Beazley Employment Practices Liability Module

your policy
THIS POLICY SETS OUT THE TERMS UPON WHICH THE **INSURER** AGREES TO INSURE THE **INSURED** IN CONSIDERATION OF THE PAYMENT OF, OR AGREEMENT TO PAY, THE PREMIUM. THE INSURING CLAUSE AND COVERAGE EXTENSIONS ARE SUBJECT TO ALL TERMS, CONDITIONS, RESTRICTIONS AND LIMITATIONS OF THIS POLICY.

**A. INSURING CLAUSE**

The **insurer** will pay on behalf of the **insured** any **loss** resulting from a **claim** by an **employee** or a prospective **employee** first made against the **insured** during the **policy period** arising out of a **wrongful act**.

**B. COVERAGE EXTENSIONS**

1. **Regulatory extension**

   The **insurer** will pay **regulatory costs** of an **insured**.

2. **Cyber bullying extension**

   The **insurer** will pay any **loss** resulting from a **cyber bullying event**.

3. **Immigration assistance extension**

   The **insurer** will pay **immigration assistance costs** of an **insured**.

4. **Insured persons extensions**

   The **insurer** will pay:

   (a) **access to policy costs**;

   (b) **data breach costs**;

   (c) **reputation costs**;

   of an **insured person**.

5. **Company extensions**

   The **insurer** will pay

   (a) **sensitivity training costs**;

   (b) **personal information request costs**;

   of the **company**.

6. **Joint venture extension**

   The **insurer** will pay **joint venture loss** resulting from a **claim** first made against a **joint venture** during the **policy period** arising out of a **joint venture wrongful act**.
7. **Third party discrimination extension**

The **insurer** will pay **loss** resulting from a **claim** first made against the **insured** during the **policy period** arising out of **third party discrimination**.

C. **COVERAGE RESTRICTIONS**

The **insurer** will not be liable to make any payment under this policy for that part of any **loss**:

1. **Bodily injury or property damage**

resulting from any **claim** for actual or alleged bodily injury, sickness, disease or death of any person, or any damage to, destruction, impairment or loss of use of any tangible property.

This Coverage Restriction will not apply to any **claim** alleging mental anguish or emotional distress.

2. **Contractual liability**

which the **insured** is obligated to pay by reason of a written contract (or the written statement of terms and conditions in the case of a verbal contract of employment) unless such liability would have existed even in the absence of such documentation.

This Coverage Restriction does not apply to **defence costs**.

3. **Conduct**

brought about or contributed to by any:

   (a) deliberately dishonest act or omission of any **insured**;

   (b) profit or advantage gained by any **insured** to which such **insured** is not legally entitled; or

   (c) wilful violation of any statute, rule or law;

as established by a final and non-appealable adjudication in the underlying proceeding, or formal written admission by such **insured**.

4. **Immigration (U.S.A.)**

arising out of, based upon or attributable to any actual or alleged violation of the Immigration Reform Control Act 1986 (U.S.A.).

5. **Prior claims, insured events and circumstances**

arising out of, based upon or attributable to:

   (a) any **claim**, **insured event**, circumstance, **wrongful act**, joint venture **wrongful act** or **third party discrimination** of which notice has been given under any policy in relation to which this policy is a renewal or replacement or any matter which taken together with such **claim**, **insured event**, circumstance, **wrongful act**, joint venture **wrongful act** or **third party discrimination**.
discrimination would constitute a single event; or

(b) any prior or pending litigation, arbitration, administrative or regulatory proceeding which was brought against an insured prior to the pending and prior litigation date.

6. **Pension scheme**

resulting from any claim for or insured event in respect of failure to fund or perform any fiduciary obligation as respects any pension benefit plan, welfare benefit plan, health or other welfare or benefit plan, including the Employee Retirement Income Security Act 1974 (ERISA; except section 510 (29 U.S.C. Section 1140)) (U.S.A.) and/or the Pensions Act of 1995 (U.K.).

This Coverage Restriction will not apply to claims for retaliation.

