



# Medical devices

Policy document

Israel

## PREAMBLE

This Policy is a contract of insurance between **you** and **us**. **Your** Policy contains all the details of the cover that **we** provide, subject always to **our** receipt of the Premium. **You** understand and accept the policy is issued in the English language, the nature of the contract and, extent of the rights and obligations placed upon **you** and **us**. This Policy consists of and must be read together with the Schedule and any Endorsements. This Policy is not complete unless it is signed and a Schedule attached.

The Sections of this Policy are identified by the **BLUE LINES** across the page with **WHITE UPPER CASE PRINT**. Clause headings in **BLUE UPPER CASE PRINT** are for information only and do not form part of the cover given by this Policy. Other terms in **bold lower case print** are defined terms and have a special meaning as set forth in the **DEFINITIONS** section and elsewhere. The **EXCLUSIONS** that apply to this Policy are shown in **red** text in the **EXCLUSIONS** Section. Words stated in the singular shall include the plural and vice versa.

**IMPORTANT: INSURING CLAUSES 3, 4 and 5** provide cover on a claims made and reported basis. Under these **INSURING CLAUSES** any **claim** must be first made against **you** and notified to **us** during the **period of the policy** to be covered. These **INSURING CLAUSES** do not cover any **claim** arising out of any actual or alleged **bodily injury** or **damage** or **wrongful act** occurring before the date specified as the Retroactive Date in the Schedule.

In consideration of the Premium and in reliance upon the information that **you** have provided to **us** prior to commencement of this insurance and which is deemed to form the basis of this insurance:

## INSURING CLAUSES

### INSURING CLAUSE 1: PUBLIC (THIRD PARTY) LIABILITY

**We** agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** arising out of accidental **bodily injury** or **damage** occurring during the **period of the policy** in the course of **your business activities**.

**We** will also pay **costs and expenses** on **your** behalf.

However, **we** will not make any payment on **your** behalf under this **INSURING CLAUSE** in respect of any **claim** which is covered under **INSURING CLAUSES 3** or **4**, or would be covered under **INSURING CLAUSE 3** or **4** but for the exhaustion of the **limit of liability** or **aggregate limit of liability** of **INSURING CLAUSES 3** or **4**.

### INSURING CLAUSE 2: POLLUTION AND CONTAMINATION LIABILITY

**We** agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** arising out of accidental **bodily injury** or **damage** occurring during the **period of the policy** and caused by **pollution or contamination** in the course of **your business activities** on the condition that such **pollution or contamination**:

1. was the direct result of a sudden, identifiable, unintended and unexpected incident occurring in its entirety at a specific time and place during the **period of the policy**; and
2. was not the direct result of **you** failing to take reasonable precautions to prevent such **pollution or contamination**;

provided always that all such **pollution or contamination** that arises out of one incident shall be considered for the purposes of this Policy to have occurred at the time such incident first takes place.

**We** will also pay **costs and expenses** on **your** behalf.

### INSURING CLAUSE 3: PRODUCTS LIABILITY

**We** agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** first made against **you** (regardless of who caused the **claim**) and notified to **us** during the **period of the policy** arising out of accidental **bodily injury** or **damage** caused directly by **your products**.

**We** will also pay **costs and expenses** on **your** behalf.

### INSURING CLAUSE 4: PROFESSIONAL INDEMNITY

#### SECTION A: ERRORS & OMISSIONS

**We** agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** first made against **you** (regardless of who caused the **claim**) and notified to **us** during the **period of the policy** arising out of any:

- a) negligent act, error, omission, advice, misstatement or misrepresentation; or
- b) breach of any contractual term implied by law concerning necessary quality, safety or fitness, or **your** duty to use reasonable care and skill; or
- c) breach of warranty of authority, breach of duty, breach of trust, breach of confidence, misuse of information or breach of privacy; or
- d) libel, slander or defamation; or
- e) dishonesty of **your senior executive officers** or **employees** provided that **we** maintain all rights of subrogation to recover such legal costs and expenses from any **senior executive officer** or **employee** if they are found guilty of such a dishonest act; or
- f) other act, error or omission giving rise to civil liability to **your clients** but not any breach of contract save as specified above;

committed by **you** or on **your** behalf in the course of **your business activities**.

**We** will also pay **costs and expenses** on **your** behalf.

However, **we** will not make any payment under this **SECTION** in respect of any **claim** which is covered under **INSURING CLAUSE 3**, or would be covered under **INSURING CLAUSE 3**, but for the exhaustion of the **limit of liability** or **aggregate limit of liability** of **INSURING CLAUSE 3**.

#### SECTION B: BREACH OF CONTRACT

**We** agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** by a **client** first made against **you** (regardless of who caused the **claim**) and notified to **us** during the **period of the policy** arising out of any **breach of client contract**.

**We** will also pay **costs and expenses** on **your** behalf.

However, **we** will not make any payment under this **SECTION** in respect of any **claim** which is covered under **INSURING CLAUSE 3** or **INSURING CLAUSE 4, SECTION A**, or would be covered under **INSURING CLAUSE 3** or **INSURING CLAUSE 4, SECTION A**, but for the exhaustion of the **limit of liability** or **aggregate limit of liability** of **INSURING CLAUSE 3** or **INSURING CLAUSE 4, SECTION A**.

#### SECTION C: INTELLECTUAL PROPERTY RIGHTS INFRINGEMENT

**We** agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** first made against **you** (regardless of who caused the **claim**) and notified to **us** during the **period of the policy** arising out of **your** infringement of any **intellectual property right** in the course of **your business activities**.

**We** will also pay **costs and expenses** on **your** behalf.

#### SECTION D: LOSS OF DOCUMENTS

**We** agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** first made against **you** (regardless of who caused the **claim**) and notified to **us** during the **period of the policy** arising out of **damage** to **your documents** or **documents** in **your** care, custody or control.

