

Management Liability Package

Pension Trustees Liability Insurance (Any One Claim)

SAMPLE POLICY WORDING

Contents

SECTION	TITLE	PAGE
Preamble	Contract of Insurance	1
1	Insuring Clauses	1
2	Additional Benefits	1-2
3	Exclusions	2-3
4	Excess	3
5	Claim Conditions	3-6
6	General Conditions	6-8
7	Definitions	8-12
8	Important Information	13-14

Sample

Pension Trustees Liability Insurance

POLICY WORDING

Preamble - The Contract of Insurance

In consideration of the premium, the **Insurer** shall provide insurance in accordance with this policy during the **Period of Insurance** (or during any subsequent **Period of Insurance** agreed between the **Insurer** and the **Insured**), subject to the terms contained herein or endorsed hereon.

Section 1 - Insuring Clauses

1.1 Insured Persons Liability Cover

The **Insurer** shall pay, on behalf of the **Insured Person**, **Loss** which the **Insured Person** is legally obligated to pay and which arises from any **Claim** first made against the **Insured Person**, during the **Period of Insurance** or any applicable Extended Reporting Period.

1.2 Sponsoring Employer Company or Pension Scheme Reimbursement Cover

The **Insurer** shall pay, on behalf of the **Sponsoring Employer Company** or **Pension Scheme**, **Loss** which the **Sponsoring Employer Company** or **Pension Scheme** is legally obligated or permitted to pay the **Insured Person** as advancements or indemnity under applicable trusts, indemnity laws, or agreements, and which arises from any **Claim** first made against the **Insured Person** during the **Period of Insurance** or any applicable Extended Reporting Period.

1.3 Sponsoring Employer Company or Corporate Trustee Liability Cover

The **Insurer** shall pay, on behalf of the **Sponsoring Employer Company** or **Corporate Trustee Company**, **Loss** which the **Sponsoring Employer Company** or **Corporate Trustee Company** is legally obligated to pay and which arises from any **Claim** first made against the **Sponsoring Employer Company** or **Corporate Trustee Company**, during the **Period of Insurance** or any applicable Extended Reporting Period.

1.4 Pension Scheme Liability Cover

The **Insurer** shall pay, on behalf of the **Pension Scheme**, **Loss** which the **Pension Scheme** is legally obligated to pay and which arises from a **Wrongful Act** by an **Insured Person** who has been exonerated for such **Wrongful Act**, provided a **Claim** alleging the **Wrongful Act** is first made against the **Insured Person** during the **Period of Insurance** and notified to the **Insurer** in accordance with the requirements of this policy or any applicable Extended Reporting Period.

Section 2 - Additional Benefits

2.1 Attendance Compensation

The **Insurer** shall pay any reasonable costs, fees, or expenses incurred by an **Insured** in respect, or in the defence, of any **Claim** or an **Official Inquiry** first made during the **Period of Insurance**, where an **Insured Person** is required to:

- (a) attend an **Official Inquiry**;
- (b) appear before a court, tribunal, or arbitration hearing as a witness;
- (c) participate in a face to face interview with the legal representatives conducting the defence of any **Claim** for the purpose of composing a witness statement;
- (d) attend a conference or consultation with a barrister; or
- (e) attend a court proceeding, tribunal, or arbitration hearing as an observer, however, the **Insurer** is only liable to pay, under this Additional Benefit 2.1(e), for the attendance of one such observer for the **Sponsoring Employer Company** or **Corporate Trustee Company** together per day,

provided, the maximum amount available shall not exceed £350 per **Insured Person** per day.

The maximum amount the **Insurer** shall pay under this Additional Benefit in the **Period of Insurance** is the sub-limit specified in the Schedule irrespective of the number of **Claims**, the amount claimed, or the number of **Insureds** covered under this policy. This sub-limit is part of, and not in addition to, the **Limit of Indemnity**.

2.2 Insured Person Public Relations Expenses

The **Insurer** shall pay reasonable fees, costs, and expenses of a public relations consultant retained by an **Insured Person** to mitigate the adverse effect on that **Insured Person's** reputation from a **Claim** first made against the **Insured** during the **Period of Insurance**.

The maximum amount the **Insurer** shall pay under this Additional Benefit in the **Period of Insurance** is the sub-limit specified in the Schedule irrespective of the number of **Claims**, the amount claimed, or the number of **Insureds** covered under

this policy. This sub-limit is part of, and not in addition to, the **Limit of Indemnity**.

2.3 Legal Representation Expenses

The **Insurer** shall pay on behalf of the **Insured** all **Legal Representation Expenses**.

The maximum amount the **Insurer** shall pay under this Additional Benefit in the **Period of Insurance** is the sub-limit specified in the Schedule irrespective of the number of **Claims**, the amount claimed, or the number of **Insureds** covered under this policy. This sub-limit is part of, and not in addition to, the **Limit of Indemnity**.

2.4 Loss of Documents

The **Insurer** shall pay for all reasonable costs incurred in replacing or restoring **Documents** which are lost, damaged, or destroyed, provided that:

- (a) such loss, damage, or destruction is sustained while the **Documents** are either in transit or in the custody of any **Insured**, or of any person to whom the **Insured** has entrusted them, during the **Period of Insurance**;
- (b) such costs are incurred with the consent of the **Insurer**, which consent shall not be unreasonably withheld; and
- (c) such costs are not available from any other source of insurance or indemnification other than as advancement or indemnity under applicable trusts, indemnity laws, or agreements.

The cover provided under this Additional Benefit does not apply to loss, damage, or destruction arising out of, attributable to, or as a consequence of, wear or tear, gradual deterioration, moths, or vermin.

