



Entertainment Film Production Insurance Policy



Introduction

This is Your Film Production policy, setting out Your insurance protection in detail.

Your premium has been based upon the information shown in The Schedule and recorded in the written application You have signed and/or declaration You have made. Please read it carefully to make sure that it meets Your requirements and that the details on The Schedule are correct.

If after reading Your policy You have any questions please contact your insurance adviser.

Use of Language

Unless otherwise agreed, the contractual terms and conditions and other information relating to this contract will be in English.

Customers with Disabilities

This policy is also available in large print, audio and Braille. If you require any of these formats, in the first instance, please contact Your insurance adviser

GREAT LAKES REINSURANCE (UK) PLC (“GREAT LAKES”)

The insurance policy

This policy is a legal contract and you must tell us of any facts or changes which may affect your insurance and which have occurred since the policy started or since it was last renewed. If you do not tell us about relevant changes, your policy may not be valid. If in doubt, please ask your adviser.

In return for payment of the premium shown in the schedule, we agree to insure you, subject to the terms and conditions contained in or endorsed on your policy, against any loss, liability, destruction, damage, accident or injury or damage you sustain or legal liability you incur for accidents happening during the period shown in the schedule.

When drawing up the policy, we have relied on the information and statements that you have provided in the proposal form (or declaration) on the date shown in the schedule.

Complaints Procedure

Your complaint

As a valued customer of Great Lakes, you are right to expect fairness and to be treated in a courteous manner at all times. However, even in the best organisations, mistakes can occasionally happen or expectations may not always be met. We encourage our customers to take the trouble to tell us about their concerns so that we can try to put things right and make sure they never happen again. We endeavour always to treat our customers fairly by:

- Dealing fairly and promptly with all complaints;
- Trying to resolve complaints straight away, where possible;
- Responding to you in writing once our investigations are complete;
- Keeping you informed of the progress of the investigation.

Definition of a complaint

Any oral or written expression of dissatisfaction, whether justified or not, from, or on behalf of, a about the provision of, or failure to provide, a financial service, which:

- (a) alleges that the complainant has suffered (or may suffer) financial loss, material distress or material inconvenience; and
- (b) relates to an activity of Great Lakes, or of any agent with whom Great Lakes has some connection in marketing or providing financial services or products, which comes under the jurisdiction of the.

What will happen if you complain

Step 1.

An acknowledgement that a complaint has been received will be issued promptly, generally within five business days of receipt advising what steps are to be taken to review the complaint. If the complaint has been made verbally the acknowledgement letter will set out our understanding of the complaint and request the complainant to confirm its accuracy, or otherwise.

Step 2.

We will carry out an investigation into your complaint and will aim to resolve the complaint as soon as we can but in any event you will be updated regularly as to the progress of our investigation. We will indicate the likely timescale when further contact is to be made.

Step 3.

Within eight weeks of receiving the complaint, we will either send a final response or an explanation as to why Great Lakes is still unable to complete its investigation and indicate when we expect to be able to provide a final response. The letter will also inform you that you may have the right to refer your complaint to the Financial Ombudsman Service if you are dissatisfied with the outcome.

Step 4.

If you are still dissatisfied with the response received, you may have the right to refer your complaint to the Financial Ombudsman Service (FOS). They are an independent complaints authority and they will review your complaint and the manner in which it has been handled for you. Any such referral must be made within 6 months of the date of receiving your final response from us. You can contact the FOS at any time by telephone, email or letter. Please ensure, however, that you quote your name, address and policy number to enable them to locate your file and respond.

Contact points:

The Compliance Officer
Great Lakes Reinsurance (UK) plc
Plantation Place
30 Fenchurch Street
London EC3M 3AJ
Tel: 020 3003 7000

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London E14 9SR
Tel: 0845 080 1800

How to make a claim

It is a condition precedent to the liability of the Underwriters that in the event of any happening or circumstances which could give rise to a claim under this Policy that the Assured shall:-

Prove the loss to the satisfaction of the Underwriters

Immediately notify Townergate Underwriting Entertainment, 77 Leadenhall Street, London, EC3A 3DE (Telephone No. 0870-909-2575, Facsimile No. 0870-909-2576) but not later than seven days after the date of loss for any claim in respect of riot, civil commotions, strikers, locked out workers and 30 days for any other loss.

Promptly report claims for theft or malicious damage to the Police and a crime reference or written confirmation of the report obtained within seven days, provide all help and assistance and co-operation required by the Underwriters in connection with any claim.

At their own expense produce and furnish to the Underwriters such books of accounts and other documents, proofs, information, explanation and other evidence as may reasonably be required by the Underwriters for the purpose of investigating or verifying the claim together with if required a statutory declaration of the claim and of any matter connected therewith.

Underwriters agree that a payment on account may be made immediately to the Assured subject to the Underwriter being entirely satisfied that:-

The incident giving rise to the claim is covered by the Policy and the total payment due will be in excess of such payment on account.



Contents – a guide to Your policy

This policy booklet consists of individual Sections. It should be read in conjunction with The Schedule which indicates both the Sections You are insured under and gives precise details of the extent of Your insurance protection.

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All Risks Equipment Insurance


1. All Risks Equipment Insurance

THE UNDERWRITERS HEREBY AGREE to indemnify the Assured against accidental loss, destruction or damage to Property Insured as detailed in the Schedule from whatever cause arising, except as hereinafter specified, and subject to the terms and conditions contained hereinafter, within the stated Territorial Limits, and not exceeding the Total Sum Insured specified in the Schedule.

EXCLUSIONS

The Underwriters shall not be liable for

1. the first amount shown in the Schedule in respect of each and every occurrence of accidental loss, destruction or damage as otherwise payable under this Section
2. loss, destruction or damage arising from
 - a) wear, tear, gradual deterioration, moth, vermin, atmospheric or climatic condition or any gradually operating cause
 - b) property undergoing any process or cleaning, repair or restoration
 - c) mechanical or electrical breakdown unless accompanied by other damage insured by this Policy
 - d) faulty manipulation
 - e) delay, confiscation or detention by customs or government officials
 - f) abandonment
3. Erasure or any loss of magnetism of tapes
4. theft losses from unlocked unattended vehicles
5. disappearance unexplained or inventory, shortage, misfiling or misplacing of information
6. consequential loss of any kind or description except Loss of Hiring Charges for which the Assured is legally responsible as cover under Clause 1 hereon
7. acts of fraud or dishonesty

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8. jewellery, precious stones, precious metals, bullion, furs, curiosities, rare books or works of art
 9. motor vehicles, trailers, watercraft, hovercraft or aircraft

but this shall not exclude such damage if resulting from a cause which is not otherwise excluded or subsequent damage if resulting from an ensuing cause which is not otherwise excluded.

DEFINITIONS

Cameras, Lighting, Sound:

Cameras, Lighting, Sound Recording, PA, Editing, Audio, Film, Photographic, Video or Broadcast Equipment and Accessories hired to or owned by the Assured or for which they are responsible.

Props, Sets, Wardrobe:

Props, Sets, Wardrobe and all other for associated and ancillary property hired to or owned by the Assured or which they are responsible not otherwise excluded.

BASIS OF SETTLEMENT

Following loss destruction or damage the Underwriters will pay the cost of reinstating the property equal to its condition when new provided that –

1. the replacement property is substantially the same as but not better than the original property when new
2. the Assured incurs the cost of replacement

CONDITIONS

1. Unaccompanied Transit

Warranted that all Cameras, Lighting, Sound Equipment be professionally packed whilst in unaccompanied transit.

2. Protection Maintenance

The Assured shall take all reasonable precautions to safeguard the property maintaining in good order throughout the currency of this insurance the whole of the protections provided for the safety of the said property.