**We** will also pay **costs and expenses** on **your** behalf.

#### SECTION E: COMPUTER VIRUS AND HACKING ATTACK

**We** agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants' costs and expenses) as a result of any **claim** first made against **you** (regardless of who caused the **claim**) and notified to **us** during the **period of the policy** as a direct result of:

- a) any **third party** financial loss arising directly from a **hacking attack** or **virus** that has emanated from or passed through **your** computer systems; or
- b) any **third party** financial loss arising directly from their inability to access **your** computer systems in the way in which **you** have authorised them to as a direct result of **your** computer systems' failure or impairment due to a **hacking attack** or **virus**; or
- c) any **third party** financial loss arising directly from the loss or theft of **your** data or data for which **you** are responsible or held to be responsible arising directly from a **hacking attack** or **virus**.

**We** will also pay **costs and expenses** on **your** behalf.

#### SECTION F: LOSS MITIGATION

**We** agree to pay any reasonable costs necessarily incurred by **you** with **our** prior written consent in respect of measures taken by **you** for the sole purpose of avoiding or mitigating a **claim** or potential **claim** for which **you** would be entitled to indemnity under **INSURING CLAUSES 3** and **4** of this Policy had such measures not been taken.

However, **we** shall not pay any costs attributable to measures taken by **you** to mitigate risks that affect the wider business environment or the industry in which **you** conduct **your** Business Activities (as stated in the Schedule), as opposed to affecting primarily the company named as the Insured in the Schedule itself, or any **subsidiary**.

#### SECTION G: PAYMENT OF WITHHELD FEES

**We** agree to pay **your withheld fees** with **our** prior written consent in the event that **your client** brings or threatens to bring a **claim** against **you** that would be covered under **INSURING**

**CLAUSE 3** or **INSURING CLAUSE 4, SECTIONS A** or **B**, for an amount greater than **your withheld fees** if **you** attempt to recover the **withheld fees** from them. Prior to payment of **your withheld fees** **you** must obtain written confirmation from **your client** that they will not bring a **claim** against **you** if **you** agree not to pursue them for **your withheld fees** and provide it to **us**.

#### INSURING CLAUSE 5: CLINICAL TRIALS

##### SECTION A – COMPENSATION AND LEGAL LIABILITY

**We** agree to pay on **your** behalf all sums:

- a) which are agreed under **clinical trial compensation guidelines**; or
- b) which **you** become legally obliged to pay (including liability for claimant's costs and expenses); or
- c) which are otherwise agreed by **us**;

as a result of any **claim** first made against **you** (regardless of who caused the **claim**) and notified to **us** during the **period of the policy** arising out of **bodily injury** to a **research subject** as a result of participation in an **insured clinical trial**.

**We** also agree to pay **costs and expenses** on **your** behalf.

The cover under this **SECTION** shall extend to indemnify **contract research organisations** and **ethics committees**, but only:

- a) at **your** request, at the time of a **claim**; and
- b) in respect of sums which they become legally obliged to pay, or financial loss or **damage** they may suffer, as a result of their involvement in the conduct of an **insured clinical trial**; and
- c) to the extent that **you** are legally or contractually obliged to provide them with such cover, and
- d) where they are not entitled to indemnity under any other insurance.

##### SECTION B – COVER EXCESS OF UNDERLYING LOCAL POLICIES

**We** agree to pay on **your** behalf all sums which **you** become legally obliged to pay (including liability for claimants costs and expenses) in excess of the limits of liability of **underlying local policies** as a result of a **claim** first made against **you** (regardless of who caused the **claim**) and notified to **us** during the **period of the policy** arising out of **bodily injury** to a **research subject** as a result of participation in an **insured clinical trial**, provided that:

- a) the **claim** is covered by an **underlying local policy**; and
- b) the **claim** has been paid by the **underlying local policy** to its full limit of liability; and
- c) the **claim** would have been covered by **INSURING CLAUSE 5, SECTION A**, of this Policy had it been the primary insurance policy.

#### INSURING CLAUSE 6: WEBSITE DAMAGE

**We** agree to reimburse **you** for **loss**, subject to **our** prior written agreement (such agreement not to be unreasonably withheld), which **you** incur in repairing, restoring or replacing **your** website as the direct result of any **hacking attack** or **virus** first discovered during the **period of the policy**.

**We** will also pay **costs and expenses** on **your** behalf.

## HOW MUCH WE WILL PAY

The maximum amount payable by **us** for all **claims, losses, damage and costs and expenses** shall not exceed the amounts shown in the Schedule in respect of each **INSURING CLAUSE** unless limited below. However, solely with respect to any **claims** under this Policy that shall and must be governed by Israeli law, **we** agree to pay the reasonable **costs and expenses** incurred in addition to the amounts shown in the Schedule during the **period of the policy**.

Where more than one **claim** or **loss** arises from the same original cause or single source or event all such **claims** or **losses** shall be deemed to be one **claim** or **loss** and only one **limit of liability** shall be payable in respect of the aggregate of all such **claims** or **losses**.

Where cover is provided under multiple **SECTIONS** of **INSURING CLAUSE 4** or multiple **INSURING CLAUSES** the maximum amount payable by **us** in respect of that **claim** shall be the

highest Limit of Liability of the **SECTION** of **INSURING CLAUSE 4** or the **INSURING CLAUSES** under which cover is provided.

In respect of **INSURING CLAUSES 1, 2, 3, 4 and 5** **we** may at any time pay to **you** in connection with any **claim** the amount of the **aggregate limit of liability** or **limit of liability** (after deduction of any amounts already paid). Upon such payment being made **we** shall relinquish the conduct and control of and be under no further liability in connection with such **claim** except for the payment of **costs and expenses** incurred prior to the date of such payment (unless the **aggregate limit of liability** or **limit of liability** is stated to be inclusive of **costs and expenses**).

## YOUR DEDUCTIBLE

**We** shall only be liable for that part of each and every **claim** or **loss** (which for the purpose of this clause shall be deemed to include all **costs and expenses** incurred) which exceeds the amount of the Deductible stated in the Schedule.

Where more than one **claim** or **loss** arises from the same original cause or single source or event all such **claims** or **losses** shall be deemed to be one **claim** or **loss** and only one Deductible will apply.