The maximum amount the **Insurer** shall pay under this Additional Benefit in the **Period of Insurance** is the sub-limit specified in the Schedule irrespective of the number of **Claims**, the amount claimed, or the number of **Insureds** covered under this policy. This sub-limit is part of, and not in addition to, the **Limit of Indemnity**.

2.5 Third Party Service Provider Pursuit Costs

The **Insurer** shall pay reasonable fees, costs, and expenses incurred by the **Trustees** in the pursuit of legal proceedings against a **Third Party Service Provider** during the **Period of Insurance** for the purpose of establishing a breach of professional duty of care, provided that:

- (a) the **Trustees** first establish that they are entitled to pursue such proceedings during the **Period of**

Insurance following independent legal advice, such written advice to be provided to the **Insurer**;

- (b) such fees, costs, and expenses are incurred with the prior written consent of the **Insurer**, which consent shall not be unreasonably withheld; and
- (c) such fees, costs, and expenses are not available from any other source of insurance or indemnification other than as advancement or indemnity under applicable trusts, indemnity laws, or agreements.

The maximum amount the **Insurer** shall pay under this Additional Benefit in the **Period of Insurance** is the sub-limit specified in the Schedule irrespective of the number of **Claims**, the amount claimed, or the number of **Insureds** covered under this policy. This sub-limit is part of, and not in addition to, the **Limit of Indemnity**.

Section 3 - Exclusions

3.1 Bodily injury and Property Damage

The **Insurer** shall not be liable to make payment for **Loss** for any **Claim** for **Bodily Injury** or **Property Damage**.

3.2 Dishonesty and Personal Profits

The **Insurer** shall not be liable to make payment for **Loss** for any **Claim** arising from, based upon, attributable to, or as a consequence of any:

- (a) dishonest or fraudulent act or omission by any **Insured**; or
- (b) personal profit, advantage, or remuneration gained by any **Insured** to which such **Insured** was not legally entitled.

The **Wrongful Act** of any **Insured** shall not be imputed to any other **Insured** for the purpose of determining the applicability of this exclusion.

This exclusion shall not apply unless it is established through judgment, adjudication, or formal admission by the **Insured** that the relevant conduct occurred. The **Insurer** shall pay **Defence Costs** in accordance with the policy, until such time as the conduct has been established by such judgment, adjudication, or formal admission.

3.3 Employment Practices Liability

The **Insurer** shall not be liable to make payment for **Loss** for any **Claim** or **Circumstance** arising from, based upon, or attributable to, or as a consequence of any liability to any current or former **Employee**, or prospective employee, in respect of employment-related libel, slander, humiliation, or defamation; unfair or wrongful dismissal; repudiation or breach of any employment contract arrangement; termination of

a training contract or contract of apprenticeship; or harassment, discrimination, failure to promote, or like conduct.

been sustained, in the United States of America or its territories or possessions.

3.4 Funding

The **Insurer** shall not be liable to make payment for **Loss** arising from, based upon, or attributable to, or as a consequence of the failure to fund or procure funds for the **Pension Scheme** in accordance with the trust deeds (or other similar provisions), or failure to collect contributions, which are owed to the **Pension Scheme** from the **Sponsoring Employer Company** or any other source.

3.5 Prior Circumstances and Prior or Pending Claims

The **Insurer** shall not be liable to make any payment for **Loss** for any **Claim** arising from, based upon, or attributable to, or as a consequence of any:

- (a) **Circumstances** of which the **Insured** was, or ought reasonably to have been, aware at the inception date (whether or not notified under any similar insurance in force prior to the inception date of this policy, of which this is a renewal or replacement or which it may succeed in time); or
- (b) prior or pending **Claim**, litigation, or other legal proceeding involving an **Insured** as of the **Prior and Pending Date**, as well as all future claims or litigation based upon the prior or pending **Claim**, litigation, or legal proceeding or derived from the same or essentially the same facts that gave rise to the prior or pending **Claim**, litigation, or legal proceeding.

3.6 United States of America

The **Insurer** shall not be liable to make payment for **Loss** for any **Claim**:

- (a) instituted or pursued in the United States of America or its territories or possessions, whether for the enforcement of a judgment or finding of the court, tribunal, or arbitration of another jurisdiction or otherwise where it is contended that the laws of the United States of America or its territories or possessions apply which involves the enforcement or attempted enforcement of a judgment or finding of the court, tribunal, or arbitration of the United States of America or its territories or possessions; or
- (b) arising from, based upon, attributable to, or as a consequence of any loss or damage sustained or alleged to have

Section 4 – Excess

4.1 Excess

The **Insurer** shall be liable under all Insuring Clauses of this policy only for that part of any **Loss** arising from each **Claim** which exceeds the excess specified in the Schedule. The **Limit of Indemnity** applies over and above any excess specified in the Schedule. The excess specified in the Schedule does not apply to Additional Benefits 2.1.

4.2 Excess Waiver

Any **Defence Costs** within the excess specified in the Schedule which are funded by an **Insured** on account of a **Claim** shall be reimbursed by the **Insurer** if a final adjudication or a complete and final settlement exonerates all **Insureds** in such a **Claim** from any liability and such **Defence Costs** are not recovered from any other party.

Section 5 - Claims Conditions

The following Claim Conditions apply to all Insuring Clauses and Additional Benefits under this policy:

5.1 Advance Payment on Behalf of Insured Persons

In the event and to the extent that the **Sponsoring Employer Company** or **Pension Scheme** is permitted or required to indemnify any **Insured Person** but fails to do so in connection with a **Claim** within 30 days of being requested to indemnify, the **Insurer** shall advance **Defence Costs** to the **Insured Person** on behalf of the **Sponsoring Employer Company** or **Pension Scheme**. In this case, the **Excess** amount specified in the Schedule shall be repaid by the **Sponsoring Employer Company** or **Pension Scheme** to the **Insurer** unless the **Sponsoring Employer Company** or **Pension Scheme** is insolvent.