Such protections be in use at all times when the property is left unattended and not be withdrawn or varied to the detriment of the interests of the Underwriters without their consent.

3. Average

If at the time of accidental loss, destruction or damage the Sum Insured on property is less than the value of such property covered then the Assured shall be considered as being his own Insurer for the difference and shall bear a rateable share of the loss accordingly.

4. Hired Equipment

All Equipment hired by the Assured shall be inspected prior to acceptance and subsequently returned to authorised officials of the hiring company.

5. Premium Adjustments

The premium paid at the commencement of each annual Period of Insurance in respect of Item 1 of this Section of the Policy is provisional being based on the estimated Annual Hiring Charges shown in the Schedule. Such premium will be adjusted on actual costs subject to the retention of any Minimum Premium specified which shall be provided within 30 days from the expiry of termination of this Policy.

CLAUSES

1. Loss of Hiring Charges

The insurance provided by Item 4 of this Section of the Policy indemnifies the Assured in respect of loss of hiring charges for which the Assured is responsible under Conditions of Hire arising directly from accidental loss destruction or damage to property otherwise insured by this Policy.

provided that

Underwriters shall not be liable for hiring charges arising more than 13 weeks from the date of accidental loss destruction or damage to which they relate.

2. Hiring Costs

The Insurance provided by Items 1 and 2 of this section of the Policy indemnifies the Assured in respect of additional costs necessarily incurred in hiring alternative Equipment arising directly from accidental loss destruction or damage to such Property up to 15% of the respective Sum Insured subject to a limit of £20,000.00 any one claim.



All Risks Negative and Videotape Insurance

2. All Risks Negative and Videotape Insurance

THE UNDERWRITERS HEREBY AGREE to indemnify the Assured against loss, destruction or damage to Property Insured as detailed in the Schedule from whatsoever cause arising, except as hereinafter specified and subject to the terms and conditions contained hereinafter whilst such property is used or to be used in connection with the Production and within the stated Territorial Limits and not exceeding the Total Sum Insured specified in the Schedule.

EXCLUSIONS

The Underwriters shall not be liable for

1. loss, destruction or damage arising from
 - a) errors of judgement in exposure, lighting or sound recording or from the use of incorrect type of camera lens, raw film or tape stock
 - b) wear, tear, gradual deterioration, moth, vermin, atmospheric or climatic condition or any gradually operating cause
 - c) property undergoing any process or cleaning, repair or restoration
 - d) delay, confiscation or detention by customs or government officials
 - e) abandonment
2. loss, destruction or damage arising from faulty raw stock, cameras, lenses and equipment whilst filming outside the United Kingdom or Republic of Ireland and unless proven that such stock, cameras, lenses and equipment had been tested prior to use and found to be satisfactory for the intended purpose.
3. loss, destruction or damage arising from the use of high speed cameras or stop frame techniques unless proven that raw stock, cameras, lenses and associated equipment had been tested prior to use and found to be satisfactory for the intended purpose.
4. consequential loss of any kind or description
5. the excess as stated in the Schedule.

DEFINITIONS

Film Negatives:

Raw film or tape stock, exposed film, videotape, matrices, lavenders, positive, interpositives, working prints, cutting copies, fine grain prints, colour transparencies, cells, artwork and drawings, software and related materials used to generate computer images, soundtracks and tapes or any other form of photographic project being the property of the Assured or for which they are responsible.

High Speed Camera:

A Camera capable of filming at speed of 75 frames per second or in excess thereof.

BASIS OF SETTLEMENT

following loss destruction or damage the Underwriters will pay either

1. any extra expenditure incurred by the Assured in completing the Production over and above the production cost which but for the happening of the insured loss, destruction or damage would have been incurred in completing the Production

or

2. the actual expenditure incurred by the Assured in the Production as have been rendered entirely valueless solely and directly by reason of the happening of the insured loss, destruction or damage which reasonably practically and necessarily prevent completion of the Production.

CONDITIONS

1. Premium Adjustment

The premium paid at the commencement of each annual Period of Insurance in respect of this Section of the Policy is provisional being based on the estimated Annual Production Costs shown in the Schedule. Such premium will be adjusted on actual costs (subject to retention of any Minimum Premium specified) which shall be provided within 30 days from the expiry or termination of this Policy.

2. Average

If at the time of loss, destruction or damage the Sum Insured on property is less than the value of such property covered then the Assured shall be considered as being their own insurer for the difference and shall bear a rateable share of the loss accordingly.

3. High Speed Cameras or Stop Frame Techniques

Any claim arising under this Section of the Policy from the usage of Motion Control Rigs will be subject to the assured obtaining a letter from the owners of the same prior to the commencement of usage that such equipment is in satisfactory working condition and capable of performing as required.

CLAUSES

1. Increased Costs

The insurance on property under this Section of the Policy extends to cover reasonable unforeseen increases in estimated Production costs provided that

- a) this cover will not exceed 30% of the Sum Insured stated in the Schedule
- b) the Assured undertakes to give particulars of such increased costs and will pay the appropriate additional premium

2. Advertising Agents or Commissioning Agents Costs.

The insurance under this Section of the Policy is automatically extended in the event of a reshoot to indemnify Advertising Agents or Commissioning Agents for additional costs (including artistes fees) incurred which form part of the Assured's Production cost.



3. Profit

The Basis of Settlement as defined under this Section of the Policy is extended to include the Assured's Profit on any Production 25% of the Production Costs.

4 Talent Costs

The Insurance under this Section of the Policy is extended to include additional costs in respect of talent (including but not limited to artistes, extras, doubles and stand-ins) where the Assured is contractually liable. Underwriters will not be liable for such additional costs arising out of on-going commitments caused by contractual stop dates incorporated into artistes agreements or contracts unless prior agreement has been given.



Commercial Producers Indemnity Insurance

3. Commercial Producers Indemnity Insurance

THE UNDERWRITERS HEREBY AGREE to indemnify the Assured solely and directly in consequence of the interruption, postponement, cancellation or abandonment of the Production within the stated Territorial Limits specified in the Schedule

The maximum liability of the underwriters shall not exceed the Limit of Liability stated in the schedule.

EXCLUSIONS

The Underwriters shall not be liable for

1. the excess stated in the Schedule
2. interruption, postponement, cancellation or abandonment of the Production due to weather conditions other than a loss due to such conditions in preventing or delaying any person or property necessary for the Production from arriving or departing from the Production location
3. the failure of any special film effect, act, feat or performance undertaken for the Production to fulfil its intended function or to create the desired effect
4. the quality or contents of the Production not being acceptable to the Assured
5. the costs of reinstatement, replacement or repair of any material property of any kind or loss of or damage to exposed and/or unexposed film negatives, prints, sound tapes or videotapes
6. the failure of any person to appear as arranged
 - a) directly or indirectly caused by or contributed to by mumps, chicken pox, measles, german measles, whooping cough, scarlet fever, tonsillitis or diphtheria if such person is aged between 6 and 14 years
 - b) due to, caused by or consequent upon any infection, illness, disease or condition known to or which was manifest to the person at the commencement of the Production
 - c) due to, caused by or consequent upon any pre-existing infection, illness, disease or condition.
 - d) due to any condition not common to both sexes.
7. any loss directly or indirectly caused by or consequent upon the employment or involvement in the Production

- of
- a) animals
 - b) any person who at the commencement of the Production is under 6 years or more than 65 years of age
8. any loss directly or indirectly caused by or consequent upon the death or disablement of any Principal person whilst
- a) flying other than as a passenger on a scheduled flight
 - b) undertaking any hazardous act feat or performance for the Production
9. variations in the rate of exchange or the stability of any currency
10. interruption, postponement, cancellation or abandonment of the Production due to any cause within the control of the Assured.
11. any loss directly or indirectly caused by or consequent upon infectious animal diseases.