Where cover is provided under the multiple **SECTIONS** of an **INSURING CLAUSE** only one Deductible will apply to that **claim** or **loss** and this shall be the highest Deductible of the **SECTIONS** under which cover is provided.

If any expenditure is incurred by **us** which by virtue of this clause is **your** responsibility then **you** shall reimburse such amount to **us** on **our** request or where possible **we** will deduct such amount from any payment **we** make to **you**.

## DEFINITIONS

1. **“Act of terrorism”**  
means an act that is declared an act of terrorism by the government or other body authorised to do so in the country in which the act occurred.
2. **“Aggregate limit of liability”**  
means the maximum amount payable as stated in the Schedule by **us** in respect of all **claims** and **losses**.
3. **“Bodily injury”**  
means:
  - a) in respect of **INSURING CLAUSES 3, 4 and 5**, death, bodily injury, mental injury, illness or disease; and
  - b) in respect of all other **INSURING CLAUSES**:
    - i) death, bodily injury, mental injury, illness, disease, shock, mental anguish or humiliation; and
    - ii) false arrest, detention or imprisonment; and
    - iii) malicious prosecution; and
    - iv) wrongful entry into, or eviction of a person from, a room, dwelling or premises that the person occupies.
4. **“Breach of client contract”**  
means **your** unintentional breach of a written contract relating to the performance of **your business activities** for a **client**.
5. **“Business activities”**  
means:
  - a) in respect of **INSURING CLAUSES 3, 4 and 5**, the Business Activities as stated in the Schedule; and
  - b) in respect of all other **INSURING CLAUSES**, the Business Activities as stated in the Schedule and shall include, for the purpose of those Business Activities:
    - i) the ownership, repair and maintenance of **your** property;

- and
  - ii) provision and management of canteen, social, sports and welfare organisations for the benefit of **your senior executive officers** or **employees** and medical, fire fighting, and security services; and
  - iii) attendance at conferences and tradeshows as either an exhibitor or visitor.
6. **“Claim”**  
means a demand received by **you** for money or services, including the service of suit or institution of arbitration or mediation proceedings. **Claim** shall also mean a threat or initiation of a suit seeking injunctive (meaning a temporary restraining order or a preliminary or permanent injunction) or declaratory relief.
7. **“Client”**  
means any **third party** with whom **you** have a formal written contract in place for the supply of **your business activities** in return for a fee.
8. **“Clinical trial”**  
means an investigation, including pre-trial assessments, conducted by **you** or on **your** behalf, on humans for medical research purposes and that comply with the relevant statutory requirements, guidelines and approval requirements of the country in which the clinical trial is taking place, but not including the continued use of the drug, treatment or product after completion of the clinical trial.
9. **“Clinical trial compensation guidelines”**  
means guidelines that are imposed on **you** by a government or other competent authority, or other written guidelines

voluntarily accepted by **you** and specifically agreed by **us**, which set out a procedure for determining whether, and to what extent, a **research subject** should be compensated by **you** for **bodily injury** sustained as a consequence of participation in an **insured clinical trial**.

10. **“Contract research organisation”**  
means a **third party** organisation engaged by **you** to provide services or advice in connection with the conduct of a **clinical trial**.
11. **“Costs and expenses”**  
means:
- a) in respect of **INSURING CLAUSES 1 and 2**:
    - i) **your** legal costs and expenses in the defence or settlement of any **claim** made against **you**; and
    - ii) **your** legal costs and expenses in the defence of any criminal claim made against **you**, provided that **we** maintain all rights of subrogation to recover such legal costs and expenses from any **senior executive officer** or **employee** if they are found guilty of such a criminal act; and
    - iii) the cost of bonds to release attachments but without any obligation to furnish these bonds; and
    - iv) interest on that part of any judgment **we** pay that accrues after entry of the judgment and before **we** have paid, offered to pay, or deposited in court the part of the judgment that is within the **limit of liability**; and
  - b) in respect of **INSURING CLAUSE 3** and **INSURING CLAUSE 4, SECTIONS A - E**:
    - i) **your** legal costs and expenses in the defence or settlement of any **claim** made against **you**; and
    - ii) **your** legal costs and expenses in the defence of any criminal claim made against **you**, provided that **we** maintain all rights of subrogation to recover such legal costs and expenses from any **senior executive officer** or **employee** if they are found guilty of such a criminal act, and
    - iii) the cost of bonds to release attachments but without any obligation to furnish these bonds; and
    - iv) interest on that part of any judgment **we** pay that accrues after entry of the judgment and before **we** have paid, offered to pay, or deposited in court the part of the judgment that is within the **limit of liability**; and
  - c) in respect of **INSURING CLAUSE 5**:
    - i) **your** legal costs and expenses in the defence or settlement of any **claim** made against **you**; and
    - ii) costs and expenses incurred in order to comply with **clinical trial compensation guidelines**; and
  - d) in respect of **INSURING CLAUSES 4 and 5** only, the professional expenses (including disbursements) incurred for the services of an expert witness.

Subject to all **costs and expenses** being incurred with the Claims Managers' written consent (such consent not to be unreasonably withheld). However, if due to an emergency, **our** written consent cannot reasonably be obtained prior to **costs and expenses** being incurred with respect to any **claim**, **we** will give retrospective approval for such **costs and expenses** up to USD 50,000.

If **costs and expenses** are shown in the Schedule to be in addition to the **aggregate limit of liability** or **limit of liability** in respect of **INSURING CLAUSES 1 to 5**, and if a payment in excess of the amount of indemnity available hereunder has to be made to dispose of any **claim** or number of **claims**, **our** liability for such **costs and expenses** shall be such proportion thereof as the amount of indemnity available hereunder bears to the amount required to dispose of such **claim** or **claims**.

12. **“Damage/damaged”**  
means direct physical damage to, destruction of, loss of possession of, or loss of use of, tangible property.

In respect of **INSURING CLAUSES 1, 2, 3 and 4** **damage** does not include damage to, or corruption of, data.

