

UK SPS II Elite Pension Liability for Public Service Pension Boards Policy

SCHEDULE

Ace European Group Ltd
(herein called "the **Insurer**").

Policy Number:

Item 1: **Policyholder:**

Address:

Item 2: **Limits:**

(A) **Limit of Liability** any one **Claim** and in aggregate in the **Policy Period:** GBP XX,000,000

(B) Sub Limits for each **Policy Period:**

(i) **Emergency Costs** GBP 10% of the **Limit of Liability** in Item 2(A)

(ii) **Bail Bond Costs** GBP 10% of the **Limit of Liability** in Item 2(A)

(iii) **Public Relations Expenses** GBP 250,000

(iv) Loss of **Documents** GBP 100,000

(v) Mitigation Expenses GBP 250,000

(vi) Third Party Service Provider Pursuit Costs GBP 100,000

(vii) **Prosecution Costs** GBP 250,000

Item 3. Deductible: Each and Every **Claim** GBP

Item 4: **Policy Period:**

From:

To:

Local standard time at the address shown in Item 1

Both Days Inclusive

Item 5: Pending or Prior Date:

Item 6: Administering Authority:
Pension Scheme:

Item 7 Endorsements effective at inception:

Item 8: Premium:
Taxes in addition:

THIS IS A CLAIMS-MADE POLICY. EXCEPT AS OTHERWISE PROVIDED, IT COVERS ONLY CLAIMS FIRST MADE AGAINST AN INSURED DURING THE POLICY PERIOD

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London, EC3A 3BP www.acegroup.com/uk

ACE European Group Limited is authorised and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

ACE Elite Pension Trustee Liability for Public Service Pension Boards

In consideration of the payment of the premium and subject to all terms conditions and limitations of the Policy the Insurer agrees with the Insured as follows:-

1. Insuring Agreement

- i) The Insurer will pay on behalf of the Insured all Loss which the Insured are obligated to pay, or which the Pension Scheme is legally required or permitted to pay to the Insured as advancements or indemnity under applicable trusts, indemnity laws or agreements or rules of the Pension Scheme, for a Claim against an Insured for a Wrongful Act, provided the Claim is first made against an Insured during the Policy Period, or Discovery Period if applicable, and notified to the Insurer in accordance with the requirements of this Policy.
- ii) The Insurer will pay on behalf of the Insured all Investigation Expenses in respect of an Investigation, provided the Investigation is instigated during the Policy Period, or Discovery Period if applicable, and notified to the Insurer in accordance with the requirements of this Policy.
- iii) The Insurer will pay on behalf of the Insured all Mitigation Expenses incurred solely and exclusively in taking action to prevent, limit or mitigate the Insured's exposure to an actual or potential Claim for a Wrongful Act, provided that the Wrongful Act is first discovered during the Policy Period, or Discovery Period if applicable, and notified to the Insurer in accordance with the requirements of this Policy.

SIGNED for and on behalf of the Insurer



Andrew Kendrick *Chairman and Chief Executive Officer*

This Policy should be checked and if incorrect returned immediately for correction.