5.2 Allocation

With respect to the **Defence Costs** and any joint settlement of any **Claim** or **Investigation** made against the **Insured** or any **Claim** or **Investigation** that involves covered matters and matters not covered or covered parties and parties not covered under this policy, the **Insured** and the **Insurer** agree to use their best efforts to determine a fair and proper allocation of the **Defence Costs** and joint settlement amounts as between the **Sponsoring Employer Company** and any **Trustee** based on the relative legal and financial exposures and based upon established judicial principles.

5.3 Claim or Circumstance Notification

If, during the **Period of Insurance**, the **Insured** first becomes aware of any **Claim**, the **Insured** shall give notice to the **Insurer** as soon as practicable after the in-house general counsel, risk manager, or any functional equivalent position of the **Insured** first becomes aware of such **Claim**, and in any event within 30 days following the expiry date.

If, during the **Period of Insurance**, the **Insured** first becomes aware of any **Circumstance**, the **Insured** shall give notice of such **Circumstance** to the **Insurer** as soon as practicable after the in-house general counsel, risk manager, or any functional equivalent position of the **Insured** first becomes aware of such **Circumstance**, and in any event within 30 days following the expiry date.

The **Insurer** agrees that any such **Circumstance** notified to them during the **Period of Insurance** (or within 30 days following the expiry date) which subsequently gives rise to a **Claim** after the expiry date is deemed a **Claim** first made during the **Period of Insurance**.

Notification is deemed to have been made to the **Insurer** if made to the Professional Risks Claims Department of Travelers Insurance Company Limited at the address on page 13 of this policy

5.4 Claims deemed to be a Single Claim

Where two or more **Claims** or **Circumstances**, whether made against or involving one or more persons or entities comprising the **Insured**, and whether made by the same or different claimants, whether instituted or pursued in the same or different jurisdictions, whether falling under one or more Insuring Clauses or Additional Benefits of this policy, and whether notified separately or in a consolidated notification to the **Insurer** arise directly or indirectly from or are in connection with or are directly or indirectly attributable to:

- (a) the same originating cause source or event;
- (b) one act or omission;
- (c) the same or similar acts or omissions; or
- (d) acts or omissions in or in respect of one matter or transaction or in or in respect of a series of matters or transactions,

they will be considered a single **Claim** or **Circumstance**, whichever is applicable, and such **Claim** or **Circumstance** is deemed to have been made at the time the first of such **Claims** or **Circumstances** was made, whether prior to or during the **Period of Insurance**.

5.5 Conduct of Claims

It is the duty of the **Insured** against whom a **Claim** is made to take all reasonable steps to defend such **Claim**, and not to do anything to prejudice the position of the **Insurer**.

The **Insurer** shall have no duty to defend any **Claim** made against any **Insured**, but with respect to any such **Claim** that may potentially be covered by this policy, shall have the right to be provided with all information concerning such **Claim** as the **Insurer** shall reasonably require, and kept fully informed of all matters relating to or concerning the investigation, defence, or settlement of any such **Claim**, and shall have the right to receive copies of all relevant documentation relating thereto.

Following notification of a **Claim**, or **Circumstance** where applicable, the **Insured** shall give to the **Insurer** all information and assistance as the **Insurer** may reasonably require, and shall cooperate with the **Insurer**, and any representative appointed by the **Insurer**, by:

- (a) providing information signed statements or depositions as may be required in the defence or investigation of any **Claim**, **Circumstance**, or issue relating to policy response;
- (b) ensuring payment on demand of the excess in conjunction with the terms of any settlement (including any payment into court) agreed to by the **Insurer**;
- (c) promptly and fully informing the **Insurer** of all developments of which the **Insured** becomes aware concerning any reported **Claim** or **Circumstance**;
- (d) continuing to provide information, assistance and signed statements as may reasonably be required to permit the **Insurer** to exercise rights of subrogation; and
- (e) agreeing to the appointment of legal representation chosen by the **Insurer**.

5.6 Defence Costs and Legal Representation Costs

Any payments of **Defence Costs** or **Legal Representation Costs** to or on behalf of an **Insured** which have been made by the **Insurer** shall be repaid to the **Insurer** by the **Insured** to whom such payments are made to the extent that it is established that such **Insured** had was not entitled to payment of **Loss** under the terms and conditions of this policy.

5.7 Discharge of Liability

The **Insurer** may, at any time, pay to the **Insured**, in connection with any **Claim** under this policy, the **Limit of Indemnity** less any sums already paid or any lesser sum (after deduction of the **Excess**) for

which such **Claim** can be settled. Upon such payment, the **Insurer** shall not be under any further liability in respect of such **Claim**, except for **Defence Costs** incurred prior to such payment.

Insured may claim to have sustained in consequence of the **Insurer** taking the action described in this Claim Condition.

5.8 Extended Reporting Period

In the event that this policy is not renewed, or in the event of a **Change of Control**, then the **Insured** shall have the right to:

- (a) an extension of the Period of Insurance in respect of any **Claim** made against any **Insured** during the 60 days after the expiry date and
- (b) elect an Extended Reporting Period in respect of any **Claim** made against any **Insured** during the 60 days after the expiry date, upon payment of:
 - (i) 100% of the annual premium stated in the Schedule, in respect of any **Claim** made against any **Insured** during the 12 months after the expiry date;
 - (ii) 135% of the annual premium stated in the Schedule, in respect of any **Claim** made against any **Insured** during the 36 months after the expiry date; or
 - (ii) 175% of the annual premium stated in the Schedule, in respect of any **Claim** made against any **Insured** during the 72 months after the expiry date,

but only in respect of a **Wrongful Act** committed prior to the expiry date.