7. **Employee rights**

resulting from any claim for or insured event in respect of any actual or alleged violations of any of the responsibilities, obligations, or duties imposed by any statute or common law anywhere in the world governing:

(a) pay practices including the National Minimum Wage Act (U.K.), any local implementation of the EC Working Time Directive (2003/88/EC), the Equal Pay Act 1970 (U.K.) or the Fair Labor Standards Act of 1938 (FLSA; except the Equal Pay Act) (U.S.A.);

(b) workers' compensation, health insurance coverage, employers liability, unemployment insurance, social security, disability benefits;

(c) occupational health and safety, work-related injuries, illnesses and occupational fatality;

(d) payments in respect of statutory notice periods, redundancy or severance, termination indemnities, social security or insurance obligations; or

(e) collective labour rights including the National Labor Relations Act (NLRA) (U.S.A.), the Worker Adjustment and Retraining Notification Act 1988 (WARN) (U.S.A.), the Trade Union and Labour Relations (Consolidation) Act 1992 (U.K.) and Transfer of Undertakings (Protection of Employment) Regulations 2006 (U.K.),

This Coverage Restriction will not apply to claims for retaliation.

For the purpose of determining the applicability of these Coverage Restrictions, the knowledge or act, error or omission of any insured person will not be imputed to any other insured person. The knowledge of each responsible person will be imputed to all companies.

D. **CLAIM PROVISIONS**

1. **Notification**

(a) Claims and insured events

The insured must give notice to the insurer of any:
(i) **claim** made against the **insured** during the **policy period**; or

(ii) **insured event** occurring during the **policy period**, as soon as practicable after the **responsible person** first becomes aware of such **claim** or **insured event**, but in no event later than 60 days after the end of the **policy period**, or within any applicable **discovery period**.

In the event that the **insured** is prevented from notifying any **claim** or **insured event** to the **insurer** (after the **insured** has sought consent to do so) due to any legal or regulatory prohibition restricting them from doing so, the **insured** must provide full details of the **claim** or **insured event** to the **insurer** as soon as such restriction is lifted.

If the **insured** does not give notice to the **insurer** in compliance with this provision D.1(a) **Claims and insured events**, the **insurer** will have no liability under this policy in respect of that **claim** or **insured event**.

**(b) Circumstances**

The **insured** may, during the **policy period**, notify the **insurer** of any fact or circumstances which in the reasonable opinion of the **responsible person** may give rise to a **claim** or an **insured event**.

Any notice must include the reasons why the **responsible person** reasonably anticipates that the fact or circumstances may give rise to a **claim** or an **insured event** and, where available, full particulars of the dates, acts and persons involved.

Any **claim** which is made or **insured event** which occurs after the end of the **policy period** and which arises from a circumstance notified in accordance with this clause will be deemed to have been made or have occurred at the same time as the circumstance.

**(c) Related matters**

A **single event** will be treated by the **insurer** as having been notified when the first of such **claims** or **insured events** was notified or is deemed to have been notified to the **insurer**, irrespective of whether or not the **insurer** has formally accepted the notice.

**(d) Address and telephone number for notifications**

All notices must be sent either by email to **ml-claims@beazley.com** or by telephone on 020 7674 8002 or mail to the address below:

Financial Lines Claims
Beazley Plc
Plantation Place South,
60 Great Tower Street,
London,
EC3R 5AD
2. **Defence and settlement**

   (a) **Duties**

   The **insured** has the right and duty to defend and contest any **claim** made against them, or any **insured event** commenced against them, and will take all reasonable steps to prevent or minimise any **loss**.

   The **insurer** will be entitled to participate fully in the conduct of the defence, and at its sole discretion and option, to take over conduct of the defence including settlement negotiations, contribution or indemnification proceedings, in consultation with the **insured**, where it is reasonably likely to involve the **insurer** making any payment under this policy.

   (b) **Consent to policy costs**

   The **insurer** will not be obliged to pay any **policy costs** provided under this policy unless the **insurer** has provided prior written consent to such **policy costs** being incurred (except where expressly stated in the policy that prior consent is not first required).

   If the **insurer's** prior written consent cannot reasonably be obtained before **policy costs** are incurred, then the **insurer** will give retrospective approval for such reasonable **policy costs** necessarily incurred.

   (c) **Advancements**

   The **insurer** will, upon the written request of an **insured**, advance **defence costs** prior to coverage being confirmed.

   (d) **Consent to settlements**

   If an **insured** admits liability or compromises or settles any **claim** or **insured event**, without the **insurer's** prior written consent, this policy will not provide cover in connection with that admission, **claim** or **insured event**.