2. Definitions

- (1) Authorised Insured means the Insured who acts on behalf of each and every Insured with respect to the giving and receiving of notice of a Claim or Investigation or of a circumstance that may give rise to a Claim or to an Investigation, the payment of premiums and the receiving of any return premium that may become due under this Policy, the negotiation, agreement to and acceptance of endorsements, and the giving or receiving of any notice provided for in this Policy.
- (2) Bail Bond Costs means the reasonable premium (not including any collateral) for a bond or other financial instrument to guarantee an Insureds contingent obligation for bail or equivalent in any jurisdiction required by a Court in respect of any Claim. The sub-limit of liability for Bail Bond Costs is 10% of the Limit of Liability (such limit shall be part of and not in addition to the Limit of Liability shown in Item 3 of the Schedule).
- (3) Benefit means any obligation under a Pension Scheme to a participant or beneficiary, which is a payment of money or property, including a transfer payment to another scheme, or the grant of a privilege or perquisite.
- (4) Claim means:
 - (a) any written demand made against an Insured alleging a Wrongful Act whether or not containing a demand for monetary damages, asserting legal liability on the part of the Insured;
 - (b) any civil or arbitral proceeding against an Insured;
 - (c) any criminal proceedings against an Insured;
 - (d) any administrative or regulatory proceeding or official investigation commenced against an Insured based upon a specified Wrongful Act;
 - (e) any Extradition Proceeding; or
 - (f) a written request to waive, suspend or extend time under any applicable limitation statute.
- (5) Defence Costs means all reasonable legal and other professional costs and expenses including lawyers', arbitrators' and experts' fees incurred by an Insured, including the cost of an appeal bond but without the obligation to apply for and furnish any such bond, which are necessary to defend or appeal a Claim covered by this Policy which are not Investigation Expenses, Mitigation Expenses, Prosecution Costs or Public Relations Expenses, and which are incurred with the written consent of the Insurer, such consent not to be unreasonably withheld or delayed. Defence Costs do not include the wages, salary or other remuneration of an Insured, nor any Value Added Tax or similar tax to the extent that such tax can be recovered by the Insured.
- (6) Discovery Period means the period of time in Section 5 of this Policy.
- (7) Document means all documents and computer record systems but excluding any bearer bonds, coupons, bank or currency notes or other negotiable instruments whether printed or reproduced by any other method, which are the property of the Insured or for which the Insured is legally responsible and which relate to the Pension Scheme.
- (8) Extradition Proceedings means:
 - (a) a request for extradition, a warrant for arrest or other proceedings under the provisions of the United Kingdom Extradition Act 2003 in respect of or against an Insured for any actual or alleged act or omission connected with the Pension Scheme;
 - (b) any associated appeals and applications for judicial review; or
 - (c) any application or appeal to the European Court of Human Rights; or
 - (d) the equivalent of the above in any other jurisdiction.

A Wrongful Act is not required for cover for Extradition Proceedings.

- (9) Financial Support Direction means a direction issued by the Pensions Regulator against or naming an Insured under Section 43 of the Pensions Act 2004.
- (10) Insured means a natural person who was, is or shall be a member of the Pension Board created specifically for the Pension Scheme. Insured is specifically extended to include the lawful spouse, domestic partner or civil partner of such an Insured and the estate, heirs or legal representatives of such an Insured in the event of death, incapacity, insolvency or bankruptcy, provided always that the Claim against such an Insured would have been covered in the absence of the death, incapacity, insolvency or bankruptcy.
- Insured also means the Pension Scheme.
- (11) Insurer means ACE European Group Limited.
- (12) Insured Capacity means the performance of the duties and responsibilities of an Insured in connection with the governance, administration and operation of the Pension Scheme.
- (13) Investigation means an investigation or proceeding connected with the Pension Scheme, outside of the United States of America, commenced by the Pensions Ombudsman, the Financial Ombudsman Service, the Pensions Regulator, the Pensions Regulator Tribunal, the Pensions Regulator's Determinations Panel, the Pension Protection Fund or equivalent body or entity, the Information Commissioner, or any government body or agency, instigated during the Policy Period or Discovery Period if applicable, and having the power to require the Insured to provide evidence or documents.

A Wrongful Act is not required for cover for an Investigation.

- (14) Investigation Expenses means the reasonable legal costs and related professional fees incurred by an Insured with the prior written consent of the Insurer, such consent not to be unreasonably withheld or delayed, in relation to an Investigation; provided that such costs are not recoverable from any other source of insurance or indemnification other than as advancement or indemnity under applicable trusts, indemnity laws or agreements.

Investigation Expenses do not include the wages, salaries or other remuneration of any Insured nor any Value Added Tax or similar tax to the extent that such tax can be recovered by the Insured.

- (15) Loss
- (a) means any damages, judgements, settlements and awards for which an Insured is legally liable in respect of a Claim (including 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);
 - (b) includes Defence Costs;
 - (c) includes Investigation Expenses;
 - (d) includes Mitigation Expenses;
 - (e) includes Prosecution Costs;
 - (f) includes Public Relation Expenses.