DEFINITIONS

1. Loss shall mean
- a) any expenditure necessarily incurred in completing the Production over and above the expenditure which would have been incurred but for the happening of the insured cause
 - b) such expenditure incurred in the Production as shall be rendered as entirely abortive and valueless directly by reason of the happening of the insured cause
2. Commencement in connection with the Production shall mean the first day on which liability for expenditure is irrevocably incurred
3. Principal persons shall mean any recording artiste, film star, director, leading camera-man or recording effects man or any other persons employed by the Assured on whom the Production substantially depends
4. Excess shall mean the total amount payable by the Assured which shall first be deducted from the finally adjusted claims before remaining amount is borne by the Underwriters

CONDITIONS

1. Premium Adjustment

The premium paid at the commencement of each annual Period of Insurance in respect of this Section of the Policy is provisional being based on the estimated Annual Production Costs shown in the schedule. Such premium will be adjusted on actual costs (subject to the retention of any minimum premium specified) which shall be provided within 30 days from the expiry or termination of this Policy.

CLAUSES

1. Increased Costs

The Insurance under this Section of the Policy extends to cover reasonable unforeseen increases in Estimated Production Costs provided that

- a) this cover will not exceed 30% of the limit of liability stated in the Schedule
- b) the Assured undertakes to give particulars of such increased costs and will pay the appropriate additional premium

2. Productions

The insurance under this Section of the Policy extends to cover Productions commenced during each annual Period of Insurance up to a maximum period of 6 months from the expiry or termination of this Policy.

3. Advertising Agents or Commissioning Agents Costs.

The insurance under this Section of the Policy is automatically extended in the event of a reshoot to indemnify Advertising Agents or Commissioning Agents for reasonable additional costs (including artistes fees) incurred which form part of the Assured's Production cost.

4. Profit Definition Ia and Ib under this Section of the Policy is extended to include the Assured's profit on any Production up to 25% of the Production Costs.

- 5 Talent Costs

The Insurance under this Section of the Policy is extended to include additional costs in respect of talent (including but not limited to artistes, extras, doubles and stand-ins) where the Assured is contractually liable. Underwriters will not be liable for such additional costs arising out of on-going commitments caused by contractual stop dates incorporated into artistes agreements or contracts unless prior agreement has been given.



Money Insurance

4. Money Insurance

THE UNDERWRITERS HEREBY AGREE to indemnify the assured against loss destruction or damage to Money from whatsoever cause arising, except as hereinafter specified, and subject to the terms and conditions contained hereinafter, within the Territorial Limits and not exceeding the Limit of Liability stated in the Schedule.

EXCLUSIONS

The Underwriters shall not be liable for

1. the first amount shown in the Schedule in respect of each and every occurrence of loss destruction or damage as otherwise payable under this Section.
2. shortages due to error or omission or mysterious disappearance
3. loss destruction or damage from the dishonesty of any employee
 - a) unless such loss destruction or damage is discovered within seven working days of its occurrence and reported to insurers via Towergate Underwriting Entertainment.
 - b) insured under a Fidelity Guarantee Policy except in respect of any excess beyond the amount which would have been payable under such Policy had this insurance not been effected.
4. loss destruction or damage resulting from a safe or strongroom being opened by the use of key or combination code through the key or combination being left on the Assured's premises whilst closed for business purposes.

DEFINITIONS

money means Cash Bank and Currency Notes Cheques and Girocheques (other than blank or partly completed Cheques or Girocheques) Travellers Cheques Bankers Drafts and Giro Drafts Postal Orders Money Orders National Savings Polycys and Premium Bonds Current Postage and Revenue Stamps Trading Stamps National Insurance Stamps National Savings and Holiday with pay Stamps Gift Tokens Luncheon Vouchers Credit Cards Sales Vouchers Debit Card Sales Vouchers Consumer Redemption Vouchers and VAT Purchase Invoices all belonging to the Assured or for which they are responsible.

BASIS OF SETTLEMENT

Following loss destruction or damage the Underwriters will indemnify the Assured by paying the amount of such loss destruction or damage.

CONDITIONS

1. Safes Strongrooms Containers or Waistcoats

The Insurance provided by this Section of the Policy will indemnify the Assured for the cost or repair or replacement for which they are responsible following loss destruction or damage as a result of theft or attempted theft of Money.



Liability Insurance

5. Liability Insurance

THE UNDERWRITERS HEREBY AGREE to indemnify the Assured in the terms of this Policy and subject to the Limits of Liability against all sums which the Assured shall become legally liable to pay as damages

Section 5A. Employers Liability

in respect of Bodily Injury sustained by any Employee caused during the Period of Insurance within the Territorial Limits and arising out of and in the course of employment by the Assured in the Business

Section 5B. Public and Products Liability

in respect of accidental

- A. Bodily Injury occurring
- B. Damage to material property occurring
- C. Trespass Nuisance or Obstruction occurring
- D. Personal and Advertising Injury offences committed


during the Period of Insurance within the Territorial Limits and arising in connection with the Business.

The Underwriters will also pay Costs and Expenses in respect of any occurrence to which this Policy applies.

Definitions

1. **Advertisement** shall mean a notice which is broadcast or published to the general public or specific market segments about the Assured's Products or services for the purpose of attracting customers or supporters.
2. **Bodily Injury** shall mean bodily injury to any person and shall include
 - 2.1 Death, illness, disease, mental injury, anguish or nervous shock
3. **Business** shall mean the Business described in the Schedule and shall include
 - 3.1 in connection with such Business

- a) the sale or supply of food and/or drink to Employees or others
 - b) the provision of fire first aid security and ambulance services by the Assured and maintenance of the Assured's premises
- 3.2 the provision by the Assured of sports social and welfare organisations primarily for employees
- 3.3 private work undertaken by any Employee for any director, partner or employee of the Assured.
4. **Costs and Expenses** shall mean
- 4.1 costs and expenses recoverable by any claimant from the Assured
 - 4.2 costs and expenses incurred with the written consent of the Underwriters
 - the solicitor's fees for representation at any coroner's inquest or fatal accident inquiry or in any court of summary jurisdiction
 - 4.3 compensation to the Assured at the following rates per day for each day on which any of the following persons attend court as a witness at the request of the Underwriters
 - a) any director or partner of the Assured
GBP250
 - b) any Employee
GBP100
5. **Damage** shall include loss.
6. **Employee** shall mean any person under a contract of service or apprenticeship with the Assured. Employee shall also include the following while working for the Assured in connection with the Business, in which case they will be considered to be employed by the Assured.
- 6.1 any person under a contract of service or apprenticeship with some other employer and who is hired to or borrowed by the Assured
 - 6.2 any labour master and any person supplied by him
 - 6.3 any person engaged as a labour-only sub-contractor and any person supplied by him
 - 6.4 any self-employed person performing work of a kind ordinarily performed under a contract of service or apprenticeship with the Assured
 - 6.5 any person supplied to the Assured under a contract or agreement the terms of which deem such person to be in the employment of the Assured for the duration of such contract or agreement
 - 6.6 any work experience student or trainee
7. **Assured** shall mean the party or parties described as such in the Schedule.
8. **Limit of Liability** shall mean
- 8.1 under Section 5a of this Policy the maximum amount as stated in the Schedule which the Underwriters shall be liable to pay as damages and Costs and Expenses in respect of any one claim against the Assured or series of claims against the Assured arising out of any one occurrence and for the purpose of such Limit of Liability the Assured shall be deemed to include all parties entitled to indemnity under this Policy regardless of whether such parties are designated as the Assured
 - 8.2 under Section 5b of this Policy the maximum amount as stated in the Schedule which the Underwriters shall be liable to pay as damages as a result of any one occurrence or of any series of occurrences arising directly or indirectly from one source or original cause.
- For the purpose of this Definition, occurrence or occurrences shall also mean offence or offences
- Provided always that the liability of the Underwriters
- a) for all damages payable in respect of all Bodily Injury and Damage occurring during any one Period of Insurance and caused by Products shall not exceed the Limit of Liability for Section 5b stated in the Schedule