   The **insured** will not be required to receive the **insurer's** consent prior to making any self report or formal written representation to a **regulatory authority**, provided that as soon as legally permitted, the **insured** will seek the consent of the **insurer** in accordance with this clause. The **insurer** will not consider such self report or formal written representation as an admission of liability for the purposes of this clause.

   (e) **Uninsured loss**

   The **parent company** will reimburse the **insurer** for any payments which are ultimately determined not to be covered under this policy.

3. **Allocation**

   Where a **claim** or **insured event** involves both parties covered and not covered and/or matters covered and not covered by this policy, a fair and proper allocation shall be made between the **insured** and the **insurer**, taking into account the relative legal and financial exposures attributable to the covered matters or persons and the matters or persons not covered by this policy.
4. **Cooperation**

   The **insured** will give all information and assistance to the **insurer** as it may reasonably require to enable it to investigate any matter notified under this policy and cooperate with the **insurer** in responding to any **claim** or **insured event**.

   Except where expressly provided for in this policy, these steps will be at the **insured's** own cost. The failure of any **insured person** to give the **insurer** the information and assistance which it may reasonably require will not impair the rights of any other **insured person** under this policy.

5. **Other insurance**

   This policy will only pay **loss** that is in excess of any amount recoverable from a more specific employment practices liability insurance available to the **insured**. As excess insurance, this policy will not apply or contribute to the payment of any **loss** until the amounts of that other insurance have been exhausted.

6. **Financial interest coverage**

   The **insurer** will not provide cover for the **loss** of an **uncovered company**. The **insurer** will instead reimburse the **parent company** for its financial interest in such **uncovered company** by way of agreed valuation calculated as the amount of **loss** which would have been payable to the **uncovered company** under this policy had the **uncovered company** been insured under this policy however no payment will be made in respect of any Insuring Clause or Coverage Extension which would have covered the **loss** of any **insured person** in respect of their role for the **uncovered company**. For the purpose of this provision the **parent company** will be deemed to have suffered loss to its financial interest simultaneously with the **uncovered company** which incurred the **loss** for which it would have been entitled to receive cover under this policy.

7. **Subrogation and recoveries**

   Following a payment under this policy, the **insurer** will be subrogated to all rights and remedies available to the **insured** in connection with that payment therefore the **insurer** has the right to seek recovery of that payment from a third party and will be entitled to bring proceedings in the name of the **insured**.

   Whether before or after payment under this policy, the **insured** will take all steps necessary, or required by the **insurer**, to preserve the rights and remedies which the **insured** may have to recover its **loss**.

   The **insured** will provide to the **insurer** any assistance the **insurer** may require to secure the rights and remedies set out above. The **insurer** shall be entitled to take control of all steps taken to recover any loss.

   Any amounts recovered will be applied in the following order:
   
   (a) to reimburse costs incurred in bringing proceedings against the third party;
   
   (b) then to the **insured** for the amount of any **loss** which exceeds the **limit of liability**;
   
   (c) then to the **insurer** up to the amount of the **loss** paid by the **insurer** and the
limit of liability will be reinstated for such amounts; and

(d) then to the insured to reimburse the retention.

The insurer agrees not to exercise its rights of recovery against any insured person unless the payments made by the insurer under this policy are brought about or contributed to by the deliberately dishonest act or omission of that insured person.

E. GENERAL CONDITIONS

1. Limit of liability

The limit of liability is the maximum amount payable by the insurer under this policy for a single event in respect of all insureds, Insuring Clauses and Coverage Extensions.

Any loss paid by the insurer for a single event under this policy will reduce the limit of liability for that single event.

Where any sub-limit is specified in the policy or schedule, the insurer will have no liability in excess of that sub-limit for a single event.

Any sub-limit will be part of and not in addition to the limit of liability.

2. Retention

The insurer will be liable only for that part of any covered loss which exceeds the retention.

Only one retention, being the largest, will be applied to the total amount of loss arising from a single event.

3. Change of control / acquisitions

In the event of a change of control of a company, no cover under this policy will apply for any:

(a) claim against that company or their insured persons, which arises from a wrongful act, joint venture wrongful act or third party discrimination;
or
(b) regulatory event concerning that company or their insured persons, which arises out of any conduct,

that occurred after such change of control. The parent company will, as soon as practicable, give the insurer written notice of any change of control which takes place in respect of the parent company.