These rights shall terminate unless the **Insured** provides written notice of such election, the written notice is received by the **Insurer** during the 60 days after the expiry date, and any required premium is paid within 30 days of the date of the written notice. The **Limit of Indemnity** for the Extended Reporting Period is part of, and not in addition to, the **Limit of Indemnity** as stated in the Schedule.

The **Insurer's** offer of renewal terms, conditions, limits of indemnity, or premium different from those of the expiring policy shall not constitute a refusal to renew.

At the expiry of the Extended Reporting Period, no further Extended Reporting Period is available under this policy. Any Extended Reporting Period available or elected under this policy shall not apply to any other policy unless specifically confirmed in writing by the **Insurer**.

This Claim Condition is only operative if no other similar insurance for the benefit of the **Insureds** is effected elsewhere.

5.9 Financial Interest Coverage

(a) This policy shall not provide coverage for **Loss**:

(i) sustained by any **Sponsoring Employer Company, Pension Scheme, or Corporate Trustee Company** domiciled;

(ii) sustained by any **Insured Person** residing; or

(iii) to any property located,

in a foreign jurisdiction to the extent that providing such coverage would violate the laws or regulations of such foreign jurisdiction.

(b) In the event of **Loss** described in (a)(i) above for which this policy would otherwise have provided coverage, the **Insurer** shall reimburse an **Sponsoring Employer Company, Pension Scheme, or Corporate Trustee Company** domiciled in an authorised jurisdiction for its **Loss** on account of its **Financial Interest** in another **Sponsoring Employer Company, Pension Scheme, or Corporate Trustee Company** domiciled in the foreign jurisdiction.

(c) In the event of **Loss** described in (a)(ii) above, for which this policy would otherwise have provided coverage, the **Insurer** shall reimburse an:

(i) a **Sponsoring Employer Company, Pension Scheme, or Corporate Trustee Company** for its insurable loss as measured by the amount of such **Loss** described in (a)(ii) it pays to or on behalf an **Insured Person**; or

(ii) **Insured Person** for its non-indemnified **Loss** by payment of **Loss** in a country or jurisdiction mutually acceptable to such **Insured Person** and the **Insurer**,

to the extent that doing so would not violate any applicable laws or regulations.

(d) In the event of **Loss** described in (a)(iii) above for which this policy would otherwise have provided coverage, the **Insurer** shall reimburse an **Sponsoring Employer Company, Pension Scheme, or Corporate Trustee Company** domiciled in an authorised jurisdiction for its **Loss**

on account of its Financial Interest in another **Sponsoring Employer Company, Pension Scheme, or Corporate Trustee Company** which has an insurable interest in the property.

5.10 Insurer's Consent

The **Insured** must obtain the **Insurer's** written consent, which shall not be unreasonably withheld or delayed, before any:

- (a) Any **Defence Costs or Legal Representation Costs** are incurred;
- (b) any legal representative is retained to defend any **Insured** or to take any steps in connection with any **Claim** or other legal proceedings that may potentially be covered by this policy, unless required to do so pursuant to the law applicable to such **Claim** or other legal proceedings; or
- (c) any **Claim** is settled.

If the **Insurer's** written consent cannot reasonably be obtained before **Defence Costs** are incurred in respect of a **Claim**, or **Legal Representation Costs** are incurred in respect of an **Investigation**, the **Insurer** shall give retrospective approval for such **Defence Costs**, provided always that they do not exceed the sub-limit specified in Item 1 of the Schedule.

5.11 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 the **Insurer's** prior written consent (not to be unreasonably withheld).

5.12 Queen's Counsel

If the **Insured** and the **Insurer** cannot agree on a common course of action with regard to the contesting of any legal proceedings, the dispute shall be resolved by reference to a Queen's Counsel of the English Bar whose decision shall be binding. In the event of disagreement regarding the appointment of Queen's Counsel, the Queen's Counsel shall be appointed by the Chairman for the time being of the Bar Council.

The **Insurer** or the **Insured** shall only be required to contest legal proceedings where the Queen's Counsel shall advise that there are reasonable prospects of successfully defending the proceedings or limiting the exposure of the **Insured** to legal liability.

The costs of appointing the Queen's Counsel shall be equally split between and paid for by the **Insurer** and the **Insured**.

Section 6 - General Conditions

6.1 Applicable Law

This policy and any dispute, claim, or difference concerning the policy (including its validity and application) is governed exclusively by and construed in accordance with the laws of England and Wales, whose courts shall have exclusive jurisdiction save where there is a reference to arbitration as provided for in General Condition 6.2, Arbitration.

6.2 Arbitration

Any dispute, claim, or difference between the **Insurer** 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.

6.3 Assignment

This policy may not be assigned or transferred, and any attempted assignment or transfer is void and without effect unless the **Insurer** has provided its prior written consent to such assignment or transfer.

6.4 Cancellation

This policy may not be cancelled by any party, except by the **Insurer** for failure to pay the premium, in which case 30 days written notice shall be given to the **Insured** or the representative responsible for placing this coverage with the **Insurer**. Unless payment in full is received before the expiration of the 30 days written notice period, cancellation shall be effective from the inception date. This policy shall terminate at the expiry of the **Period of Insurance** as stated in the Schedule.

6.5 Changes and Authority

Any natural person or entity who was not a party to this policy has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this policy; provided, this General Condition does not affect any right or remedy of a third party which exists or is available apart from such Act.

6.6 Continuing Duty

Any natural person or entity who was not a party to this policy has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this policy; provided, this General Condition does not affect any right or remedy of a third party which exists or is available apart from such Act.

6.7 Contracts (Rights of Third Parties) Act 1999

Any natural person or entity who was not a party to this

policy has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this policy; provided, this General Condition does not affect any right or remedy of a third party which exists or is available apart from such Act.