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- b) for all damages payable in respect of all Personal and Advertising Injury offences committed during any one Period of Insurance shall not exceed the Limit of Liability for Section 5b stated in the Schedule
9. **Period of Insurance** shall mean the period stated in the Schedule or any subsequent period for which the Assured shall have paid and the Underwriters shall have accepted a renewal premium.
10. **Personal and Advertising Injury** shall mean injury other than Bodily Injury occurring as a direct result of any of the following offences
- 10.1 false arrest, detention or imprisonment or malicious prosecution
 - 10.2 wrongful entry or eviction which interferes with the right of private occupancy
 - 10.3 oral or written publication of material in any Assured's Advertisement which constitutes slander or libel or disparages goods, products or services
 - 10.4 oral or written publication of material which violates the right of privacy of a person
 - 10.5 misappropriation of advertising ideas in any Assured's Advertisement
 - 10.6 infringement of copyright, Trade Dress or slogan in any Assured's Advertisement.

In the event of a series of the same or similar Personal and Advertising Injury offences being committed over a period of time

- a) all offences of such series shall be treated as though they were committed on the date of the first such offence
 - b) no indemnity shall be provided hereunder in respect of any offences of a series which commenced prior to the inception date of this Policy
 - c) no indemnity shall be provided hereunder in respect of any offences committed after the expiry of the Period of Insurance
11. **Products** shall mean anything sold, supplied, altered, constructed, repaired, serviced, designed, tested, installed or processed by or on behalf of the Assured including containers, packaging or labelling and which is not in the possession of the Assured at the time of the occurrence.
12. **Territorial Limits** shall mean anywhere within Great Britain Northern Ireland the Isle of Man or the Channel Islands.
- Elsewhere in the world the indemnity granted by
- 12.1 Section 5a of the Policy is extended to apply in respect of any Employee whilst temporarily outside the Territorial Limits stated above, provided that such Employee normally resides within the Territorial Limits stated above
 - 12.2 Section 5b of this Policy is extended to apply in respect of the activities (excluding manual work outside the member countries of the European Union) in the course of the Business of the directors, partners and/or Employees of the Assured temporarily engaged outside the Territorial Limits stated above
 - 12.3 Section 5b of this Policy shall apply to occurrences anywhere in the world caused by Products supplied from or worked upon in the Territorial Limits stated above.
13. **Trade Dress** shall mean any right enforceable at law to the extent that it relates to the overall visual appearance of a business and its products and/or services and the manner in which they are packaged and/or presented.
14. **Trespass Nuisance or Obstruction** shall mean trespass nuisance or obstruction or interference with any easement right of air light water or way.

Extensions

Indemnity to Principals and Others

- 1. The Underwriters will also indemnify in the terms of this Policy

- 1.1 in the event of the death of the Assured his/her legal personal representative in respect of liability incurred by the Assured
 - 1.2 any principal with whom the Assured has entered into an agreement to the extent required by such agreement but only in respect of liability for which the Assured would have been entitled to indemnity under this Policy if the claim had been made against the Assured
- and at the request of the Assured
- 1.3 any officer or member of the Assured's catering sports social and welfare organisations and fire first-aid or ambulance services
 - 1.4 any director partner or employee of the Assured in respect of liability for which the Assured would have been entitled to indemnity under this Policy if the claim had been made against the Assured
 - 1.5 any director partner or employee of the Assured in respect of liability for private work undertaken by Employees with the consent of the Assured.

Provided that

- a) Such person(s) shall not be entitled to indemnity under any other policy
- b) Such principal/person(s) shall as though he/they were the Assured be subject to the terms of this Policy in so far as they can apply
- c) the Limit of Liability shall not be increased hereby.

Cross Liabilities Clause

- 2. Where more than one party comprises the Assured any claim by one Assured against any other Assured shall be treated as though the party so claiming is not an insured party provided that the Limit of Liability shall not be deemed to be increased hereby.

This Extension shall not apply in respect of Personal and Advertising Injury.

Damage to Leased or Rented Premises

- 3. Exclusion 4.2 of Section 5b of this Policy shall not apply to premises (including fixtures and fittings) leased or rented to the Assured.

Provided that this Extension shall not apply in respect of

- a) liability assumed under any contract or agreement unless such liability would have attached in the absence of such contract or agreement
- b) Damage to any such premises which is insured under any property or fire insurance policy arranged by the Assured or under which the Assured is entitled to indemnity in respect of such Damage.

Data Protection Act

- 4. Personal and Advertising Injury shall also mean damage or distress occurring as a result of an offence under Section 13 of the Data Protection Act 1998 committed during the Period of Insurance within the Territorial Limits and arising in connection with the Business.

Provided that this Extension shall not apply to liability

- a) in respect of the costs and expenses of rectifying or erasing Data or Personal Data
- b) arising from fraud or dishonesty
- c) arising from any agreement to store process or supply Data or Personal Data for a fee or by reciprocal arrangement.

"Data" and "Personal Data" shall have the meanings defined in the Data Protection Act 1998.

Defective Premises Act

- 5. The Underwriters will indemnify the Assured in the terms of Section 5b of this Policy against legal liability incurred by the Assured by virtue of Section 3 of the Defective Premises Act 1972 or Section 5 of the Defective



Premises (Northern Ireland) Order 1975 in connection with premises which have been disposed of by the Assured.

Provided that this Extension shall not apply in respect of the cost of remedying any defect (or alleged defect) in such premises.

Legal Defence Costs

6. The Underwriters will indemnify the Assured or, at the request of the Assured, any Employee director or partner of the Assured, against legal costs and expenses incurred with the prior approval of the Underwriters in the defence of any criminal proceedings brought for a breach of

Health and Safety at Work Act

- 6.1 the Health and Safety at Work etc. Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978, or

Consumer Protection Act, Part II

- 6.2 Part II of the Consumer Protection Act 1987

committed during the Period of Insurance in the course of the Business, including legal costs and expenses incurred with the prior approval of the Underwriters in an appeal against conviction arising from such proceedings.

Provided that this Extension shall not apply to

- a) fines or penalties imposed by any court
- or
- b) proceedings consequent upon any deliberate act or omission.

Motor Contingent Liability

7. Exclusions 9.2 and 13 shall not apply in respect of legal liability of the Assured named in the Schedule arising from the use in connection with the Business of any motor vehicle not the property of nor provided by the Assured.

Provided that this Extension shall not apply in respect of

- a) loss of or damage to any such vehicle or its contents
- b) liability arising while such vehicle is being
 - i) driven by the Assured
 - ii) driven with the general consent of the Assured or of the representative of the Assured by any person who to the knowledge of the Assured or of such representative does not hold a valid licence to drive such vehicle unless such person has held and is not disqualified from holding or obtaining such a licence
 - iii) used elsewhere than within the member countries of the European Union.

Personal Liability Overseas

8. The Underwriters will indemnify in the terms of Section 5b of this Policy the Assured and at the request of the Assured any director partner or Employee of the Assured or spouse of any such person against legal liability for damages in respect of Bodily Injury or Damage to material property arising from personal activities while temporarily outside the Territorial Limits in connection with the Business.

Provided that this Extension shall not apply in respect of

- a) liability arising from the ownership or occupation of any land or building
- b) liability insured by any other policy of insurance

and that any such director partner Employee or spouse shall as though he/they were the Assured be subject to the terms of this Policy in so far as they can apply.