13. **“Documents”**  
means deeds, wills, agreements, maps, plans, records or formulas, books, lab books, letters, certificates, forms, computer programs or information stored, written or punched into card or tape or magnetic discs or tapes or any other data media and documents of any nature whatsoever, whether written, printed or reproduced by any other method (other than bearer bonds, coupons, bank notes, currency notes and negotiable instruments).

14. **“Employee”**  
means any person employed by the company named as the Insured in the Declarations, or any **subsidiary**. **Employee** does not include any **senior executive officer**.

14. **“Ethics committee”**  
means an independent body, including its individual members, whose responsibility is to review and approve the conduct of a **clinical trial** including, but not limited to, scientific advisory boards, data safety monitoring committees and institutional review boards.

15. **“Hacking attack”**  
means any malicious or unauthorised electronic attack including but not limited to any fraudulent electronic signature, brute force attack, phishing, denial of service attack, that has been initiated by any **third parties** or by any **employees** and that is designed to damage, destroy, corrupt, overload, circumvent or impair the functionality of computer systems, software and ancillary equipment.

16. **“Insured clinical trial”**  
means all **clinical trials** notified to and accepted by **us** and listed in the Schedule.

17. **“Intellectual property right”**  
means any intellectual property right including but not limited to trademarks, broadcasting rights, domain names, metatags and copyrights but does not include patents or trade secrets.

18. **“Limit of liability”**  
means the maximum amount payable by **us** as stated in the Schedule in respect of each **claim** or **loss**.

19. **“Loss”**  
means direct financial loss sustained by **you**.

In respect of **INSURING CLAUSE 6**, **loss** means only those costs that **you** incur as a result of the use of external consultants, contractors or advisers. For the avoidance of doubt, **loss** does not include the salaries of **your employees** or **your premises** expenses or any payments that **you** have paid or agreed to pay as part of any service or maintenance contract.

20. **“Period of the policy”**  
means:
- a) the period between the Inception Date shown in the Schedule and the Expiry Date shown in the Schedule; or
  - b) the period between the Inception Date shown in the Schedule and the expiry of any applicable Extended Reporting Period, or
  - c) the period between the Inception Date shown in the

Schedule and the date on which the Policy is cancelled in accordance with **CONDITION 12**.

21. **“Pollution or contamination”**  
means pollution or contamination of the atmosphere, or of any water, land, buildings or other tangible property.
22. **“Premises”**  
means a building (including any outbuildings) occupied in connection with **your business activities**.
23. **“Product”**  
means any tangible property, including containers, packaging, labelling or instructions, after it has left **your** custody or control which has been designed, specified, formulated, manufactured, constructed, installed, sold, licensed, supplied, distributed, treated, serviced, altered, processed, cleaned, renovated or repaired by **you** or on **your** behalf in the course of **your business activities**.
24. **“Research animals”**  
means animals directly or indirectly used by **you** in connection with **your business activities**.
25. **“Research subject”**  
means a person participating in a **clinical trial**, including their dependents, heirs, executors, administrators and legal representatives after their death and unborn children through the participation of their mother.
26. **“Senior executive officer”**  
means board members, executive officers, in-house lawyers, risk managers, chief operating officers, chief technology officers, chief information officers, and chief privacy officers of the company named as the Insured in the Schedule, or any **subsidiary**.
28. **“Subsidiary”**  
means any company which the company named as the Insured in the Schedule controls, directly or indirectly, through:  
a) holding 50% or more of the voting rights; or  
b) having the right to appoint or remove 50% or more of its board of directors; or  
c) controlling alone, pursuant to a written agreement with other shareholders or members, 50% or more of the voting rights therein.
29. **“Third party”**  
means any person who is not a **senior executive officer** or **employee** or company that is not the company named as the Insured in the Schedule or any **subsidiary**.
30. **“Underlying local policy”**  
means a policy that meets at least the minimum requirements of the government or regulatory authority in the country in which the **clinical trial** took place and which is listed in the Schedule.
31. **“Virus”**  
means any malicious software code including but not limited to any logic bomb, Trojan horse or worm that has been introduced by any **third parties** or by any **employees** and that is designed to damage, destroy, corrupt, overload, circumvent or impair the functionality of computer systems, software and ancillary equipment.
32. **“We/our/us”**  
means the Underwriters named in the Schedule.
33. **“Withheld fees”**  
means any contractually due fee that **your client** refuses to pay **you**, but excludes any part of the fee that represents **your** profit or mark-up or liability for taxes.
34. **“Wrongful act”**  
means any act or event the subject of **INSURING CLAUSES 3, 4 and 5** of this Policy for which **you** have purchased coverage.
35. **“You/your”**  
means:  
a) the company named as the Insured in the Schedule, or any **subsidiary**, and;  
b) any past, present or future **employee** or **senior executive officer**.

## EXCLUSIONS

### We will not:

- make any payment on **your** behalf for any **claim**; or
- incur any **costs and expenses**; or
- reimburse **you** for any **loss, damage**, legal expenses, fees or costs sustained by **you**:

### EXCLUSIONS RELATING TO OTHER INSURANCES:

#### 1. Auto

arising directly or indirectly from the ownership, possession or use by **you** or on **your** behalf of any motor vehicle or trailer other than **bodily injury** or **damage**:

- caused by the use of any tool or plant forming part of or attached to or used in connection with any motor vehicle or trailer; or
- occurring beyond the limits of any carriageway or thoroughfare and caused by the loading or unloading of any motor vehicle or trailer; or
- arising out of the use of any motor vehicle or trailer temporarily in **your** custody or control for the purpose of parking;

provided always that **we** will not make any payment on **your** behalf or incur any **costs and expenses** in respect of any legal liability for which compulsory insurance or security is required by legislation or for which a government or other authority has accepted responsibility.

#### 2. Clinical trials

arising out of **bodily injury** to **research subjects** participating in **clinical trials** conducted by **you** or on **your** behalf except when, and to the extent that, cover is purchased under **INSURING CLAUSE 5**.

#### 3. Damage to third party property

arising directly or indirectly out of **damage to third party** property in **your** care, custody and control.

#### 4. Directors' and Officers' liability

arising out of any personal liability incurred by **your senior executive officers** when they are acting in that capacity or managing **you**, or arising from any statement, representation or information regarding **your** business contained within any

accounts, reports or financial statements.