Where the Loss, or part of the Loss, is in respect of Benefits, Loss will be calculated as being the amount which the Insured has paid or becomes liable to pay out of the Pension Scheme in Benefits as a direct consequence of a Wrongful Act, after deduction of the amount the Pension Scheme would have paid or would have been liable to pay in Benefits 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 they are liable to pay as a direct consequence of a Wrongful Act.

Loss shall not include fines or penalties (other than civil fines and penalties under 7. Extensions (b) of this Policy) imposed by law, taxes or sums payable in relation to taxes and any sum deemed uninsurable under the law under which this Policy is construed. Loss shall also not include the wages, salaries, fees or expenses of an Insured nor any Value Added Tax or similar tax to the extent that such tax can be recovered by the Insured.

- (16) Mitigation Expenses means the costs and expenses of measures taken solely and exclusively by or on behalf of an Insured and which are reasonably and necessarily required to prevent, limit or mitigate the Insured's exposure to Loss to an actual or potential Claim for a Wrongful Act, insofar as this loss, if it occurred, would be covered by this Policy, and which are incurred with the written consent of the Insurer, such consent not to be unreasonably withheld or delayed, up to GBP 500,000 (such limit shall be part of and not in addition to the Limit of Liability shown in Item 3 of the Schedule).

Where Mitigation Expenses include the payment of Benefits, they shall be calculated as being the amount of such Benefits which are a direct consequence of a Wrongful Act, after deduction of the amount the Pension Scheme would have paid or would have been liable to pay in Benefits under the trust deed and rules of the Pension Scheme if the Wrongful Act had not occurred.

Mitigation Expenses do not include the wages, salary or other remuneration of an Insured, nor any Value Added Tax or similar tax to the extent that such tax can be recovered by the Insured.

- (17) Pension Board means a pension board created as required and in accordance with The Public Service Pensions Act 2013 and The Public Service Pensions Act (Northern Ireland) Act 2014.
- (18) Pension Scheme means the scheme named in Item 6 of the Schedule
- (19) Policy means this policy and any endorsement thereto.
- (20) Policy Period means the period of time shown in Item 4 of the Schedule of this Policy.
- (21) Prosecution Costs means the legal and other professional fees, costs and expenses to resist any application for or to bring legal proceedings to obtain the discharge or revocation of:
- (a) an order disqualifying an Insured from holding such office; or
 - (b) an interim or interlocutory order:
 - (i) confiscating, controlling, suspending or freezing rights of ownership of real property or personal assets of an Insured for any actual or alleged act or omission connected with the Pension Scheme; or
 - (ii) creating a charge over real property or personal assets of an Insured for any actual or alleged act or omission connected with the Pension Scheme
 - (c) an order of a court imposing a restriction of the Insured's liberty for any actual or alleged act or omission connected with the Pension Scheme; or
 - (d) the deportation of an Insured following revocation of otherwise proper, current and valid immigration status for any actual or alleged act or omission connected with the Pension Scheme.
- (22) Public Relation Expenses means the reasonable fees and related expenses of a public relations firm or consultant, crisis management firm or law firm, which an Insured may, in the reasonable exercise of its discretion, engage in order to prevent or limit adverse

effects or negative publicity which it is anticipated may arise from any Claim or Investigation (including to disseminate the findings of a final adjudication in favour of an Insured), not including any Value Added Tax or similar tax to the extent that such tax can be recovered by the Insured. The sub-limit of liability for all Public Relation Expenses is GBP 250,000 (such limit shall be part of and not in addition to the Limit of Liability shown in Item 2 of the Schedule).

- (23) Third Party Service Provider means those persons having been appointed by the Insured to provide services in relation to the Pension Scheme and who where necessary are licensed or regulated in that regard by statute or any recognised professional body or institution.
- (24) Wrongful Act means any actual or alleged 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 their Insured Capacity in relation to the Pension Scheme.