Vendors Indemnity

9. At the request of the Assured the Underwriters will indemnify in the terms of Section 5b of this Policy any person or organisation (herein referred to as "vendor") but only with respect to Bodily Injury or Damage to material property arising out of the Assured's Products distributed or sold in the regular course of the vendor's business.

Provided that

- a) this Extension shall not apply in respect of liability arising from
 - i) any express warranty unauthorised by the Assured
 - ii) any physical or chemical change in the form of the Product made intentionally by the vendor
 - iii) repacking unless unpacked solely for the purpose of inspection demonstration testing or the substitution of parts under instruction from the Assured and then repacked in the original container
 - iv) demonstration installation servicing or repair operations except demonstration performed at the vendor's premises in connection with the sale of the Product
 - v) Products which after distribution or sale by the Assured have been labelled or re-labelled or used as a container part or ingredient of any other thing or substance by or for the vendor
- b) this Extension shall not apply to any person or organisation from whom the Assured has acquired such Products or any ingredient part or container entering into acunderwritersing or containing such Products
- c) such vendor shall as though he/they were the Assured be subject to the terms of this Policy in so far as they can apply
- d) the Limit of Liability shall not be increased hereby

Unsatisfied Court Judgements

10. In the event of a judgment for damages being obtained

- 10.1 by any Employee or the personal representatives of any Employee in respect of Bodily Injury to the Employee caused during the Period of Insurance and arising out of and in the course of employment by the Assured in the Business against any underwriters or individual operating from premises within Great Britain, Northern Ireland, the Channel Islands or the Isle of Man in any court situate in the aforesaid territories, and

10.2 remaining unsatisfied in whole or in part six months after the date of such judgment

then subject otherwise to the terms exclusions limitations and conditions applicable to Section 5a of this Policy the Underwriters will at the request of the Assured pay under Section 5a to the Employee or the personal representatives of the Employee the amount of any such damages and any awarded costs to the extent that they remain unsatisfied.

Provided that

- a) there is no appeal outstanding
- b) if any payment is made under the terms of this Extension the Employee or the personal representatives of the Employee shall assign the judgment to the Underwriters
- c) all reasonable steps necessary have been taken to recover monies due from the party against whom the judgment was obtained
- d) this Extension shall not apply if Section 5a is not insured under this Policy.



Exclusions

Hazardous Filming And/Or Photography Exclusion

This policy does not apply to liability arising out of photographic shoots and/or the making of television programmes and/or films;-

- i) in an environment where prior to filming it is reasonably considered that there is an increased risk of Bodily Injury and/or Damage to material .
- ii) in an environment deemed unsafe by the Police, Fire and/or Ambulance Services and/or HM Armed Forces and/or any local authority.
- iii) in any country, territory, district or state if HM Government (Foreign & Commonwealth Office) has:-
 - a) advised against travelling to or
 - b) advised against travelling to unless essential.
- iv) Warranted the following are to be contracted out to and/or operated by Bona Fide Sub Contractors:-

use of stunts, stuntmen or stuntwomen, animals other than domestic pets, special effects (other than computerised graphics), fire, pyrotechnics, explosives, use of motor vehicles in a stunt capacity, any aero spatial device or airborne or waterborne craft in a stunt capacity, working underground, working underwater or working at a height of 10 metres or more from the floor

This Exclusion applies only to liability which arises as a direct result of any of the features described in i) to iv) above.

Radioactive Contamination

1. This Policy does not apply to liability of whatsoever nature directly or indirectly caused by contributed to by or arising from
 - 1.1 ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - 1.2 the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof

but in respect of Bodily Injury sustained by any Employee this Exclusion shall apply only when the Assured under a contract or agreement has either undertaken

- a) to indemnify another party or
- b) to assume the liability of another party

in respect of such Bodily Injury.

Employees Offshore

2. directly or indirectly occasioned by happening through or in consequence of war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power.

THE FOLLOWING EXCLUSIONS (3-13) DO NOT APPLY TO SECTION 5A OF THIS POLICY

Section 5b of this Policy does not apply to liability

Contractual Liability

3. Assumed under any contract or agreement in respect of
 - 3.1 Damage to contract or temporary works to be executed by the Assured and/or their sub-contractors and/or to any materials plant tools and other property for use in connection therewith
 - 3.2 Bodily Injury or Damage to material property arising from or caused by Products
 - 3.3 Personal and Advertising Injury

unless such liability would have attached in the absence of such contract or agreement

Employees

4. in respect of Bodily Injury sustained by any Employee arising out of and in the course of employment by the Assured in the Business

Custody or Control

5. in respect of Damage to property
 - 5.1 belonging to the Assured or loaned, leased, hired or rented to the Assured
 - 5.2 in the custody or control of the Assured or any Employee or agent of the Assured other than
 - a) personal effects (including motor vehicles) belonging to visitors directors partners and employees of the Assured
 - b) premises (including their contents) not leased or rented to the Assured but temporarily occupied by the Assured for the purpose of carrying out work

Damage to Products etc.

6. in respect of loss of or damage to or any costs or expenses claimed or incurred for repair removal replacement recall disposal or loss of use of any Products out of which the occurrence arises

Aircraft Products

7. arising from Products knowingly supplied for use or installation in or on any aircraft or aerospace device which could affect the navigation flying capabilities or safety of such aircraft or device

Fines/ Penalties

8. for fines liquidated damages or under any penalty clause

Advice

9. arising out of the provision of or failure to provide any instruction advice information or professional service rendered in return for a fee

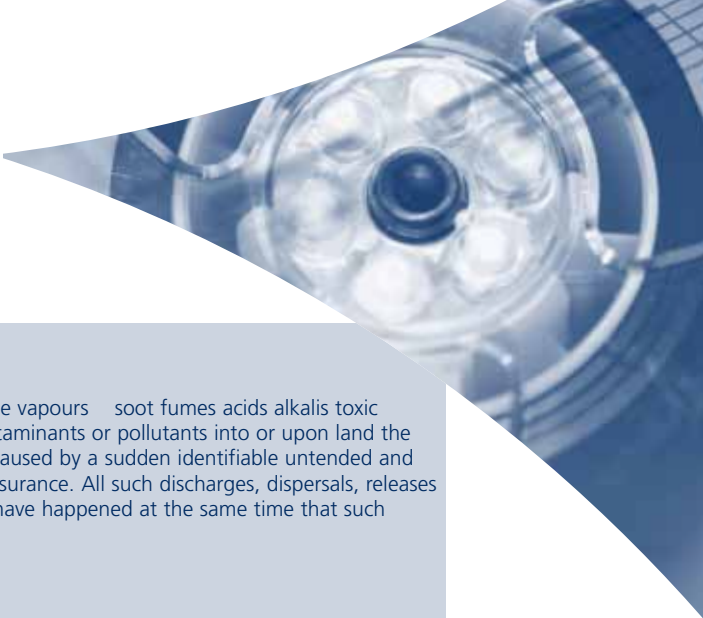
Aircraft Watercraft Vehicles

10. arising from or caused by the ownership possession control or use by or on behalf of the Assured of
 - 10.1 any aerospace device or any airborne or waterborne craft or vessel (other than manually propelled craft) or the loading or unloading of such craft or vessel
 - 10.2 any mechanically propelled vehicle or trailer attached thereto
 - a) in circumstances for which insurance or security is required in accordance with any road traffic legislation in force within the member countries of the European Union
 - b) whilst being used on any public road in any other country whether or not insurance in respect of liability therefore is compulsory

or the loading or unloading of such vehicle or trailer attached thereto.