6.8 Currency

All amounts under this policy are expressed and payable in the currency in which the premium has been paid. If judgment is rendered, settlement is denominated, or any other element of **Loss** under this policy is stated in any other currency, payment shall be made at the spot exchange rate published by the Bank of England on the date the payment of **Loss** is due.

6.9 Innocent Misrepresentation and Non-Disclosure

With respect to any misrepresentation or non-disclosure by any **Insured**, the **Insurer** waives its right to avoid or rescind this policy in whole or in part; provided:

- (a) such non-disclosure or misrepresentation was innocent and free from any fraudulent conduct or intent to deceive;
- (b) the **Insurer** shall be entitled to amend the terms, conditions, and premium for this policy upon review of any information previously misrepresented or not disclosed to the **Insurer**; and
- (c) the **Insurer** is entitled to determine the effective date of any amendments in consequence of the exercising of their rights under this General Condition.

6.10 Joint Insureds

Where the **Insurer** is liable to indemnify more than one **Insured** in respect of any **Claim**, the total amount of indemnity payable under this policy shall not exceed the **Limit of Indemnity**.

Furthermore, in accordance with Section 4. Excess, the excess shall apply to all **Insureds** jointly.

6.11 Liquidation and Change of Control

If during the **Period of Insurance**:

- (a) the **Insured** is placed into liquidation or administration; or
- (b) a **Change of Control** occurs,

cover shall continue in full force and effect with respect to **Claims for Wrongful Acts** committed before such event, but cover shall cease with respect to **Claims for Wrongful Acts** committed after such event. No cover shall be available hereunder for **Loss**, including **Defence Costs** and **Legal Representation Expenses**, for any **Claim** or **Circumstance** arising from, based upon,

attributable to or, as a consequence of any **Wrongful Act** committed after such event.

For the purposes of this General Condition, voluntary liquidation or administration shall be treated as having occurred on the date upon which that entity passes a resolution for voluntary liquidation or administration. Compulsory liquidation or administration shall be treated as having occurred on the date upon a petition for the compulsory liquidation or administration of that entity is presented to the relevant authorities.

6.12 No Warranties or Conditions Precedent

No term in this policy including where expressed as a warranty or condition precedent is deemed a warranty or condition precedent such as to automatically discharge the **Insurer** from any liability upon its breach. The **Insurer** shall enforce any term that would otherwise be deemed a warranty or condition precedent as a policy condition only

6.13 Proposal and Severability

The **Proposal** shall be construed as a separate **Proposal** by each **Insured**.

With respect to statements and particulars in the **Proposal**, no statements made or knowledge possessed by any **Insured Person** shall be imputed to any other **Insured Person** to determine whether cover is available for any **Claim** made against such other **Insured Person**.

6.14 Sanctions

This policy shall not be deemed to provide cover, nor shall the **Insurer** have any liability to pay, any **Claim**, or provide any benefit hereunder to the extent that the provision of such cover, payment of such **Claim**, or provision of such benefit would expose the **Insurer** 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, or United States of America.

6.15 Subrogation and Recoveries

The **Insurer** shall be subrogated to all the **Insured's** rights of recovery, contribution, or indemnity against any natural person or entity before or after any payments under this policy. The **Insured** shall do whatever is necessary to secure such rights. The **Insured** shall do nothing to prejudice such rights.

All recoveries from third parties shall be applied, after first deducting the costs and expenses incurred in obtaining such recovery, in the following order of priority:

- (a) first, to the **Insured** to reimburse the amount it has paid which would have been paid hereunder but for the fact that it is in

excess of the applicable **Limit of Indemnity**;

- (b) second, to the **Insurer** to reimburse the amount paid hereunder; and
- (c) third, to the **Insured** in satisfaction of any applicable excess.

Provided, recoveries do not include any recovery from insurance, suretyship, reinsurance, security or indemnity taken for the **Insured's** benefit.

6.16 Retired Trustees

In the event that this policy is not renewed then, in respect of **Retired Trustees** who retired or resigned prior to the date of such non-renewal, this policy shall continue in force for a period of 72 months from the date of non-renewal (the "Run Off Period"), provided that:

- (a) this policy shall only apply to **Claims** which arise from **Wrongful Acts** committed or attempted by or allegedly committed or attempted by the **Retired Trustee** prior to the date of the retirement or resignation of the **Retired Trustee**;
- (b) the Run Off Period shall run concurrently with any Extended Reporting Period provided by this policy; and
- (c) no similar insurance for that **Retired Trustee** is effected elsewhere.

6.17 Subsidiaries

If, during the **Period of Insurance** the **Sponsoring Employer Company** acquires or creates a **Subsidiary** then automatic cover shall apply to the newly acquired or created **Subsidiary** and to all persons that would fall within the policy definition of an **Insured Person** of the newly acquired or created **Subsidiary** for any **Wrongful Act** committed on or after the effective date of such acquisition or creation; provided, such **Subsidiary**:

- (a) does not increase the **Insured's** total consolidated assets as stated in its last published annual report and accounts by more than 50%;
- (b) does not have any **Securities** listed on any stock exchange; and
- (c) is not a **Financial Institution**.

If any acquisition or creation breaches one or more of the criteria listed in (a), (b), or (c), then the **Insurer** shall automatically provide coverage for a period of 60 days after the effective date of such acquired or created **Subsidiary**. Coverage for such newly acquired or created **Subsidiary** shall expire at the end of 60 days or the end of the **Period of Insurance**

whichever is sooner, unless the **Insured** gives written notice of such acquisition or creation as soon as practicable together with such information as the **Insurer** may require and the **Insurer** agrees in writing to insure it. The **Insured** also agrees to pay any additional premium and agrees to any amendments to the policy's terms and conditions that may be required.