4. **Double insurance**  
for which **you** are entitled to indemnity under any other insurance except for:
  - a) any additional sum which is payable over and above such other insurance; or
  - b) any contribution that **we** are obliged to make by law and that contribution shall be in proportion to the respective **limits of liability** or **amounts insured** of the Policies.
5. **Employers' liability**  
arising directly or indirectly out of **bodily injury** to **your senior executive officers** or **employees**.
6. **Employment practices liability**  
arising out of or resulting from any:
  - a) employer-employee relations, policies, practices, acts, omissions, any actual or alleged refusal to employ any person, or misconduct with respect to **employees**; or
  - b) any acts or omissions committed by **you** or any of **your senior executive officers** or **employees** to which are in breach of, or are alleged to be in breach of, any terms and conditions of contract relating to the previous employment of any of **your senior executive officers** or **employees**.
7. **Healthcare services**  
arising directly or indirectly from the provision, or failure to provide, **healthcare services**, unless arising out of:
  - a) an **insured clinical trial**; or
  - b) services provided in connection with the management of a **clinical trial**, where the conduct of the trial is supervised by an independent clinical investigator.

For the purposes of this **EXCLUSION**, **healthcare services** means any medical care, treatment, advice, instruction or service.
8. **Marine and aviation**  
arising directly or indirectly from the ownership, possession or use by **you** or on **your** behalf of any aircraft, hovercraft, offshore installation, rig, platform or watercraft.
10. **Product guarantee**  
for costs incurred in the repair, alteration, reinstatement, inspection, reconditioning or replacement of any **product** or part thereof and any financial loss consequent upon the necessity for such repair, alteration, reinstatement, inspection, reconditioning or replacement, except when, and to the extent that, cover is purchased under **INSURING CLAUSE 4, SECTION A**, when **you** are legally obliged to pay these sums to a **client**.
11. **Product recall**  
arising directly or indirectly from the recall of any **product** or part thereof.
12. **Products liability**  
arising as a consequence of **products** sold to a **third party**, except when, and to the extent that, cover is provided under **INSURING CLAUSE 3**.

#### EXCLUSIONS RELATING TO THE CONDUCT OF YOUR BUSINESS:

13. **Benefit laws**  
arising directly or indirectly out of **your** actual or alleged failure

to comply with the mandatory provisions of any law concerning workers compensation, unemployment insurance, social security, disability benefits or pension benefits.

14. **Circumstances known at inception**  
arising out of any circumstances or occurrences which could give rise to a **claim, loss or damage** under this Policy of which **you** are aware, or ought reasonably to be aware, prior to the Inception Date of this Policy, whether notified under any other insurance or not.
15. **Contractual liability**  
arising directly or indirectly from any liability that **you** assumed under any express warranty, agreement or guarantee unless such liability would have attached to **you** notwithstanding such express warranty, agreement or guarantee, unless specifically covered under **INSURING CLAUSE 4, SECTION B**, for which **you** have purchased coverage.
16. **ERISA**  
arising out of or resulting from **your** acts related to any pension, healthcare, welfare, profit sharing, mutual or investment plans, funds or trusts; or any violation of any provision of the Employee Retirement Income Security Act of 1974, or any amendment to the Act or any violation of any regulation, ruling or order issued pursuant to the Act.
17. **Failure to ensure feasibility of contracts**  
in respect of **INSURING CLAUSE 4** only, arising from any contract where before entering into or amending the contract **you** failed to take reasonable steps to ensure that **you** could fulfil all **your** obligations in accordance with the terms of the contract.
18. **Hazardous devices**  
arising directly or indirectly from any **product** which with **your** knowledge is intended for incorporation into the structure, machinery or controls of any aircraft, other aerial device, military vehicle, hovercraft or waterborne craft.
19. **Legal action**  
where action for damages is brought in a court of law outside the territories specified in the Schedule, or where action is brought in a court of law within those territories to enforce a judgment outside of those territories whether by way of Reciprocal Agreement or otherwise.
20. **Limiting recovery rights**  
arising directly or indirectly out of **your** actual or alleged failure to take reasonable steps to ensure that **our** rights of recovery against any **third party** are not unduly restricted or financially limited by a specific term in any contract or agreement.
21. **Liquidated damages, service credits and penalty clauses**  
in respect of **INSURING CLAUSE 4** only, for liquidated damages or service credits, or arising out of penalty clauses.
22. **Patents and trade secrets**  
in respect of **INSURING CLAUSE 4** only, arising out of the actual or alleged infringement of any patent or inducing the infringement of any patent or the dissemination of trade secrets.
23. **Research animals**  
sickness, disease or death to **research animals** caused by or resulting from natural causes, intentional or humane destruction, or as a consequence of scientific research, testing or experimentation.

24. **Retroactive date**  
in respect of **INSURING CLAUSES 3, 4 and 5** only, arising out of any event or actual or alleged **wrongful act** occurring, in whole or in part, before the date specified as the Retroactive Date in the Schedule

25. **RICO**  
for or arising out of any actual or alleged violation of the Organized Crime Control Act of 1970 (commonly known as the Racketeer Influenced and Corrupt Organization Act or RICO), as amended, or any regulation promulgated thereunder or any similar federal, state or local law, whether such law is statutory, regulatory or common law.

26. **SEC**  
for or arising out of the actual or alleged violation of the Securities Act of 1933, the Securities Exchange Act of 1934, or any similar regional, provincial, territorial, state or federal law, or any amendment to the above laws or any violation of any order, ruling or regulation issued pursuant to the above laws.

27. **Unjust enrichment**  
In respect of **INSURING CLAUSE 4** only, for that part of any **claim** that results in **you** being in a better financial position as a direct result of **your wrongful act** than **you** would have been if **you** had not committed the **wrongful act**.

However, in respect of **INSURING CLAUSE 4, SECTION C** only, and notwithstanding **CONDITION 5**, we shall pay **costs and expenses** on **your** behalf unless and until this **EXCLUSION** is ascertained to apply to all or any part of a **claim** (including by judgment, arbitral award, settlement or agreement between **you** and us).