3. Exclusions

The Insurer shall not be liable to make any payment under this Policy:

1. (a) based on, arising from or attributable to any deliberately dishonest or deliberately fraudulent act or omission or an intentional breach of any law by an Insured; or
 - (b) based on, arising from or attributable to any personal profit or advantage gained by an Insured to which such Insured was not legally entitled;

provided that this exclusion shall only apply if it is established through a judgment or any other final adjudication (including any appeal thereof) or any formal written admission by such Insured that the relevant conduct occurred.
2. based on, arising from or attributable to any pending or prior litigation or other proceedings or Investigation involving an Insured and issued or otherwise begun before the date shown in Item 5 of the Schedule or alleging or derived from the same or substantially the same facts or circumstances alleged in the pending or prior litigation or proceedings or Investigation.
3. based on, arising from or attributable to any fact, circumstance, act, omission, Wrongful Act or other matter of which notice has been given under any policy existing or expired before or on the date shown in Item 5 of the Schedule.
4. based on, arising from or attributable to the failure to fund or procure funds to the Pension Scheme in accordance with the law or the trust deeds (or other similar provisions) or failure to collect contributions which are owed to the Pension Scheme from a participating employer company or any other source, including without limitation any Financial Support Direction. However this exclusion shall not apply to Loss resulting from a Claim against an Insured alleging that such failure to fund or procure funds or to collect contributions arises from, is attributable to or is based upon the negligence of that Insured.
5. for any bodily injury (other than for mental or emotional distress), sickness, disease or death of any natural person, or any damage to or destruction of any tangible property including loss of use of such property, other than a Document.

For the purposes of determining the applicability of the Exclusions, the Wrongful Act of a natural person Insured shall not be imputed to any other natural person Insured.

4. Conditions

(a) Limit of Liability

- (i) The amount shown in Item 2 of the Schedule is the Insurer's maximum aggregate liability for all Loss under this Policy irrespective of the number of claims under this Policy or the number of Insureds who claim and irrespective of the amounts of any such claims or when they are made.
- (ii) The Insurer's maximum aggregate liability for all Loss in respect of which a sub-limit is specified in the Policy, Schedule or any endorsement attaching to this Policy shall be that specified sub-limit (such limit shall be part of and not in addition to the Limit of Liability shown in Item 2 of the Schedule), irrespective of the number of claims under this Policy for such Loss or the number of Insureds who may so claim and irrespective of the amounts of any such claims or when they are made.
- (iii) If a single Wrongful Act or a series of Wrongful Acts or acts which are attributable to the one originating source or underlying cause give rise to a claim under this Policy then all claims arising out of such similar or related Wrongful Acts shall be treated as a single claim

(b) Deductible

- (i) For each claim under this Policy the Insurer shall only be liable for the amount of Loss arising from a Claim which is in excess of the deductible amount shown in Item 3 of the Schedule
- (ii) If a single Wrongful Act or a series of Wrongful Acts or acts which are attributable to the one originating source or underlying cause give rise to a claim under this Policy then all claims arising out of such similar or related Wrongful Acts or acts shall be treated as a single claim and a single deductible shall apply to such claims.
- (iii) The deductible shown in Item 3 of the Schedule shall apply to any Loss for a Claim for which advancement or indemnification by the Pension Scheme is required or permissible under applicable trusts, indemnity laws or agreements or otherwise regardless of whether or not the Pension Scheme actually advance or indemnify the Insured for such Loss. The deductible shall be paid by the Pension Scheme. Where exoneration has been granted, the deductible shall not apply.
- (iv) The Insurer shall have no obligation to pay any Loss for a Claim within the amount of such deductible if applicable, provided that if the Pension Scheme fails or is unable to pay the amount of deductible then subject to all other terms and conditions of this Policy the Insurer shall pay such Loss and be subrogated to the Insured's rights of indemnity.
- (v) The deductible(s) shown in Item 3 of the Schedule shall not apply to Investigation Expenses.
- (vi) In the event a Claim triggers more than one of the deductible amounts shown in Item 3 of the Schedule then as to that Claim the highest of such deductible amounts shall be deemed the deductible amount applicable to such Claim.

(c) Claims and Investigations

- (i) The Authorised Insured shall give written notice to the Insurer of a Claim or Investigation as soon as practicable.

In the event of expiry of the Policy Period, notification must be given in any event no later than 60 days after the expiration of the Policy Period, or, in relation to a Claim first made against the Insured during the Discovery Period if applicable no later than expiry of the Discovery Period.