The **Insurer** shall only provide cover for a **Claim** against any **Subsidiary** or any **Insured Person** of any **Subsidiary** for any **Wrongful Act** committed whilst such entity is or was a **Subsidiary** of the **Sponsoring Employer Company**. In the event an entity ceases to be a **Subsidiary** as a result of a buy-out by existing management, the **Insurer** agrees to maintain this policy in respect of such entity for a period of 30 days from the date of the buy-out for **Wrongful Acts** committed subsequent to the buy-out. This additional cover shall not apply in circumstances where there is other insurance in force which provides cover in respect of such **Wrongful Acts**.

Section 7 – Definitions

7.1 Benefit

means any obligation under a **Pension Scheme** to pay money or property, or grant a privilege or perquisite to an **Employee** or beneficiary.

7.2 Bodily Injury

means death, injury, illness or disease whether bodily or mental.

7.3 Change of Control

means the:

- (a) acquisition of the **Insured** (or more than 50% of its total consolidated assets as stated in its last published annual report and accounts) by another entity, or the merger or consolidation of the **Insured** into or with another entity such that the **Insured** is not the surviving entity; or
- (b) obtaining by any person, entity, or affiliated group of persons or entities the right to elect, appoint, or designate more than fifty percent (50%) of the board of directors, board of trustees, board of managers, or functional equivalent thereof, or to exercise a majority control of the board of directors, board of trustees, board of managers, or a functional equivalent thereof, of the **Insured**.

7.4 Circumstance

means an incident, occurrence, fact, matter, act, or omission which, regardless of section 4. Excess of this policy, is reasonably likely to give rise to a

Claim (or any other entitlement to indemnity under the policy), including any:

- (a) intimation to make a **Claim**; or
- (b) known direct or indirect criticism or dispute (whether expressed or implied) which is likely to give rise to a **Claim** (whether justified or not).

7.5 Claim means:

- (a) a written demand for monetary damages or non-monetary relief;
- (b) a civil mediation or arbitration proceeding (including any counter-claim seeking compensation, or other legal remedy) commenced by service of a complaint or similar proceeding;
- (c) receipt of a formal notice of a criminal proceeding or the filing of charges (including pursuant to the Bribery Act 2010); or
- (d) an **Investigation**,
- (e) a contribution notice issued by the Pensions Regulator under Section 38 of the Pensions Act 2004,

made or brought against any **Insured** for a **Wrongful Act**.

7.6 Corporate Trustee Company means a company established by the **Sponsoring Employer Company** or any predecessor thereof and duly appointed solely to act as **Trustee** of the **Pension Scheme**.

7.7 Defence Costs means any reasonable legal or investigative costs, fees or, expenses, incurred by the **Insured** with the prior written and continuing consent of the **Insurer**, not to be unreasonably withheld or delayed, resulting from:

- (a) defending any proceedings relating to a **Claim**;
- (b) conducting any proceedings for indemnity, contribution, or recovery relating to a **Claim**; or
- (c) investigating, assessing, negotiating, adjusting, mediating, arbitrating, compromising, responding to, or otherwise settling any **Claim**.

Defence Costs does not include the remuneration of any **Insured Person**, any internal or overhead

expenses of the **Insured** or the **Insurer**, or the cost of any **Insured's** time.

7.8 Documents means all documents (excluding bearer bonds, coupons, bank or currency notes, or other negotiable instruments), in paper or electronic version, which are the property of the **Insured**, or for which the **Insured** is legally responsible, and which relate to any **Pension Scheme**.

7.9 Employee means any natural person whilst employed or engaged by the **Sponsoring Employer Company**, **Corporate Trustee Company**, **Trustee**, or **Pension Scheme** to provide services in relation to the **Pension Scheme**.

7.10 Insured means:

- (a) **Insured Person**; and
- (b) the **Sponsoring Employer Company**, the **Pension Scheme** and the **Corporate Trustee Company**.

7.11 Insured Person means:

- (a) a natural person who was, is, or becomes during the **Period of Insurance** an **Employee**;

- (b) the lawful spouse, civil partner (as defined in the Civil Partnership Act of 2004), or domestic partner of any natural person in (a) above, to the extent that **Claim** is first made against such lawful spouse, civil partner, or domestic partner solely because of their capacity as such;

- (d) the estate, heirs, or legal representatives of any natural person in (a) above, to the extent that a **Claim** is first made against such estate, heir, or legal representative due to a **Wrongful Act** committed or alleged to have been committed by the natural person as described in (a) above, prior to the death or in incapacitation of the natural person as described in (a) above.

7.12 Financial Interest means the insurable interest of the first named **Sponsoring Employer Company** stated in the Schedule in a **Sponsoring Employer Company** that is domiciled in foreign jurisdiction in which the **Insurer** is not licensed to provide this insurance, as a result of such first named **Sponsoring Employer Company**:

- (a) ownership of the majority of the outstanding securities or voting rights of

such **Sponsoring Employer Company** representing the present right to elect, appoint, or exercise a majority control over such **Sponsoring Employer Company Insured Organisation's** board of directors, board of trustees, board of managers, natural person general partner, or functional foreign equivalent;

- (b) indemnification of, or representation that it has an obligation to indemnify, such **Sponsoring Employer Company** for **Loss** incurred by such **Sponsoring Employer Company**; or
- (c) election or obligation to obtain insurance for such **Sponsoring Employer Company**.

7.13 Financial Institution

means any entity whose principal business activity is as a clearing bank, deposit or lending bank, building society, foreign exchange broker or trader, merchant bank, stockbroker, securities broker, commodity trader or broker, derivative trader or broker, hedge fund, insurance broker, insurance company (general or life), financial advisor (including Independent Financial Advisors), asset management company, regulated investment trust, individual savings account, unit trust or other financial investment provider, credit provider or currency exchange operation or any other similar entity.