In the event of an acquisition of a subsidiary, no cover under this policy will apply for any:

(a) claim against that subsidiary or their insured persons, which arises from a wrongful act, joint venture wrongful act or third party discrimination; or
(b) regulatory event concerning that subsidiary or their insured persons, which arises out of any conduct, that first commenced before such acquisition.

4. Discovery period

If this policy is not renewed or replaced, the insured will be entitled:

(a) to an automatic discovery period of 60 days;

(b) to purchase an optional discovery period for a longer period as specified in the Schedule, provided that written notice is given to the insurer by the parent company within 30 days after the end of the policy period and any additional premium specified by the insurer is paid within 45 days of the end of the policy period; and

(c) to an unlimited discovery period in the event such insured is a retired insured person.

The automatic discovery period is part of and not in addition to any optional discovery period purchased by the insured.

The discovery period is non-cancellable and the premium for the optional discovery period is deemed fully earned at the inception date of the optional discovery period.

In the event of a change of control of the parent company, the parent company is entitled to purchase a 72 month discovery period on such terms and conditions and for such additional premium as the insurer requires.

5. Cancellation

If the premium due under this policy has not been paid to the insurer within 60 days of the inception of the policy period or, where premium is due to be paid by instalments, by the date on which an instalment is due, the insurer will have the right to cancel this policy with effect from inception by notifying the parent company in writing direct or via the insurance broker.

The insurer will give not less than 30 days prior notice of such cancellation. If the premium due is paid in full to the insurer before the notice period expires, notice of cancellation will automatically be revoked.

If any additional premium due under the terms of this policy or in respect of any amendment to the terms of this policy is not paid within 30 days of the date on which it is due to be paid, the insurer will not have any liability in respect of the additional rights which were to have been purchased by the insured by payment of the additional premium.

6. Authorisation

The parent company will act on behalf of all insureds in connection with all matters relevant to this policy unless the parent company is insolvent in which event the remaining entities will agree with the insurer as to which one of them will act on behalf of all insureds.
7. **Third parties**

Nothing in this policy is intended to confer a directly enforceable benefit on any third party other than an **insured**.

8. **Assignment**

Neither this policy nor any right under it may be assigned without the prior written consent of the **insurer**.

9. **Policy interpretation**

This policy, its schedule and any endorsements are one contract in which, unless the context otherwise requires:

(a) headings and subheadings are descriptive only, solely for convenience, not an aid to interpretation and form no part of the terms and conditions of coverage;

(b) the singular includes the plural, and the masculine includes the feminine, and vice versa;

(c) “Including” and “include(s)” means without limitation;

(d) references to specific legislation include amendments to and re-enactments of that legislation and any similar or equivalent legislation in the relevant jurisdiction;

(e) references to positions, offices or titles will include their equivalents in any jurisdiction;

(f) if any provision of this policy is or becomes void or illegal, is invalid or unenforceable by a court or other competent body under the law of any applicable jurisdiction, such provision will be deleted. The **insurer** and the **insured** will use their best efforts to agree a replacement for the provision which achieves as far as possible the same effect as would have been achieved by the deleted provision.

10. **Governing law**

This policy will be governed by and construed in accordance with the laws of England and Wales.

11. **Arbitration clause**

All disputes and differences between the **insured** and the **insurer** which arise under or in connection with this policy will be referred to arbitration under ARIAS Arbitration Rules (U.K.).

The arbitration tribunal will consist of three arbitrators, one to be appointed by the **insured**, one to be appointed by the **insurer** and the third to be appointed by the two appointed arbitrators.

The third member of the tribunal will be appointed as soon as practicable (and no later than 28 days) after the appointment of the two party-appointed arbitrators. The
tribunal will be constituted upon the appointment of the third arbitrator. The arbitrators will be persons (including those who have retired) with not less than ten years’ experience of insurance or reinsurance within the industry or as lawyers or other professional advisers serving the industry.

Where the insured or the insurer fail to appoint an arbitrator within 14 days of being called upon to do so or where the two party-appointed arbitrators fail to appoint a third within 28 days of their appointment, then ARIAS will appoint an arbitrator to fill the vacancy. At any time prior to the appointment by ARIAS the party or arbitrators in default may make such appointment.

The tribunal may in its sole discretion make such orders and directions as it considers to be necessary for the final determination of the matters in dispute. The tribunal will have the widest discretion permitted under the laws of England and Wales when making such orders or directions and the decision of the tribunal will be final. The arbitration will be held in London.