- (ii) The Insured shall give the Insurer such information and cooperation as it may reasonably require. Notice and all information can be sent in writing to the Insurer at
- 200 Broomielaw,
Glasgow G1 4RU
(E-mail: claims@ace-ina.com).
- (iii) The Insured shall not do anything to prejudice any of the Insurer's rights nor shall they admit liability for or settle any Claim or, except as provided by Extension 7(c) Emergency Costs (when covered), incur Defence Costs, Investigation Expenses, Mitigation Expenses, Prosecution Costs or Public Relations Expenses without the Insurer's prior written consent, which consent shall not be unreasonably withheld or delayed. The Insurer shall at all times have the right, but not the duty, to effectively associate in the defence or settlement of any Claim, the incurring of Investigation Expenses, or the taking of measures to prevent, limit or mitigate exposure to direct financial loss to an actual or potential Claim or Investigation to which this Policy may apply and to be given the opportunity to consult with the Insured in relation to any proposed action that the Insured may wish to take in relation to such Claim or Investigation.
- (iv) If there is a dispute between the Insured and the Insurer about whether to agree a proposed settlement or about whether a Claim should continue to be defended (taking into account whether the Claim is likely on the balance of probabilities to be successfully defended and such possibilities as may exist for settling the Claim), the Insurer may obtain an opinion from a Queen's Counsel or equivalent in a different jurisdiction to decide the issue. That decision shall be binding upon the Insurer and the Insured, who shall act accordingly in relation to the proposed settlement or in continuing or not continuing to defend the action as the case may be.
- (v) If during the Policy Period or Discovery Period, if applicable, an Insured becomes aware of any circumstances that may give rise to a Claim and during such period gives notice of the same as soon as practicable to the Insurer then any Claim later made against any Insured shall for the purposes of this Policy be treated as a Claim made during the Policy Period or Discovery Period if applicable. A notice of such a circumstance must describe as precisely as possible all facts and details including the reasons for anticipating a Claim, with full particulars as to dates and persons involved and an estimate of quantum as precisely as possible.
- (vi) If during the Policy Period, an Insured becomes aware of any circumstances that may give rise to an Investigation and during such period gives notice of the same as soon as practicable to the Insurer, then any Investigation later commenced against any Insured shall for the purposes of this Policy be treated as an Investigation during the Policy Period. A notice of such a circumstance must describe as precisely as possible all facts and details including the reasons for anticipating an Investigation, with full particulars as to dates and persons involved and an estimate of quantum as precisely as possible.
- (d) Advancement of Defence Costs and Prosecution Costs and Payment of Investigation Expenses, Mitigation Expenses and Public Relation Expenses**
- (i) The Insurer shall advance Defence Costs or Prosecution Costs on an ongoing basis prior to the final payment or settlement of any Claim; provided that:
- (a) such costs are incurred with the written consent of the Insurer, such consent not to be unreasonably withheld or delayed; and

- (b) such advance payments by the Insurer shall be repaid to the Insurer in the event that the Insured is not entitled to payment of such Loss or part of such Loss under the Policy (the Limit of Liability shown in Item 3 of the Schedule shall be reduced by such amount until repaid to the Insurer).
- (ii) The Insurer shall advance Defence Costs or Prosecution Costs which the Pension Scheme fails to advance or indemnify.
- (iii) In the event of an Investigation, the Insurer shall pay Investigation Expenses incurred from the time the Investigation is instigated on an ongoing basis provided that such Investigation Expenses are incurred with the written consent of the Insurer, such consent not to be unreasonably withheld or delayed.
- (iv) The Insurer will pay Mitigation Expenses or Public Relations Expenses on an ongoing basis provided that such Mitigation Expenses or Public Relations Expenses are incurred with the written consent of the Insurer, such consent not to be unreasonably withheld or delayed.

(e) Allocation of Loss

- (i) In the event of:
 - (a) a Claim or Investigation against an Insured which is not wholly covered by this Policy; and/or
 - (b) a Claim or Investigation against an Insured being also made against one or more persons or entities who are not Insureds;

the Insurer and the Insureds shall then use their best endeavours to determine a reasonable allocation of Loss that is covered under this Policy and loss that is not covered.
- (ii) In the event of a dispute as to allocation under sub-paragraph (i) above, the Insurer at its option or if requested by the Insured shall submit the dispute to binding arbitration before a panel consisting of one arbitrator selected by the Insured, one arbitrator selected by the Insurer, and a third independent arbitrator selected by the first two. Such arbitration shall be conducted under the Rules of the London Court of International Arbitration, the Rules of which are hereby deemed incorporated.

