANCE which in the reasonable opinion of INSURERS the INSURED was aware of (or should have been aware of) prior to the INCEPTION DATE.

7.7 Prior EMPLOYMENT VIOLATION

any CLAIM or CIRCUMSTANCE arising from any EMPLOYMENT VIOLATION that occurred in any company prior to it becoming a SUBSIDIARY COMPANY

7.8 Prior Litigation

any litigation initiated prior to or pending at the date stated within the SCHEDULE or alleging or deriving from the same or essentially the same facts as alleged in such prior or pending litigation

7.9 Prior Official Enquiry

any official examination, enquiry, investigation or other proceedings ordered or commissioned by a legally empowered body initiated prior to, or pending at, the date stated within the SCHEDULE

7.10 Trustee

- 7.10.1 any CLAIM or CIRCUMSTANCE for the infringement of obligations imposed by any statute, regulation or common law whilst acting in the capacity of trustee or administrator of any pension or superannuation scheme or other EMPLOYEE benefits scheme operated by or on behalf of any INSURED ORGANISATION for the benefit of its EMPLOYEES.
- 7.10.2 This exclusion does not apply to any CLAIM for the actual or alleged retaliatory treatment of the claimant by the INSURED directly or indirectly caused by, resulting or arising from and/or in connection with the claimant exercising rights under those statutes regulations or laws.

7.11. War Risks

Any CLAIM of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the CLAIM:

War, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, riot, civil commotion, assuming the proportions of or amounting to an uprising, military or usurped power; or any act of terrorism.

For the purpose of this exclusion an act of terrorism means an act including, but not limited to, the use of force or violence and/or threat thereof, or by any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, ideological, religious or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This exclusion also excludes any CLAIM, costs or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taking in controlling, preventing, suppressing or in any way relating to any of the above.

If INSURERS allege that by reason of this exclusion, any CLAIM, CIRCUMSTANCE, cost or expense is not covered by this POLICY the burden of proving the contrary shall be upon the INSURED.

This POLICY does not cover FINANCIAL LOSS other than DEFENCE COSTS in respect of any CLAIM for any actual or alleged liability arising from:

7.12 Remuneration

- 7.12.1 unlawful deduction from wages,
7.12.2 breach of minimum wage regulations, or
7.12.3 non-payment of remuneration earned by the claimant in the course of employment including any unpaid salary, bonus, wages, severance pay, retirement benefits, holiday pay, maternity pay or sick pay;

7.13 Reinstatement

arising from or in consequence of any judgment or order of a court or tribunal for the reinstatement of an EMPLOYEE

R K Harrison Insurance Services (RKHIS) and EEF limited (EEF) are appointed representatives of R K Harrison Group Ltd, which is authorised and regulated by the Financial Services Authority in respect of general insurance business. RKHIS is licensed to use EEF Insurance as a trading name and provide insurance services to EEF members. RKHIS is registered in England No. 6719831. Registered office: One Whittington Avenue, London, EC3V 1LE.



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