12. **Duty of fair presentation**

The insurer expects the insured to comply with their duty to make a fair presentation of the risk in accordance with the Insurance Act 2015 (U.K.). In the event that there has been a breach of the duty of fair presentation, the insurer will not exercise any available remedies under the Insurance Act 2015 (U.K.) for any breach that was free of any fraudulent conduct or intent to deceive.

The knowledge or act, error or omission of any insured person will not be imputed to any other insured person. The knowledge of each responsible person will be imputed to all companies.

13. **Insurer’s consent**

Where the insured is required under this policy to seek the consent of the insurer, the insurer will not unreasonably withhold, delay or deny such consent.

14. **Sanction limitation**

The insurer will not be liable to provide any cover, benefit or pay any claim under this policy to the extent that the provision of such cover, benefit or payment of such claim 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.

15. **Complaints**

Every effort is made to ensure that a high standard of service is provided. However, if the insured is not satisfied with the service it has received or it has any questions or concerns about this policy the insured should, in the first instance, contact:

Beazley Complaints
Beazley Group
Plantation Place South
60 Great Tower Street
London EC3R 5AD

All correspondence should be addressed to Beazley Complaints
In the event that the insured remains dissatisfied the insured may, if eligible, refer the complaint to the Financial Ombudsman Service (FOS). The Financial Ombudsman Service is an independent service in the U.K. for settling disputes between consumers and businesses providing financial services. The FOS’s contact details are as follows:

Financial Ombudsman Service
Exchange Tower
London
E14 9SR

Email: complaint.info@financial-ombudsman.org.uk
Telephone: 0300 123 9 123
Website: www.financial-ombudsman.org.uk

16. Compensation

The insurer is covered by the Financial Services Compensation Scheme.

The insured may be entitled to compensation from the Scheme if the insurer is unable to meet its obligations to the insured under this contract. If the insured is entitled to compensation under the Scheme, the level and extent of the compensation would depend on the nature of this contract.

Further information about the Scheme is available from the Financial Services Compensation Scheme, 10th Floor, Beaufort House, 15 St Botolph Street, London EC3A 7QU, Telephone: 0800 678 1100 or 020 7741 4100 or on their website: www.fscs.org.uk
F. Definitions

The following definitions are applicable to all sections of this policy:

**access to policy costs** means reasonable fees, costs and expenses necessarily incurred by any of the insured persons to investigate and resist any challenge, by any other insured person, the company or any third party, to their right to cover under this policy.

**bail bond costs** means the reasonable premium (not including collateral) for a bond or other financial instrument to guarantee an insured person's contingent obligation for bail required by a court.

**change of control** means any one of the following events:

(a) the parent company consolidates with or merges into or sells all or a majority of its assets to any other person or entity or group of persons and/or entities acting in concert;

(b) any person or entity, whether individually or together with any other person or persons, entity or entities becomes entitled to exercise more than 50% of the rights to vote at general meetings of the parent company or control the appointment of directors who are able to exercise a majority of votes at meetings of the board of directors of the parent company;

(c) the appointment of a receiver, liquidator, administrator or other insolvency practitioner in respect of a company, but only in relation to that company;

(d) an entity ceases to be a subsidiary, or becomes controlled by another entity by virtue of any law; or

(e) an entity ceases to be a joint venture.

**claim** means:

(a) a written demand for damages, compensation or non-monetary relief;

(b) a civil proceeding for damages, compensation or non-monetary relief;

(c) a demand for mediation, arbitration or other form of alternative dispute resolution for damages, compensation or non-monetary relief;

(d) a criminal proceeding;

(e) in respect of an insured person only, an administrative or regulatory proceeding.

**claim** includes a written request to extend the operation of or waive any statute of limitations or contractual time-bar which may be applicable to a claim as defined above.