(f) Other Insurance

If an Insured is or would (but for the existence of this Policy) be entitled to cover under any other policy (save for insurance specifically arranged to apply in excess of this Policy) in respect of any Claim or Investigation, the Insurer shall not be liable for Loss other than in excess of any amount that is or would (but for the existence of this Policy) have been payable under any other such policy.

(g) Subrogation

In the event the Insured notifies any Claim or Investigation or any circumstance that may give rise to a Claim or Investigation, the Insurer shall become subrogated to any Insured's rights of recovery. The Insured shall cooperate with the Insurer in securing such rights and shall not do anything to prejudice the Insurer's ability to assert such rights.

The Insurer shall not exercise any rights of subrogation against an Insured unless it is established that such Insured has committed a deliberate criminal act or obtained profit or advantage to which such Insured was not legally entitled.

(h) Insured Authorisation

The Insured hereby agrees to act as the Authorised Insured and so act on his or her behalf other than in the event of cancellation or termination of this Policy where the prior

written agreement of all members of the Pension Board shall be required in order to effect such cancellation or termination.

(i) Non-assignment

No change in, modification of, or assignment of interest under this Policy shall be effective unless made by written endorsement to this Policy duly executed on behalf of the Insurer.

(j) Policy Interpretation

This Policy shall be governed by English Law. The Insurer and the Insured agree to submit to the exclusive jurisdiction of the English courts in relation to all disputes arising out of, relating to or connected with this Policy and/or its negotiation, validation or enforceability.

(k) Cancellation

This Policy shall be cancelled in respect of all Insureds at the earliest of the following times:-

- (i) immediately upon the Authorised Insured mailing to the Insurer written notice of cancellation; or
- (ii) seven days after the receipt by the Authorised Insured of a written notice of cancellation from the Insurer for non-payment of premium; or
- (iii) upon expiration of the Policy Period; or
- (iv) at such other times that may be agreed upon by the Authorised Insured and the Insurer.

If this Policy is cancelled by the Authorised Insured, the Insurer shall refund 90% of the premium which would have been applicable to the remaining period of cover under the Policy.

If this Policy is cancelled by the Insurer, the Insurer shall refund 100% of the premium which would have been applicable to the remaining period of cover under the Policy.

(l) Contracts (Rights of Third Parties) Act 1999

A person or company who is not a party to this Policy has no rights under the Contracts (Rights of Third Parties) Act 1999 in respect of this Policy.

(m) Sanctions Clause

The Insurer shall not be deemed to provide cover and the Insurer shall not be liable to pay any sum 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 or its parent to any sanction, prohibition or restriction implemented pursuant to resolutions of the United Nations or the trade and economic sanctions, laws or regulations of the European Union, United Kingdom, or United States of America.

5. **Discovery Period**

- (i) If the Authorised Insured refuses to renew the Policy, any Insured may upon payment of **insert amount agreed** extend the cover under this Policy for a period of 12 months from the date on which the Policy Period expires, for any Claim first made against the Insured during the Discovery Period, but only in respect of Wrongful Acts committed or alleged to have been committed prior to expiry of the Policy Period.
- (ii) If the Insurer refuses to renew this Policy the Insured may upon payment of the **insert amount agreed** extend the cover under this Policy for a period of 12 months from the date on which the Policy Period expires, for any Claim first made against the Insured during the Discovery Period, but only in respect of Wrongful Acts committed or alleged to have been committed prior to expiry of the Policy Period.
- (iii) The Insured's right to purchase the Discovery Period as set out above must be exercised by notice to the Insurer in writing within 30 days of expiration of the Policy Period and is only effective upon payment of the above sum.
- (iv) The Insurer's offer of renewal terms, conditions, limits of liability or premium different from those of the expiring policy shall not constitute a refusal to renew.
- (v) The Insurer shall not be liable to make any payment in respect of any Claim first made against such Insured during the Discovery Period if at any time any Insured obtains any other Pension Board Liability insurance policy covering the whole or any part of the Discovery Period.