This does not affect any other clause or term of this Policy.

28. **Wilful or dishonest acts of directors**  
in respect of **INSURING CLAUSES 1 to 6** only, arising out of any actual or alleged wilful, malicious, reckless or dishonest act or omission by any **senior executive officer**, unless such person had already ceased to be a **senior executive officer** at the time of their first wilful, malicious, reckless or dishonest act or omission, or unless specifically covered under **INSURING CLAUSE 4 SECTION A (e)**. We will not provide any cover for any **senior executive officer** who commits, condones or ignores any dishonesty.

#### GENERAL INSURANCE EXCLUSIONS:

30. **Antitrust**  
for or arising out of any actual or alleged antitrust violation, restraint of trade, unfair competition, false, deceptive or unfair trade practices, violation of consumer protection laws or false or deceptive advertising unless insurable under the applicable law.

31. **Asbestos**  
arising directly or indirectly or resulting from or contributed to by the manufacturing, mining, use, sale, installation, removal, distribution of or exposure to asbestos, materials or products containing asbestos, or asbestos fibers or dust.

32. **Associated companies**  
a) in respect of any **claim** made by any company, firm, or partnership in which the company named as the Insured in the Schedule has an executive or financial interest, unless such **claim** emanates from an independent **third party**; or  
b) in respect of any **claim** made by any company, firm, partnership or individual which has an executive or financial interest in the company named as the Insured in the Schedule

or any **subsidiary**, unless such **claim** emanates from an independent **third party**; or  
c) arising out of or resulting from any of **your** activities as a trustee, partner, officer, director or employee of any employee trust, charitable organisation, corporation, company or business other than that of the company named as the Insured in the Schedule or any **subsidiary**; or  
d) in respect of any **claim** made by or on behalf of the company named as the Insured in the Schedule or any **subsidiary**.

33. **Electromagnetic fields**  
directly or indirectly arising out of, resulting from or contributed to by electromagnetic fields, electromagnetic radiation, electromagnetism, radio waves or noise, unless arising directly out of **your** Business Activities as stated in the Schedule.

34. **Faulty workmanship**  
arising from **damage to your** property or **premises** caused directly or indirectly by misuse, inadequate or inappropriate maintenance, faulty workmanship, defective design, the use of faulty materials or whilst being cleaned, worked on or maintained.

35. **Fines**  
for fines, penalties, civil or criminal sanctions and for punitive, multiple or exemplary damages unless insurable under the applicable law.

35. **Insolvency**  
arising out of or relating directly or indirectly from **your** insolvency or bankruptcy, or the insolvency or bankruptcy of any **third party**.

36. **Nuclear**  
arising directly or indirectly from or contributed to by:  
a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel; or  
b) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

However, for the avoidance of doubt, this **EXCLUSION** shall not apply to **bodily injury** or **damage** arising from the use of radioactive isotopes in the course of **your** Business Activities as stated in the Schedule.

37. **Pollution or contamination**  
arising from **pollution or contamination**

However, this **EXCLUSION** shall not apply to **INSURING CLAUSE 2**.

38. **Specified diseases**  
arising from the transmission, cross infection, failure to test for the presence of, or failure to cure or alleviate any condition directly or indirectly caused by or associated with Viral Hepatitis; Human Immunodeficiency Virus (HIV); Human T-Cell Lymphotropic Virus Type iii or Lymphadenopathy (or any mutants, derivatives or variations thereof); Transmissible Spongiform Encephalopathy, Creutzfeldt Jakob Disease or variants thereof; Acquired Immune Deficiency Syndrome or any similar syndromes or conditions.

39. **Specified materials**  
arising directly or indirectly or resulting from or in any way involving the actual, potential, suspected or alleged presence of any kind of:  
a) Di (2-ethylhexyl) Phthalate (DEHP); or  
b) Latex; or  
c) Mercury; or



- d) Silicone; or
- e) Lead.

#### 40. Toxic mould / fungus

arising directly or indirectly from any **loss, bodily injury, damage, costs** or expenses, including, but not limited to, **losses, damage, costs** or expenses related to, arising from or associated with clean-up, remediation, containment, removal or abatement, caused directly or indirectly, in whole or in part, by:

- a) any **fungus, mould, mildew** or yeast, or
- b) any **spore** or toxins created or produced by or emanating from such **fungus, mould, mildew** or yeast, or
- c) any substance, vapour, gas, or other emission or organic or inorganic body or substance produced by or arising out of any **fungus, mould, mildew** or yeast, or
- d) any material, product, building component, building or structure, or any concentration of moisture, water or other liquid within such material, product, building component, building or structure, that contains, harbours, nurtures, or acts as a medium for any **fungus, mould, mildew** yeast, or **spore** or toxins emanating therefrom, regardless of any other cause, event, material, product or building component that contributed concurrently or in any sequence to that **loss, bodily injury, damage** or cost or expense.

For the purposes of this **EXCLUSION** the following definitions are added to the Policy:

**Fungus** includes, but is not limited to, any plants or organisms belonging to the major group Fungi, lacking chlorophyll, and including **moulds, rusts, mildews, smuts** and mushrooms.

**Mould** includes, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and **fungi** that produced moulds.

**Spore** means any dormant or reproductive body produced by or arising from or emanating out of any **fungus, mould, mildew, plants, organisms** or microorganisms.

#### 41. Trade debt

arising out of or in connection with any trading losses or trading liabilities incurred by any business managed or carried on by **you**, or any loss of **your** profit arising from the loss of any **client**,

account or business.

#### 42. War and terrorism

directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the **claim, loss, damage** or **costs and expenses**;

- a) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
- b) any **act of terrorism**; or
- c) an **ideologically motivated attack**, except when, and to the extent that, cover is purchased under **INSURING CLAUSE 2**.

For the purpose of this **EXCLUSION** an **act of terrorism** means an act, including but not limited to the use of force or violence or the threat thereof, of any person or groups of persons, whether acting alone or on behalf of or in connection with any organisations or governments, committed for political, religious, ideological or similar purposes including the intention to influence any government or to put the public, or any section of the public, in fear.