Provided that if there is no indemnity afforded by any motor or other insurance policy this exclusion shall not apply to liability arising from

- i) the act of loading or unloading or the bringing to or taking away of a load from such vehicle or trailer
- ii) the operation of plant as a tool of trade within the member countries of the European Union but only insofar as such liability is not the subject of compulsory insurance or security in accordance with any road traffic legislation in force in such countries



Pollution

11. Arising out of the discharge dispersal release or escape of smoke vapours soot fumes acids alkalis toxic chemicals liquids or gases waste materials or other irritants contaminants or pollutants into or upon land the atmosphere or any water course or body of water; other than caused by a sudden identifiable untended and unexpected incidence which takes place during the period of insurance. All such discharges, dispersals, releases or escapes which arise out of one incident shall be deemed to have happened at the same time that such incidence took place

Personal and Advertising Injury

12. in respect of Personal and Advertising Injury

- 12.1 arising out of oral or written publication of material
 - a) if the first oral or written publication of the same or similar material took place prior to the commencement date of this Policy, or
 - b) which to the knowledge of the Assured is false
- 12.2 arising out of a breach of contract other than misappropriation of advertising ideas under an implied contract
- 12.3 arising out of the failure of goods products or services to conform with advertised quality or performance
- 12.4 arising out of the wrong description of the price of goods products or services
- 12.5 committed by an Assured whose business is advertising broadcasting publishing or telecasting. Provided that this Exclusion 11.5 does not apply to the offences described in parts 10.1 and 10.2 of Definition 10

War

13. directly or indirectly occasioned by happening through or in consequence of war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power.

Exclusion of Terrorism

- 14.
- a) an Act of Terrorism
- and/or
- b) Bodily Injury, loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any Act of Terrorism.

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

If the Underwriters alleges that by reason of this endorsement any liability is not covered by this Policy, the onus of proving to the contrary shall be upon the Assured

Asbestos Exclusion

15. Section 5b of this Policy does not apply to any loss demand claim or suit arising out of or related in any way to asbestos or asbestos-containing materials.

The underwriters shall have no duty of any kind with respect to any such loss demand claim or suit.

THE FOLLOWING EXCLUSIONS (16-18) DO NOT APPLY TO SECTION 5B OF THIS POLICY

Section 5a of this Policy does not apply to liability

Employee Passengers

16. for which compulsory motor insurance or security is required under any road traffic legislation in force within any member country of the European Union

Exclusion of Terrorism

17.
 - a) an Act of Terrorismand/or
 - b) Bodily Injury, loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any Act of Terrorism.
For the purpose of this endorsement an Act of Terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

Provided that this exclusion shall only apply in respect of payments for damages of amounts in excess of £5,000,000 for any one claim or series of claims arising out of any one occurrence.

If the Underwriters alleges that by reason of this endorsement any liability is not covered by this Policy, the onus of proving to the contrary shall be upon the Assured.

Asbestos Exclusion

18. Section 5a of this Policy does not apply to any loss demand claim or suit arising out of or related in any way to asbestos or asbestos-containing materials.

The underwriters shall have no duty of any kind with respect to any such loss demand claim or suit.

Provided that this Exclusion shall only apply in respect of payments of amounts in excess of GBP 5,000,000 for any one claim or series of claims arising out of any occurrence.

Special Conditions

Non-Avoidance

1. The indemnity granted by Section 5a of this Policy is deemed to be in accordance with the provisions of any law relating to compulsory insurance of liability to employees in Great Britain Northern Ireland the Isle of Man or the Channel Islands but the Assured shall repay to the Underwriters all sums paid by the Underwriters which the Underwriters would not have been liable to pay but for the provisions of such law.

USA/Canada

2. With regard to Section 5b of this Policy it is hereby agreed between the Underwriters and the Assured that in respect of occurrences happening in or claims or legal proceedings brought or originating in the United States of America or Canada or in any other territory within the jurisdiction of either such country
 - 2.1 the liability of the Underwriters under Section 5b of this Policy in respect of all damages payable together with all Costs and Expenses shall not exceed the Limit of Liability for Section 5b stated in the Schedule
 - 2.2 regardless of any of the other provisions of this Policy, this insurance does not apply to punitive or exemplary damages
 - 2.3 regardless of Exclusion 10 of this Policy, this insurance does not apply to
 - a) liability arising out of the discharge dispersal release or escape of smoke vapours soot fumes acids alkalis toxic chemicals liquids or gases waste materials or other irritants contaminants or pollutants into or upon land the atmosphere or any water course or body of water
 - b) any cost or expense arising out of any governmental demand or request that an Assured test for assess monitor clean-up remove contain treat de-toxify or neutralise any irritants contaminants or pollutants



and the Underwriters shall not have the duty to defend any claims or suits seeking to impose any such liability cost or expense or any other relief.

It is further agreed between the Underwriters and the Assured that the premium for this insurance has been calculated accordingly.



Professional Indemnity Insurance

6. Professional Indemnity Insurance

SPECIAL DEFINITIONS FOR THIS SECTION

Business activity

The activities shown in the schedule, which you perform in the course of your business.

Defence costs

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

You / your

Also includes any person who was, is or during the period of insurance becomes your partner or director or senior manager in actual control of your operations.

THE UNDERWRITERS HEREBY AGREE TO INDEMNIFY THE ASSURED if during the period of insurance, and as a result of your business activity within the geographical limits for clients, any party brings a claim against you for:

- a. negligence or breach of a duty of care,
- b. negligent misstatement or negligent misrepresentation,
- c. breach of the APA Agreement for the Production of Commercials,
- d. infringement of intellectual property rights including copyright, patent, trademark, music rights, performance rights, broadcasting rights or moral rights or any act of passing-off,
- e. breach of confidence or misuse of any information, which is either confidential or subject to statutory restrictions on its use,
- f. defamation,
- g. product disparagement or breach of any comparative advertising regulations,
- h. infringement of any right to privacy,
- i. dishonesty of your individual partners, directors, employees or self-employed freelancers directly contracted to you and under your supervision,



we will indemnify you against the sums you have to pay as compensation.

We will also indemnify you against the sums you have to pay as compensation if any party brings a claim against you during the period of insurance for infringement of intellectual property rights or defamation which is not a result of your business activity for clients but arises from the advertising or marketing of your own business.

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

Avoiding a potential claim against you

If your client has reasonable grounds for being dissatisfied with the work you have done, refuses to pay for any or all of it, including amounts you legally owe to subcontractors at the date of the refusal, and threatens to bring a claim against you for more than the amount owed, it may be possible to settle the dispute with the client by your agreeing not to press for the disputed amount. If so, we will pay you the amount owed to you at that time if we believe that this will avoid a legitimate claim for a greater amount and we have given our prior written approval to settling in this way and for this amount.

Alternatively, if it is not possible to reach agreement with the client on this basis but we still believe that by not pressing for the disputed amount you will avoid a legitimate claim or counterclaim for a greater amount, we will pay the amount owed to you at that time. If a claim is still brought, we will deal with it but our total payment, including what we have already paid you or on your behalf, will not exceed the applicable limit of indemnity shown in the schedule. You must return the amount we have paid if you eventually recover the debt less your reasonable expenses.

Once we agree to make this payment you will assign to us such rights as you have in relation to the amounts owed to you.

We will not make any payment for any part of a claim not covered by this section.

Your own losses Potential claims capable of rectification

If while performing your business activity you, but not your client, become aware of anything covered by (a) to (h) above which is capable of being successfully rectified without leading to a claim against you by that client, we will pay the additional expenses directly incurred with our prior written consent in rectifying the problem. We will only do this if we agree that these expenses are less than the amount of a potential claim covered by this insurance which would have arisen if the problem was not rectified.