**collective labour rights** means the rights of employees:

(a) to engage in, or to refrain from engaging in, union or other collective activities;

(b) to be consulted and informed of the possibility of a redundancy situation as a collective group of employees;

(c) to be consulted and informed of the possibility of a transfer of employment to a new employer.
company means the parent company and any subsidiary, and, in the event a U.S.A. bankruptcy proceeding will be instituted by or against such entities, the resulting debtor-in-possession, if any.

cyber bullying means bullying or harassment by way of electronic communication including social networking internet sites.

cyber bullying event means a claim by an employee or a prospective employee arising out of cyber bullying first made against the insured during the policy period.

data breach costs means reasonable fees, costs and expenses necessarily incurred by an insured person directly in connection with preparing for, cooperating with or attending interviews, or defence costs, in responding to a data breach event.

data breach event means:

(a) a claim by an employee or a prospective employee first made against the insured during the policy period; or

(b) a regulatory event first commenced during the policy period,
arising out of any actual or alleged breach of any data protection legislation, including the EU General Data Protection Regulation once in force.

defence costs means the reasonable fees, costs, expenses, expert costs and bail bond costs necessarily incurred by or on behalf of the insured in connection with the investigation, defence, settlement or appeal of a claim.

discovery period means the period of time following the end of the policy period during which notice may be given to the insurer of:

(a) any claim arising out of any wrongful act, joint venture wrongful act or third party discrimination committed before the end of the policy period; or

(b) any insured event arising out of any conduct undertaken before the end of the policy period.

employee means any natural person who was or is:

(a) under a contract of employment with;

(b) working under an apprenticeship with;

(c) hired or seconded to; or

(d) working under the control and supervision of,
the company.

employee benefits means salaries, fees, commissions, bonuses, share schemes, pensions and similar employee benefits (including business entertainment whether or not constituting bribery under the Bribery Act 2010 (U.K.)) earned in the normal course of employment.

expert costs means the reasonable fees, costs and expenses of an expert retained through defence counsel in order to prepare an evaluation, report, assessment, diagnosis or rebuttal of evidence.
immigration assistance means assisting, arranging or obtaining permanent residency status, a work visa, or such other immigration permit for an insured person to have a legal right to work for the company and a right to be resident in the country where the insured person is employed to work for the company.

immigration assistance costs means reasonable fees, costs and expenses which are necessarily incurred by the insured for legal advice and representation in relation to an immigration assistance event first commenced during the policy period.

immigration assistance event means an act, error or omission by the company in carrying out immigration assistance that directly causes an insured person to temporarily or permanently lose their legal right to work for the company and their right to be resident in the country where the insured person was employed to work for the company.

insured means the insured persons and the company.

insured event means a cyber bullying event, data breach event, immigration assistance event, personal information request, regulatory event, and reputational damage event.

insured person means any past, present and future:

(a) employee of the company;

(b) director or officer of the company,

but only when and to the extent acting for and on behalf of the company in such capacity.

insured person includes the estate, heirs, legal representatives or assigns of an insured person in the event of their death, incapacity or bankruptcy or the lawful spouse, civil or domestic partner of an insured person solely in their capacity as such.

insured person does not include any externally appointed receiver, liquidator, administrator or other insolvency practitioner.

insurer means Beazley Insurance dac.

joint venture means any corporation, partnership, joint venture, association or other entity, other than a subsidiary, in which the parent company, either directly or through one or more subsidiaries owns or controls not more than 50%, in the aggregate of the outstanding securities or other interests representing the right to vote for the election or appointment of those persons of such an entity occupying elected or appointed positions having fiduciary, supervisory or managerial duties and responsibilities comparable to those of an insured person of the company, regardless of the name or title by which such position is designated.

joint venture loss means the proportion of the loss incurred by a joint venture that represents the company’s joint venture interest in that joint venture resulting from a claim provided such loss would have been covered under this policy had it been a loss resulting from a claim by an employee or a prospective employee against the insured.

joint venture interest means the percentage interest of the company in the relevant joint venture (whether direct or by virtue of the insolvency of others interested in such joint venture).
**joint venture wrongful act** means any employment related actual or alleged:

(a) act or omission;
(b) failure to provide equal opportunity of employment or pay;
(c) discrimination;
(d) harassment (sexual or otherwise, and including harassment in the form of workplace bullying);
(e) unfair dismissal or treatment;
(f) **retaliation**;
(g) inducement to become or remain as an employee based upon an erroneous job description;
(h) defamation, misrepresentation, negligent misstatement, wrongful failure to employ or promote, deprivation of a career opportunity, or wrongful discipline;
(i) violation of an individual’s civil or human rights, or violations of any similar statutory provision arising out of acts or omissions by an **insured** or a person for whom the **insured** is legally responsible;
(j) a breach of data protection or privacy obligations;
(k) failure to allow an employee to exercise a statutory right; or
(l) breach of statutory provision or breach of common law, relating to an employee or a prospective employee of the **joint venture.** **Joint venture wrongful act** will include failure to provide or enforce corporate policies or procedures to prevent or address any of the above employment related matters.