In respect of an **act of terrorism**, as defined above, in the Israeli territory and its held territories, only an explicit confirmation of the Israeli Police or of the Ministry of Defense or from the manager of Property Tax and Compensation Fund, as defined by the Property Tax and Compensation Fund Law 1961, with all its amendments, confirming that the **claim, loss, damage** or **costs and expenses** was caused directly by an **act of terrorism**, will serve as cause for repudiation of any **claim, loss, damage** or **costs and expenses** for an **act of terrorism**.

This **EXCLUSION** also excludes **claims, losses, damage** or **costs and expenses** 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 a) or b) above.

This **EXCLUSION** does not apply to any **claim** or **loss** arising directly from a **hacking attack** or **virus**.

## CONDITIONS

### I. What you must do in the event of a claim or loss

Should any **senior executive officer** becomes aware of any **claim, loss** or **damage** or of any situation that could give rise to a **claim** or **loss** or should an allegation, complaint or **claim** be made or intimated against **you**, the following obligations must be complied with by **you**:

- a) **You** must not admit liability for or settle or make or promise any payment in respect of any **claim, loss** or **damage** which may be covered under this Policy. Neither must **you** incur any **costs or expenses** in connection with such a **claim, loss** or **damage** without **our** written consent.
- b) The Claims Managers, as specified in the Schedule, must be notified as soon as is reasonably possible if during the **period of the policy**:
  - i) **you** suffer any **loss** or **damage** that could be covered by this Policy or any allegation, complaint or **claim** is made or intimated against **you**, whether verbal or made in writing;
  - ii) any **senior executive officer** becomes aware of the

intention of any person to make a complaint or allegation or **claim** against **you**, whether verbal or in writing. Once notice has been made to **us**, **we** will regard any subsequent **claim** that may arise as notified under this Policy;

- iii) **you** become aware of an action of **yours** that could give rise to a **loss, allegation, complaint** or **claim** being made or intimated against **you**. Once notice has been made **we** will regard any subsequent **claim** that may arise as notified under this Policy;
- iv) **you** discover reasonable cause for suspicion of fraud or dishonesty whether this could give rise to a **claim** under this Policy or not and **we** shall not be liable under this Policy for any **claim** or **loss** sustained in consequence of any fraudulent or dishonest act or omission committed after the date of such discovery;
- v) **you** are required to recall any **product** or part thereof;
- vi) **you** are the subject of a formal regulatory proceeding.

**We** have nominated Claims Managers to accept notice on **our** behalf.

Due to the nature of the coverage offered by this Policy, any unreasonable delay by **you** in notifying the Claims Managers of (i), (ii), (iii), (iv), (v) or (vi) above could lead to the size of the **claim, loss or damage** increasing or to **our** rights being restricted. **We** shall not be liable for that portion of any **claim** that is due to any unreasonable delay in **you** notifying the Claims Managers of any **claim, loss or damage** in accordance with this clause.

- c) **We** will expect **you** to provide **us** with full and accurate information about any matter that **you** notify to **us** under **your** obligations set out above. Once notice has been made **you** must give the Claims Managers all the assistance and information that is reasonably required. **You** must follow their advice and do anything that they reasonably require **you** to do to avoid, minimise, settle or defend any **claim, loss or damage**.

If **you** think a crime has been committed **you** must report it to the appropriate law enforcement authorities. **You** must also permit the Claims Managers and any other parties that are appointed by the Claims Managers to notify the appropriate law enforcement authorities of any **claim, loss or damage** where this action is deemed necessary, and **you** must comply with the advice given by such authorities.

If any of **your** computer or ancillary equipment is lost or stolen while it is temporarily removed from the **premises**, **we** will not make any payment unless **you** report the loss to the police within 48 hours after **you** become aware of it.

## 2. What you must do in the event of a circumstance which may give rise to a claim

Should a **senior executive officer** become aware of:

- a situation that could give rise to a **claim**; or
- an allegation or complaint made or intimated against **you**;

then **you** have the option of whether to report this circumstance to **us** or not. However, if **you** choose not to report this circumstance **we** shall not be liable for that portion of any **claim** that is greater than it would have been had **you** reported this circumstance.

If **you** choose to report this circumstance, **you** must do so within the **period of the policy**, or the period of any applicable Extended Reporting Period, for it to be considered under this Policy and **we** will require **you** to provide full details of the circumstance, including but not limited to:

- the time, place and nature of the circumstance; and
- the manner in which **you** first became aware of this circumstance; and
- the reasons why **you** believe that this circumstance is likely to result in a **claim**; and
- the identity of the potential claimant; and
- an indication as to the size of the **claim** that could result from this circumstance.

Based on these details **we** will decide whether to accept this circumstance as one which could reasonably be expected to give rise to a **claim**. If **we** accept this circumstance, **we** will regard any subsequent **claim** that may arise as notified under this Policy.

## 3. Continuous cover

If **you** have neglected, through error or oversight only, to report

a **claim** made against **you**, or a circumstance which may give rise to a **claim**, during the period of a previous renewal of this Policy issued to **you** by **us**, then provided that **you** have maintained uninterrupted insurance of the same type with **us** since the expiry of that earlier Policy, then, notwithstanding **EXCLUSION 14**, **we** will permit the matter to be reported under this Policy and will indemnify **you**, provided that:

- the indemnity will be subject to the applicable **aggregate limit of liability** or **limit of liability** of the earlier Policy under which the matter should have been reported or the **aggregate limit of liability** or **limit of liability** of the current Policy, whichever is the lower;
- we** may reduce the indemnity entitlement by the monetary equivalent of any prejudice which has been suffered as a result of the delayed notification;
- the indemnity will be subject in addition, to all of the terms, **CONDITIONS, DEFINITIONS** and **EXCLUSIONS**, other than the **aggregate limit of liability** or **limit of liability**, contained in this current Policy.

## 4. Fraudulent claims

If **you** notify **us** of any claim knowing that claim to be false or fraudulent in any way, **we** shall have no responsibility to pay that **claim** or any other claims under this insurance and the Policy will be treated as if it had not been effected.