However in practice we accept that you are sometimes unable to obtain our approval due to time constraints or because the problem occurs out of office hours or we cannot give our consent due to lack of sufficiently detailed information. Therefore, if you satisfy us that your client has received the same level and quality of service or deliverables that they were originally entitled to, you have spent the minimum necessary to achieve this and these expenses were less than the amount of a potential claim covered by this insurance, we will pay these reasonable expenses provided that you have informed us of the problem within three working days of the problem occurring and subsequently give us the information and documentation we require to support the expenses incurred and actions taken.

Losses from dishonesty

If during the period of insurance, and in the performance of your business activity within the geographical limits, you suffer a loss from the dishonesty of your employees where there was a clear intention to cause you loss or damage and to obtain a personal financial gain over and above any salary, bonus, or commission, we will indemnify you against your direct financial loss.

Exclusions

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

Matters specific to your business

1. any investment of, or direct advice on the investment of, client funds.
2. the outcome or operation of any game promotion, contest or lottery.
3. anything shown or described in any advertising, educational or promotional material which results in any adverse change in a claimant's health, lifestyle or relationship with others.
4. the mimicking in any way by anyone of anything shown in or described in any advertising, educational or promotional material.

5. any stunt or other activity during the making or production of any advertising, educational or promotional material.
6. any statement, representation or information concerning you or your business contained in your accounts, reports or financial statements.
7. any obscenity, blasphemy or pornographic material.
8. any product, including alcohol, tobacco, nicotine or any pharmaceutical product, which is, or becomes, defective, dangerous or hazardous to health in any way.
9. any failure to obtain the correct permissions or licences or visas for locations or shoots.
10. any failure to have or maintain adequate production and other related insurances for any shoot or production.
11. any use of incorrect raw film stock or video tape.
12. the under-budgeting of any work for a client.
13. your operation or administration of any pension or employee benefit scheme or trust fund, or the sale or purchase of or dealing in any stocks, shares or securities or the misuse of any information relating to them, or your breach of any legislation or regulation relating to these activities.
14. your breach of any taxation, competition, restraint of trade or anti-trust legislation or regulation.
15. any pollution or contamination, including noise, electromagnetic fields, radiation and radio waves.
16. transmission of a computer virus.
17. your liability under any contract which is greater than the liability you would have at law without the contract.

Construction and erection work

18. any construction or erection work unless:
 - a. you sub-contracted the work to a specialist sub-contractor;
 - b. you have taken reasonable steps to ensure that the sub-contractor has and maintains adequate and appropriate insurance with a reputable insurer;
 - c. there is a written sub-contract between you and the sub-contractor which is subject to English law, includes an arbitration clause and provides that the sub-contractor will indemnify you against any liabilities you incur as a result of the sub-contractor's performance of the sub-contract.

Matters insurable elsewhere

19. the death or any bodily or mental injury or disease suffered by anyone.
20. anyone's employment with or work for you, or any breach of an obligation owed by you as an employer or any kind of discrimination, harassment or unfair treatment.
21. the ownership, possession or use of any land or building, any animal, any aircraft, watercraft or any motor vehicle.
22. the loss, damage or destruction of any tangible property.
23. the loss, damage or destruction of exposed or unexposed film, negative, prints or sound tapes or video tapes or visual images or sound held in any media or any library stock.
24. the loss, damage or destruction of any bearer bonds, coupons, share certificates, stamps, money or other negotiable paper.
25. any personal liability incurred by a director or officer of yours when acting in that capacity or managing your business, or your breach of any fiduciary duty, other than when performing a business activity for a client.
26. your supply, manufacture, sale, installation or maintenance of any product.



Deliberate, reckless or dishonest acts

27. any statement or advertising you knew, or ought reasonably to have known, was defamatory, false, misleading or deceptive.
28. any act, breach, omission or infringement you deliberately, spitefully, dishonestly or recklessly commit, condone or ignore. This does not apply to any claim or your own loss under the dishonesty cover, but we will not in any event provide cover to any party who actually commits, condones or ignores any dishonesty.

Pre-existing problems

29. any shortcoming in your work or your own loss which you knew about, or ought reasonably to have known about, before we agreed to insure you.

Date recognition

30. date recognition.

War, terrorism and nuclear

31. war, terrorism or nuclear risks.

Asbestos

32. asbestos risks.

B. We will not make any payment for:

Claims brought by a related party

1. any claim brought by an insured within the definition of you or any party with a financial, executive or managerial interest in you, including any parent company or any party in which you have a financial, executive or managerial interest, including any subsidiary company. This does not apply to a claim based on a liability to an independent third party directly arising out of the performance of your business activity.

Restricted recovery rights

2. that part of any claim where your right of recovery is restricted by any contract. Consequential loss
3. your lost profit, mark up or liability for VAT or its equivalent.
4. trading loss, trading liability, management time, lost time, lost business or commissions from any other client, potential client or account.

Non-compensatory payments

5. fines, contractual penalties and additional damages under section 97(2) of the Copyright, Designs and Patents Act 1988 or any statutory successor to that section.
6. aggravated, punitive or exemplary damages.

Claims outside the applicable courts

7. any claim, including arbitration, brought outside the countries set out in the schedule under Applicable Courts. This applies to proceedings in the applicable courts to enforce, or which are based on, a judgment or award from outside the applicable courts.

HOW MUCH WE WILL PAY

We will pay up to the limit of indemnity shown in the schedule unless limited below. We will also pay for defence costs. However, if a payment greater than the limit of indemnity has to be made for a claim our liability for defence costs will be limited to the same proportion that the limit of indemnity bears to the amount paid. You must pay the relevant excess shown in the schedule.

When we settle your own losses from dishonesty, we will deduct any sums you owe or the value of any property you hold belonging to the perpetrator.

All claims and losses which arise from the same original cause, a single source or a repeated or continuing shortcoming in your work will be regarded as one claim. This includes claims and losses arising after, as well as during, the period of insurance.

Special limit

For claims and your own losses arising from dishonesty, the most we will pay is a single limit of indemnity for the total of all such claims, their defence costs and your own losses. You must pay the relevant excess shown in the schedule.

Paying out the limit of indemnity

At any stage of a claim we can pay you the applicable limit of indemnity or what remains after any earlier payment from that limit. We will pay defence costs already incurred at the date of our payment. We will then have no further liability for that claim or its defence costs.

YOUR OBLIGATIONS

If a problem arises

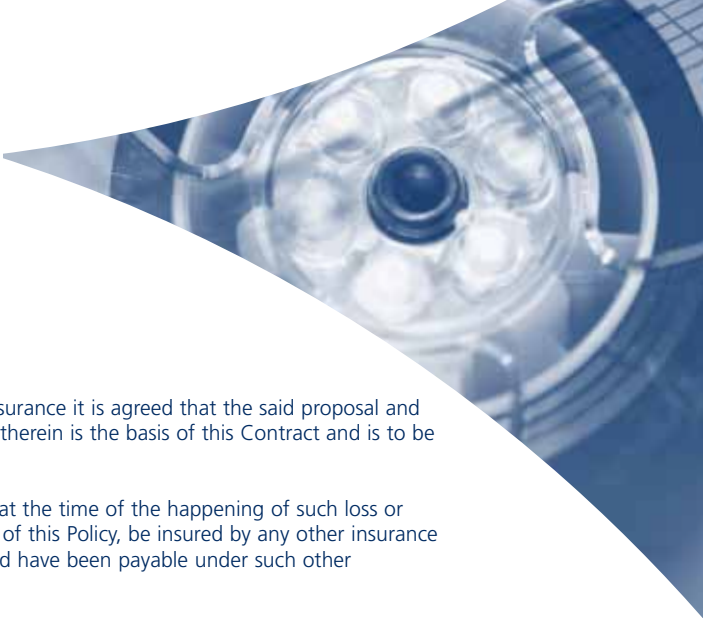
We will not make any payment under this section:

1. unless you notify us promptly of the following within the period of insurance or at the latest within 14 days after it expires for any problem you first become aware of in the seven days before expiry:
 - a. your first awareness of a shortcoming in your work for a client which is likely to lead to a claim against you. This includes any criticism of your work even though regarded by you as unjustifiable.