7.14 Insurer

means Travelers Insurance Company Limited.

7.15 Investigation

means a fact-finding investigation or proceeding concerning the activities of the **Insured**, outside of the United States of America (including its territories or possessions), by the Pensions Ombudsman, the Pensions Regulator, the Pensions Regulator Tribunal, the Pension Protection Fund, or equivalent body or entity, instigated during the **Period of Insurance**.

7.16 Legal Representation Expenses

means the reasonable costs for which an **Insured** is legally liable and which are incurred with the consent of the **Insurer** for **Legal Representation Expenses** in relation to an **Investigation**; provided that such costs are not available from any other source of insurance or indemnification other than as advancement or indemnity under applicable trusts, indemnity laws, or agreements. **Legal Representation Expenses** do not include wages, salaries, or other remuneration of any **Trustee** or **Employee**.

7.17 Limit of Indemnity

means in respect of:

- (a) all Insuring Clauses, the amount stated in the Schedule being the maximum amount (including all **Defence Costs**) that the **Insurer** shall pay in respect of any single **Claim** or other request for indemnity;
- (b) all Additional Benefits the sub-limits amounts stated in the Schedule being the maximum amount (including all **Defence Costs**) that the **Insurer** shall pay in respect of any and all **Claims** or other requests for indemnity regardless of the number of **Insured Persons** covered and regardless of the number of **Claims** or other requests for indemnity made under this policy.

The **Limit of Indemnity** applies over and above any **Excess** payable.

7.18 Loss

means any amount an **Insured** is legally liable to pay, including:

- (a) damages (including punitive, exemplary, or multiple damages, other than any punitive, exemplary, or multiple damages awarded by a court of law constituted in the United States of America or its territories or possessions) as a result of a judgment or award made by a competent court or tribunal, or a settlement;
- (b) distress awards or compensation as determined by the Pensions Ombudsman, the Pensions Regulator, the Pensions Regulator Tribunal, the Pension Protection Fund or equivalent body or entity or as a result of a judgment or award made by a competent court or tribunal, or a settlement.
- (c) **Defence Costs**;
- (d) amount covered under section 2. Additional Benefits, but only to the extent set out in the relevant section; or
- (e) civil fines and penalties imposed by law and arising from a **Claim**, including imposed civil fines and penalties pursuant to the Foreign Corrupt Practices Act of 1977 §§ 15 U.S.C. 78dd-2(g)(2)(B) and 78(c)(2)(B), or any other similar legislation in any other jurisdiction unless deemed uninsurable under the law governing this policy.

Where the **Loss**, or part of the **Loss**, is in respect of **Benefits**, **Loss** shall be calculated as being the amount which the **Trustee** has paid or becomes legally liable to pay out of the **Pension Scheme** in **Benefits** or transfer values as a direct

consequence of a **Wrongful Act**, after deduction of the amount the **Pension Scheme** would have paid or would have been legally liable to pay in **Benefits** or transfer values under the trust deed and rules of the **Pension Scheme** if the **Wrongful Act** had not occurred.

In the event that such **Benefits** are payable by an **Insured** who is a natural person as a personal obligation, **Loss** means the amount that the **Insured** is legally liable to pay as a direct consequence of a **Wrongful Act**.

Loss shall not include

- (a) taxes;
- (b) matters deemed uninsurable under the law governing this policy; or
- (c) any claim for a **Wrongful Act** by an **Insured Person** as described in (b) or (c) of the definition of **Insured Person**.
- (d) sums incurred to comply with non-monetary relief.

7.19 Official Inquiry
means the formal administrative or investigative inquiry by a governmental body or other institution or professional body that is legally empowered by statute to investigate the affairs of an **Insured**.

7.20 Pension Scheme
means any scheme, plan, or arrangement providing:

- (a) medical, surgical, or hospital benefits;
- (b) benefits in the event of sickness, accident, disability, death, unemployment, or hardship;
- (c) benefits for day care, scholarship, or apprenticeship; or
- (d) an employee share ownership programme;

established by the **Sponsoring Employer Company** for the benefit of its **Employees** and maintained outside the United States of America (including its territories and possessions).

7.21 Period of Insurance
means the period stated in the Schedule.

7.22 Prior and Pending Date
means

- (a) the inception date of the policy; or

- (b) the date from which the **Insured** has continuously maintained similar insurance, whichever is the earlier.

In the event of a **Claim** or notification of a **Circumstance**, if requested by the **Insurer**, the **Insured** shall provide full details and copies of document verifying the continuity of such similar insurance.

7.23 Property Damage
means physical destruction of, damage to, or loss of tangible or intangible property, or loss of use of, any property

7.24 Proposal
means any signed proposal form or declaration and any other information in addition thereto or in substitution thereof supplied to the **Insurer** by or on behalf of the **Insured**.

7.25 Retired Trustee
means a **Trustee** who has ceased to hold such any reason other than disqualification by the Occupational Pensions Regulatory Authority, the Pensions Regulator, the Pensions Regulator Tribunal or any equivalent body or entity.

7.26 Securities
means any bond, debenture, evidence of indebtedness, note, share, stock or other equity or security for the debt of and issued by the **Sponsoring Employer Company**.

7.27 Sponsoring Employer Company
means the policyholder and any **Subsidiary** which existed at or prior to the **Inception Date**.

7.28 Subsidiary
means any organisation in which the **Sponsoring Employer Company** directly or indirectly holds:

- (a) more than 50% of the issued share capital;
- (b) a majority of the voting rights; or
- (c) the right to appoint or remove a majority of the board of directors.

7.29 Territorial Limits
means worldwide excluding the United States of America or its territories or possessions.

7.30 Third Party Service Provider
means those persons declared in the **Proposal** as having been appointed by the **Trustee**, **Pension Scheme** or **Sponsoring Employer Company** to provide services in relation to the **Pension Scheme** and who are licensed or regulated in that regard by statute or any recognised professional body or institution.