**limit of liability** means the amount specified in the Schedule applicable to the Employment Practices Liability Module.

**loss** means:

(a) **policy costs**;
(b) any amount that the **insured** is legally liable to pay as compensatory damages, judgments, settlements, pre and post judgment interest, punitive or exemplary damages, and the multiplied portion of any damage award where insurable by law.
(c) **joint venture loss** to the extent afforded by Coverage Extension B.5(b).

**loss** does not include:

(i) fines and penalties, except:
   (1) civil fines and penalties awarded against an **insured person**; or
   (2) punitive or exemplary damages;
(ii) **employee benefits**, or costs or overheads of the **company**;
(iii) taxes;
(iv) amounts which are uninsurable;
(v) the cost to modify any premises or provide any accommodation to any disabled person,
(vi) amounts resulting from a third party claim arising out of the insured's business decisions in respect of pricing, distribution, underwriting, design, marketing, manufacture or other policies or decisions relating to any of its products or services.

If the applicable law of the jurisdiction in which fines or penalties or damages were awarded permits more favourable insurability of such fines, penalties or damages than the governing law of this policy, then the insurability of such fines, penalties or damages will be determined in accordance with that relevant jurisdiction and, to this extent, will not be considered to be uninsurable loss under this policy.

**management control** means:

(a) controls the composition of the board of directors;
(b) controls more than half of the shareholder voting power; or
(c) holds more than half of the issued share capital.

**parent company** means the entity named in the Schedule.

**pay practices** means the rights of employees:

(a) to be to be provided with or paid for vacation, off-the-clock work, sick time, holidays or other paid time off;
(b) to be provided with or paid for rest or meal periods;
(c) to be reimbursed for expenses;
(d) to be reimbursed for improper payroll deductions or charges allocated to actual or alleged employees;
(e) to be classified as exempt or non-exempt in relation to overtime pay;
(f) to be paid overtime, minimum wage, or any other required wages;
(g) to be paid within a certain period of time;
(h) to have hours, pay, tips, commissions, wages, expenses, or any other sums allegedly due properly recorded or credited; or
(i) not to be subject to unfair business practices, conversion or unjust enrichment.

**pending and prior litigation date** means the date specified in the Schedule.

**personal information request** means a subject access request for personal information by an employee or a prospective employee under any data protection legislation, including the EU General Data Protection Regulation once in force.

**personal information request costs** means the reasonable and necessary legal costs incurred to comply with a personal information request sub-limited to £75,000.

**policy costs** means access to policy costs, data breach costs, defence costs, immigration assistance costs, personal information request costs, regulatory costs, reputation costs and sensitivity training costs. Policy costs will not include the remuneration of any insured person,
the cost of their time or costs or overheads of the company.

**Policy Period** means the period specified in the Schedule.

**Regulatory Authority** means any regulator, government, government body, judicial or parliamentary body, governmental or administrative agency, any self-regulatory body recognised in that capacity under applicable law or official trade body including the Equal Opportunities Commission (U.K.), the Commission for Racial Equality (U.K.), the Disability Rights Commission (U.K.) or the Equal Employment Opportunity Commission (U.S.A).

**Regulatory Costs** means reasonable fees, costs and expenses necessarily incurred by an **insured** directly in connection with preparing for, cooperating with or attending interviews in respect of or responding to a **regulatory event** first commenced during the **policy period**.

**Regulatory Event** means in respect of an **insured person** only:

(a) an informal request by a **regulatory authority** for an **insured person** to voluntarily attend an interview, meeting or provide information;

(b) an interview or meeting during a raid or on-site visit by a **regulatory authority**; or

(c) any formal or official hearing, examination or investigation by a **regulatory authority**, once the **insured person**:

(i) is requested or required to cooperate with or attend; or

(ii) is identified in writing by that **regulatory authority** as a target of;

the formal or official hearing, examination or investigation,

that concerns or relates to employment related matters of the **company**.

**Regulatory Event** means in respect of a **company** only:

(a) a raid or on-site visit to the **company** by any **regulatory authority** that involves the production, review, copying or confiscation of files or interviews of any **insured persons**;

(b) a public announcement relating to an event in sub-paragraph (a) above,

that concerns or relates to employment related matters of the **company**.

A **regulatory event** does not include routine regulatory supervision, inspection or compliance reviews, or any investigation which focuses on an industry rather than an **insured**.