6. Severability

This Policy is not avoidable or rescindable in whole or in part and the Insurer shall have no other remedy with respect to any non-disclosure or misrepresentation in connection with this Policy, except with respect to any fraudulent misrepresentation or fraudulent non-disclosure of any Insured, where the fraud is established by final adjudication.

UK SPSII Elite Pension Board Liability

7. Extensions

These extensions are subject to the terms and conditions of this Policy.

(a) Public Relations Expenses

The Insurer will pay Public Relation Expenses arising from a Claim or Investigation first made during the Policy Period, provided such costs are incurred with the prior written consent of the Insurer, which consent shall not be unreasonably withheld or delayed, up to a maximum amount of GBP 250,000 which shall apply in the aggregate for the Policy Period (such limit shall be part of and not in addition to the Limit of Liability shown in Item 2 of the Schedule).

(b) Civil Fines and Penalties

The Insurer will pay civil fines and penalties (to the extent that such civil fines and penalties are insurable under the proper law of this Policy) made against an Insured, either by the Pensions Ombudsman, the Pensions Regulator, the Pensions Regulator Tribunal, the Pensions Regulator Determinations Panel, the Pension Protection Fund or equivalent body or entity, the Information Commissioner, or any government body or agency, arising from any Claim first made or Investigation instigated in respect of an Insured during the Policy Period, provided that:

- (1) the premium for this extension is paid by the Insured or Administering Authority without recourse or reimbursement from the Pension Scheme or any of its assets; and
- (2) the Insurer shall not make any payment for fines, penalties or punitive damages imposed in connection with any criminal act for which an Insured has been or is to be prosecuted

Any payment under this extension shall be part of and not in addition to the aggregate limit of liability shown in Item 2 of the Schedule.

(c) Emergency Costs

If the Insurer's written consent cannot reasonably be obtained before Defence Costs, Investigation Expenses, Prosecution Costs, Mitigation Expenses, Public Relation Expenses or Bail Bond Costs are incurred with respect to any Claim or Investigation, the Insurer will give retrospective approval for such costs provided they would otherwise fall to be paid within the terms and conditions of this Policy wording of up to a maximum amount of 10% of the Limit of Liability which shall apply in the aggregate for the Policy Period (such limit shall be part of and not in addition to any sub-limits specified or the aggregate Limit of Liability shown in Item 2 of the Schedule). The Insured shall give written notice of any emergency costs incurred within 14 days.

(d) Extradition Proceedings

The Insurer will pay for Defence Costs, Bail Bond Costs and Public Relation Expenses in relation to Extradition Proceedings, provided such costs are incurred with the prior written consent of the Insurer, which consent shall not be unreasonably withheld or delayed.

(e) Loss of Documents

The Insurer will pay for all costs reasonably incurred in replacing or restoring Documents, which are during the Policy Period or Discovery Period if applicable discovered to have been lost, damaged or destroyed, provided that:

- (1) such loss, damage or destruction is sustained while the Documents are either in transit or in the custody of the Insured or of any person to whom the Insured has entrusted them;
- (2) such costs are incurred with the consent of the Insurer, which consent shall not be unreasonably withheld or delayed, up to a maximum amount of GBP 100,000

which shall apply in the aggregate for the Policy Period (such limit shall be part of and not in addition to the aggregate Limit of Liability shown in Item 2 of the Schedule); and

- (3) 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 extension excludes any loss, damage or destruction arising out of wear or tear, gradual deterioration, moth or vermin, and in respect of Documents comprising computer records excludes any loss, damage or destruction unless there is physical loss, damage or destruction of the media on which the records were stored.

(f) Prosecution Costs

The Insurer will pay Prosecution Costs arising from a Claim or Investigation first made during the Policy Period, provided such costs are incurred with the prior written consent of the Insurer, which consent shall not be unreasonably withheld or delayed, up to a maximum amount of GBP 250,000 which shall apply in the aggregate for the Policy Period (such limit shall be part of and not in addition to the aggregate Limit of Liability shown in Item 2 of the Schedule).