If we accept your notification we will regard any subsequent claim as notified to this insurance.
 - b. any claim or threatened claim against you.
 - c. your discovery, or the existence of reasonable grounds for your suspicion, that any partner, director, employee or self-employed freelancer has acted dishonestly.
2. if, when dealing with your client or a third party, you admit that you are liable for what has happened, make any offer, deal or payment, unless you have our prior written agreement. You must also not reveal the amount of cover available under this insurance, unless you had to give these details in negotiating a contract with your client or have our prior written agreement.

CONTROL OF DEFENCE

We have the right, but not the obligation, to take control of and conduct in your name, the investigation, settlement or defence of any claim. If we think it necessary we will appoint an adjuster, solicitor or any other appropriate person to deal with the claim. We may appoint your own solicitor but on a similar fee basis as our solicitor and only for work done with our prior written approval. Proceedings will only be defended if there is a reasonable prospect of success and taking into account the commercial considerations of the costs of defence.



GENERAL CONDITIONS OF THE POLICY

1. The Assured having made to the Underwriters a proposal for insurance it is agreed that the said proposal and declaration together with particulars and statements contained therein is the basis of this Contract and is to be considered as being incorporated herein.
2. This Policy does not cover any loss or damage or liability which at the time of the happening of such loss or damage or liability is insured by or would, but for the existence of this Policy, be insured by any other insurance except in respect of any excess beyond the amount which would have been payable under such other insurance had this insurance not been effected.
3. The whole of the protections including any Burglar Alarm provided for the safety of the premises shall be in use at all times out of business hours or when the Assured's premises are left unattended and such protections shall not be withdrawn or varied to the detriment of the interests of Underwriters without their prior consent. Except where such protections are unable to function due to circumstances beyond the control of the assured this insurance shall not be prejudiced provided notice is given to Towergate Underwriting Entertainment as soon as is practicable and the Assured shall take all reasonable steps to protect the property.
4. The Assured shall at all times use due diligence and do and concur in doing all things reasonably practicable to avoid or diminish any loss, damage or liability under this Policy.
5. The Assured shall give to the Underwriters through Towergate Underwriting Entertainment immediate notice in writing with full particulars, of the happening of any occurrence likely to give rise to a claim under this Policy, the receipt by the Assured of notice of any claim and of the institution of any proceedings against the Assured.
6. The Assured shall not incur any expense in making good any damage without the consent of the Underwriters, and shall not admit liability for or offer or agree to settle any claim without the written consent of the Underwriters who shall be entitled to take over and conduct in the name of the Assured the defence of any claim and to prosecute in the Assured's name for Underwriters' benefit of any claim for indemnity or damages or otherwise against any third party, and shall have full discretion in the conduct of any negotiations and proceedings and the settlement of any claim. The Assured shall give to the Underwriters such information and assistance as the Underwriters may reasonably require.
7. On the happening of any loss, destruction or damage, the Assured shall give to the Underwriters or their Agent or Representative leave and licence to enter the building where the loss destruction or damage has occurred and take and keep possession of any of the property hereby insured and deal with the salvage in a reasonable manner. If the Assured shall hinder or obstruct the Underwriters or their Agent or Representative from doing any of the foregoing acts, all benefit under this Policy shall be forfeited.
8. If the Assured shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this Policy shall become void, and all claims hereunder shall be forfeited.
9. This Policy is deemed to be a Contract personal to the Assured and shall not be assigned to any other person or persons unless and until the Underwriters shall by endorsement hereon declare the Insurance to be continued in favour of such other person or persons.
10. If any difference shall arise as to the amount to be paid under this Policy (liability being otherwise admitted) such difference shall be referred to an Arbitrator to be appointed by the parties in accordance with the statutory provisions relating to Arbitration then in force and the making of an award shall be a condition precedent to any right of action against the Underwriters.
11. This Policy may be cancelled at any time at the request of the Assured in writing to Towergate Underwriting Entertainment and the premium hereon should be adjusted on the basis of Underwriters receiving or retaining the annual minimum premium. This Policy may also be cancelled by or on behalf of the Underwriters by thirty days' notice given in writing to the Assured at his last known address, and the premium hereon shall be adjusted on the basis of the Underwriters receiving or retaining the annual minimum premium. Notice shall be deemed to be duly received in the course of post if sent by pre-paid letter post properly addressed.
12. Provided always that the due observance and fulfilment of all conditions, provisions and endorsement of this Policy shall be a condition precedent to any liability on the part of the Underwriters under this Policy.
13. The Policy of Insurance shall be governed by and construed in accordance with the laws of England and Wales.

GENERAL EXCLUSIONS OF THE POLICY

1. This Policy does not cover loss or damage or any liability directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government of public or local authority.
2. This Policy does not cover loss or destruction of or damage to any property whatsoever of any loss or expense whatsoever resulting or arising therefrom or any consequential loss or any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel or the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.
4. This Policy does not cover loss, destruction or damage directly occasioned by pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds.
5. This Policy does not cover any loss, damage, cost, claim or expense, whether preventative, remedial or otherwise, directly or indirectly arising out of or relating to :
 - a) the calculation, comparison, differentiation, sequencing or processing of data involving the date change to the year 2000, or any other date change, including leap year calculation, by any computer systems, hardware, programme or software and/or microchip, integrated circuit or scimitar device in computer equipment or non-computer equipment whether the property of the Assured or not; or
 - b) any change, alteration or modification involving the date change to the year 2000, or any other date change, including leap year calculations, to any such computer system, hardware, programme or software and/or microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the Assured or not

this Clause applies regardless of any other cause or event that contributes concurrently or in any sequences to the loss, damage, cost, claim or expense.

It is mutually agreed that the burden of proving that the loss, damage, cost, claim or expense does not fall within this exclusion shall be upon the Insured.

6. TERRORISM EXCLUSION ENDORSEMENT

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act or threat of or fear of terrorism (whether actual or perceived) regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

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

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism pr fear thereof (whether actual or perceived)

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

7. BIOLOGICAL/CHEMICAL EXCLUSION CLAUSE

This Insurance does not cover any loss directly or indirectly arising out of, contributed to by, or resulting from actual, threatened, feared or perceived use of any biological, chemical, radioactive or nuclear agent, material, device or weapon.

8. COMMUNICABLE DISEASE EXCLUSION CLAUSE

This insurance excludes any loss directly or indirectly arising out of, contributed by, or resulting from any



communicable disease, which leads to:

- (i) the imposition of quarantine or restriction in movement of people or animals by any national or international body or agency; and/or
- (ii) any travel advisory or warning being issued by a national or international body or agency

and in respect of (i) or (ii) any fear or threat thereof (whether actual or perceived).

If the Underwriters allege that by reason of this exclusion, any loss is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

9 SARS EXCLUSION CLAUSE

This Policy does not cover any loss expense or liability directly or indirectly arising out of, attributable to resulting from Severe Acute Respiratory Syndrome (SARS) and/or Atypical Pneumonia and/or the fear or threat thereof (where actual or perceived).

If the Underwriters allege that by reason of this exclusion, any loss, damage, costs or expenses is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

10 AVIAN FLU EXCLUSION CLAUSE

This Policy does not cover any loss directly or indirectly arising out of, contributed to by, or resulting from Avian Flu.

Towergate Underwriting and Towergate Underwriting Entertainment

are trading names of Towergate Underwriting Group Limited

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