**Reputation Costs** means the reasonable fees, costs and expenses necessarily incurred by the **insured person**:

(a) in appointing a public relations firm or consultant, a crisis management firm, a law firm or tax advisor retained by the **insured person** directly to mitigate the adverse or potentially adverse effect on that **insured person's** reputation due to a **reputational damage event**;

(b) in appointing a law firm to effect an **insured person's** right to be forgotten or right to erasure following a **reputational damage event**.
reputational damage event means:

(a) a claim first made against an insured person during the policy period;

(b) negative publicity posted on internet-based social media platforms or websites of which the insured person first becomes aware during the policy period and which could, in their reasonable opinion, give rise to a claim.

responsible person means any member of the Board of Directors, the Risk Manager, Insurance Manager, Chairman, Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Compliance Officer, Head of Audit, Head of Human Resources or General Counsel including any individual in a substantially similar position or with substantially similar responsibilities as those referenced, irrespective of the exact title of such individual, of the parent company.

retaliation means retaliatory treatment against any natural person on account of such person:

(a) exercising their rights in law;

(b) refusing to breach any law;

(c) opposing any unlawful practice;

(d) disclosing, or threatening to disclose, an alleged breach of law to a superior or to any governmental agency; or

(e) assisting in, testifying in or cooperating with a proceeding or investigation regarding an alleged breach of law.

retention means the amount specified in the Schedule.

retired insured person means any insured person who has ceased to act in their insured capacity prior to expiry of the policy period for reasons other than:

(a) disqualification from holding office or from managing a company;

(b) a change of control; or

(c) the insolvency of any company;

and does not subsequently resume their position.

sensitivity training costs means 85% of the reasonable costs of training, re-education, awareness or other discrimination prevention programmes that the company is obligated to institute by reason of a judgment (or, where applicable, any settlement) or arbitration award for liability on account of a claim covered by the policy, for up to two years after such judgment, award or settlement.

single event means all claims and insured events arising out of, based upon or attributable to the same originating cause, source or event.

subsidiary means any entity in which the parent company either directly or indirectly through one or more entities obtains management control on or before the inception date of this policy.

subsidiary will include:

(a) any new entity which the company incorporates during the policy period and which, at the
time of incorporation, the company has management control;

(b) any entity, that the company acquires management control of during the policy period provided that at the time of obtaining that management control, the acquisition does not increase the number of employees located in the United States of America by more than 25% when compared with the number of employees located in the United States of America as at inception of the policy.

If the new acquisition increases the number of employees located in the United States of America by more than 25%, the insurer will provide cover under this policy for 60 days from the date of acquisition, during which time the parent company will give the insurer sufficient information to allow the insurer to assess the potential increase in insurance risk. The insurer may agree to extend the definition of subsidiary to include the newly acquired entity, subject to the parent company accepting any amendment to the terms and conditions of this policy or the charging of a reasonable additional premium that the insurer requires.

subsidiary does not include any fund, investment vehicle, managed investment scheme or trust.

third party means any natural person other than an insured person.

third party discrimination means any actual or alleged harassment, discrimination or cyber bullying by any insured person against a third party.

uncovered company means any company:

(a) which is located in a jurisdiction where the applicable law or regulation does not allow the insurer to provide cover to that company; or

(b) which the parent company has elected that the policy will not cover directly but, instead, the policy will cover the parent company’s own financial interest in such company.

wrongful act means any employment related actual or alleged:

(a) act or omission;

(b) failure to provide equal opportunity of employment or pay;

(c) discrimination;

(d) harassment (sexual or otherwise, and including harassment in the form of workplace bullying);

(e) unfair dismissal or treatment;

(f) retaliation;

(g) inducement to become or remain as an employee based upon an erroneous job description;

(h) defamation, misrepresentation, negligent misstatement, wrongful failure to employ or promote, deprivation of a career opportunity, or wrongful discipline;

(i) violation of an individual’s civil or human rights, or violations of any similar statutory provision arising out of acts or omissions by an insured or a person for whom the insured is legally responsible;
(j) breach of data protection or privacy obligations;

(k) failure to allow an employee to exercise a statutory right; or

(l) breach of statutory provision or breach of common law,

relating to an employee or a prospective employee. Wrongful act will include failure to provide or enforce corporate policies or procedures to prevent or address any of the above employment related matters.