7.31 Trustee
means any natural person, including a director or officer of a **Corporate Trustee Company**, who is, shall be, or has been appointed as trustee or acts or acted as a constructive trustee of the **Pension Scheme** in accordance with the provisions of the **Pension Scheme** or by Court Order.

Trustee does not include any natural person who ceases or ceased to act as a trustee due to disqualification by the Occupational Pensions Regulatory Authority, the Pensions Regulator, the Pensions Regulator Tribunal, or any equivalent body or entity.

7.32 Wrongful Act
means any breach of trust, breach of duty, breach of statutory provision, maladministration, neglect, administrative error, or wrongful omission, misstatement, misleading statement or any other act committed or allegedly committed by an **Insured** in relation to a **Pension Scheme** within the **Territorial Limits**.

Sample

Section 8 - Important Information

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.

Contact Details for Notification of Claims, Circumstances and Requests for Indemnity

If you wish to make a claim, please contact the insurance broker who arranged the policy or contact us quoting your policy number. Please also refer to our on-line guidance on how to make a claim which can be found at travelers.co.uk.

Travelers Insurance Company Limited
Professional Risks Claims Department
Exchequer Court
33 St. Mary Axe
London EC3A 8AG

Email: newprofessionalriskclaims@travelers.com

Tel 020 3207 6000
Fax 020 3116 2139

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 contact us on +44 (0) 020 3207 6000, email us at CustomerRelations@travelers.com or write to us at the address below quoting your policy number or claim reference if appropriate:

The Compliance Team
Travelers Insurance Company Limited
Exchequer Court
33 St. Mary Axe
London
EC3A 8AG

If your complaint cannot be resolved to your satisfaction and you are an eligible complainant (a private individual or a small business), you may refer the matter to the Financial Ombudsman Service (FOS) at the following address:

Financial Ombudsman Service

Exchange Tower

London E14 9SR

Tel 0800 023 4 567

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

Website www.financial-ombudsman.org.uk

Please note, your complaint needs to be referred to the FOS within six months of receiving our final response.

USING PERSONAL INFORMATION

How we treat information about you and your rights under the Data Protection Act 1998

Travelers Insurance Company Limited may collect certain personal information about our policyholders, prospective policyholders, any person connected to policies held by our policyholders, or connected to prospective policyholders ('Data Subjects').

Data

In order to provide cover under an insurance policy, to assess or pay a claim we need to collect and process personal information about:

- (a) the person or property that we are being asked to insure,
- (b) any third-party claimant, i.e. someone making a claim against our customer,
- (c) property — for which repair or replacement costs are being sought under our customer's insurance policy — belonging to our customer or a third-party.

We will seek different information depending upon the kind of insurance cover we are being asked to provide or the kind of claim we are being asked to assess or pay.

Some of the information we collect may be classified as 'sensitive personal data', which is information that may contain information about physical or mental health, religious beliefs and criminal and disciplinary offences (including convictions).

Purpose

Personal information or sensitive personal data may be collected and or used in a number of ways including: -

- (a) considering an application for insurance,
- (b) underwriting or binding of an insurance policy,
- (c) conducting our relationship with policyholders and persons associated with such policies, including third party claimants,
- (d) policy administration,
- (e) claims administration,
- (f) preventing and detecting fraud, including providing information to the relevant authorities.

Third Parties and Jurisdiction

In the case of policies that have been issued, we may pass information to members of the Travelers group, our

reinsurers, professional advisers, loss adjusters or agents if necessary for the performance of the insurance contract or as required by law (including providing the information to government or regulatory authorities). This may involve the transfer of your information to countries which do not have data protection laws equivalent to those in the European Union in which case we shall ensure that the information is appropriately protected. In particular, medical information may be processed in the United States of America for the purposes of assessing and processing a claim.

If your policy includes motor cover, your policy details will be added to the Motor Insurance Database (MID), run by the Motor Insurers Information Centre (MIIC). MID data may be used by the DVLA and DVLNI for the purpose of Electronic Vehicle Licensing and by the police for the purposes of establishing whether a driver's use of the vehicle is likely to be covered by a motor insurance policy or for preventing and detecting crime. If data subjects are involved in an accident (in the UK or abroad), other UK insurers, the Motor Insurers' Bureau and MIIC may search the MID to ascertain relevant policy information.

We may also share the information with, and obtain information about you or your employees or agents from credit reference agencies or fraud prevention agencies.

Claims Data

Insurance companies share claims data:

- (a) to ensure that more than one claim cannot be made for the same personal injury or property damage,
- (b) to check that claims information matches what was provided when insurance cover was taken out, and
- (c) when required, to act as a basis for investigating claims when our recorded information is incorrect or when we suspect that insurance fraud is being attempted.

Persons pursuing a claim in respect of a road traffic accident (including citizens of other countries) may also obtain relevant information which is held on MID.

You should provide us with the correct information if you are making a claim under your own policy or, if you are a third party, a policy held by one of our customers.

Marketing

With consent of the data subject, personal data may be processed for the purposes of marketing similar goods and services. Data subjects will be asked to provide any necessary consent at the time their data is collected, but are able to subsequently opt out of any marketing at any time.

Please note that the provisions relating to consent, and subsequent opt-out, do not apply to corporate entities (which includes their employees).

Right of access and correction

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:

Travelers Insurance Company Limited
Exchequer Court
33 St Mary Axe
London EC3A 8AG

By providing personal information you agree that all persons to whom the information relates consent to the processing and transfer of information described in this notice. You also confirm that you have taken all necessary steps to inform them of disclosure of information to us for the purposes described above.

Sample