(g) Third Party Service Provider Pursuit

The Insurer will pay all reasonable fees, costs and expenses incurred by the Insured in the pursuit of legal proceedings against a Third Party Service Provider for the purpose of establishing a breach of professional duty of care, provided that:

- (1) the Insured is first aware of the circumstances [indicating a breach of professional duty of care by the Third Party Service Provider](#) during the Policy Period, or Discovery Period if applicable, and as soon as practicable thereafter gives written notice to the Insurer and demonstrates to the Insurer that they have reasonable grounds to pursue the proceedings;
- (2) such costs are incurred with the consent of the Insurer, which consent shall not be unreasonably withheld or delayed, up to a maximum amount of GBP 100,000 which shall apply in the aggregate for the Policy Period (such limit shall be part of and not in addition to the aggregate Limit of Liability shown in Item 2 of the Schedule); and
- (3) 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.

In the event of any dispute as to whether the Insured has reasonable grounds to pursue proceedings or whether the Insurer has unreasonably withheld consent to incur costs, the dispute shall be referred to a Queen's Counsel agreed by the Insured and Insurer.

Data Protection

ACE European Group Limited and its group companies ('ACE') will use the information supplied during the formation and performance of this Policy for policy administration, customer services, the payment of claims and the production of management information for business analysis. We will keep this information for a reasonable period.

Where sensitive personal data has been disclosed, including any medical or criminal record information, ACE will also use this information for these purposes. ACE are entitled to ask about criminal convictions in relation to insurance risks. There is no obligation to provide ACE with details of any convictions which are spent under the terms of the Rehabilitation of Offenders Act 1974. ACE may also transfer certain information to countries that do not provide the same level of data protection as the UK for the above purposes. A contract will be in place to ensure the information transferred is protected.

ACE may record telephone calls for quality control, fraud prevention and staff training purposes.

When personal or sensitive data is supplied to ACE about third parties other than the Insured, both during the formation and performance of this policy, ACE assumes that those third parties consent to the supply of this information to ACE, to ACE processing this data, including sensitive personal data, and to the transfer of their information abroad. ACE will also assume that the supplier of the information is authorised to receive, on their behalf, any data protection notices.

ACE may share personal and sensitive personal information with the following organisations for the purposes described above: our connected companies, service providers, agents and subcontractors including loss adjusters and claims investigators; our reinsurers who use this information to assess the terms of specific policies and to administer our insurance policies generally; other insurance companies about other insurance policies you may have; the police, other insurance companies, fraud reference agencies and other representative bodies in relation to the prevention and detection of fraudulent claims or as part of our money laundering checks.

We work with the police, other insurance companies, fraud reference and detection agencies and other representative bodies to prevent and detect fraudulent or exaggerated claims. As part of this we will share information about your claims with providers of software designed to assist in the detection of fraudulent claims. We may also use commercially available databases to prevent money laundering.

Other companies may contact these bodies for information to help them make decisions about insurance or similar services they provide to you.

Individuals whose information has been supplied to ACE are entitled to a copy of that information on payment of a fee and to have any inaccuracies corrected. Such information is available by contacting the Data Protection Officer at 100, Leadenhall Street, London EC3A 3BP.

We do not use personal information for marketing purposes, nor do we share it with any other company for marketing purposes, unless consent to do so has been received in writing from you.

Complaints Procedure

We are dedicated to providing you with a high quality service, and want to maintain this at all times. If you feel that we have not offered you a first class service or you wish to make an enquiry regarding this insurance, please contact the intermediary who arranged this insurance for you or the manager of the branch of the company which issued your policy.

If you are still not satisfied, you may write to our Chief Executive of the company at ACE's head office – the address is shown on your policy.

ACE European Group Limited is a member of the Financial Ombudsman Service (FOS) and you may be able to approach them for assistance if you remain dissatisfied with our response. A leaflet explaining its procedure is available on request.

The FOS's contact details are FOS, South Quay, 183 Marsh Wall, London, E14 9SR, Phone: 0845 080 1800

e-mail: enquiries@financial-ombudsman.org.uk



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