## 5. Agreement to pay claims

**We** have the right and duty to take control of and conduct in **your** name the investigation settlement or defence of any **claim**. **We** shall also pay on **your** behalf **costs and expenses** incurred with **our** prior written consent (subject to the Limits of Liability shown in the Schedule) provided that **we** shall not pay for the **costs and expenses** of any part of a **claim** that is not covered by this Policy.

**We** shall always endeavour to settle any **claim** through negotiation, mediation or some other form of alternative dispute resolution and shall pay on **your** behalf the amount so agreed by **us** and the claimant. If **we** cannot settle by such means, **we** shall pay the amount which **you** are found liable to pay either in court or through arbitration proceedings, subject always to the Limit of Liability shown in the Schedule.

If **you** refuse to consent to a settlement that **we** recommend and that the claimant will accept, then **you** must then defend, investigate or settle the **claim** at **your** own expense. As a consequence of **your** refusal, **our** liability for any **claim** shall not be more than the amount that **we** could have settled the **claim** had **you** consented, plus any **costs and expenses** incurred prior to the date of such refusal.

## 6. Innocent non-disclosure

**We** will not seek to avoid the Policy or reject any claim on the grounds of non-disclosure or misrepresentation except where the non-disclosure or misrepresentation was reckless or fraudulent or **you** failed to conduct a full enquiry prior to providing the information that forms the basis of this insurance. In the event that **we** seek to avoid the Policy or reject any claim on this basis the burden of proving otherwise rests solely with **you**.

## 7. Your duty to advise us of changes

If **you** become aware that any of the information that **you** have given **us** in the Proposal Form or elsewhere in connection with **your** proposal for this insurance has materially changed then **you** must advise **us** as soon as is practicable. In this event, **we** reserve

the right to amend the terms, conditions or premium of the Policy.

#### 8. Risk management conditions

If **we** attach any additional conditions to **your** Policy regarding any risk survey or risk management timetable or any other similar conditions then it is **your** responsibility to ensure that these conditions are complied with by the deadlines shown in the conditions.

#### 9. Our rights of recovery

If any payment is made under this Policy in respect of a **claim, loss or damage** and there is available to **us** any of **your** rights of recovery against any other party then **we** maintain all such rights of recovery. **We** shall not exercise these rights against any past, present or future **employee, senior executive officer**, unless such payment is in respect of any wilful, malicious or dishonest acts or omissions.

**You** must do nothing to impair any rights of recovery. At **our** request **you** will bring proceedings or transfer those rights to **us** and help **us** to enforce them. Any recoveries shall be applied as follows:

- a) first, to **us** up to the amount of **our** payment on **your** behalf including **costs and expenses**;
- b) then to **you** as recovery of **your** Deductible or other amounts paid as compensation or costs and expenses.

#### 10. Waiver of subrogation

Notwithstanding **CONDITION 9** above **we** agree to waive **our** rights of subrogation against a responsible **third party client of yours** but only if **you** and **your client** have entered into a contract that contains a provision requiring **us** to do this.

#### 11. Payment of premium and policy administration fee

**You** undertake that the Premium and Policy Administration Fee will be paid, in full, to **us** within 90 days of the Inception Date (or if inception retrospectively, this 90 day period will be extended to represent 90 days from the date of instruction).

If **you** have not paid the Premium and Policy Administration Fee to **us** by the 90th day after the Inception Date (or if inception retrospectively, this 90 day period will be extended to represent 90 days from the date of instruction) **we** shall issue to **you** (and any additional interested party in the Policy being named in the Schedule and such interest in the Policy is irrevocable) an initial written notice of cancellation, to take effect 36 days following the date of **our** initial written notice of cancellation.

Should the Premium and Policy Administration Fee remain in default at expiry of the 15th day following the date of **our** initial written notice of cancellation, **we** shall issue to **you** (and any additional interested party in the Policy being named in the Schedule and such interest in the Policy is irrevocable) a final written notice of cancellation, to take effect 21 days following the date of **our** final written notice of cancellation.

If the Premium and Policy Administration Fee are paid, in full, to **us** on, or before, expiry of the 36th day following the date of **our** initial written notice of cancellation, **our** notice of cancellation shall be revoked. If the Premium and Policy Administration Fee remain in default at expiry of the 36th day following the date of **our** initial written notice of cancellation the Policy will be cancelled automatically.

#### 12. Cancellation

This Policy may be cancelled:

- a) if **you** give **us** 15 days written notice; or
- b) by **us** if **we** give **you** 15 days written notice; or
- c) by **us** due to the non payment of the Premium and Policy Administration Fee in accordance with the "Payment of premium and policy administration fee" **CONDITION**.

If **you** give **us** notice of cancellation in accordance with a) above,

the earned Premium shall be pro rata to the number of days that the Policy is in effect.

If **we** give **you** notice of cancellation in accordance with b) or c) above, the earned Premium shall be pro rata to the number of days that the Policy is in effect.

The Policy Administration Fee shall be deemed fully earned at the Inception Date of this Policy.

#### 13. Prior subsidiaries

In respect of **INSURING CLAUSE 4** only, should an entity cease to be a **subsidiary** after the Inception Date of this Policy, cover in respect of such entity shall continue as if it was still a **subsidiary**, until the termination of this Policy, but only in respect of any **claim** or **loss** that arises out of any act, error or omission committed by that entity prior to the date that it ceased to be a **subsidiary**.

#### 14. Mergers and acquisitions

During the **period of the policy**, if the company named as the Insured in the Schedule or any **subsidiary**

- a) purchases assets or acquires liabilities from another entity in an amount greater than 10% of the assets of the company named as the Insured in the Schedule as listed in its most recent financial statement; or
- b) acquires another entity whose annual revenues are more than ten percent 10% of the annual revenues of the company named as the Insured in the Schedule for their last completed financial year;

then **you** shall have no coverage under this Policy for any **claim, loss or damage** that arises directly or indirectly out of the purchased or acquired entity unless the company named as the Insured in the Schedule gives **us** written notice prior to the purchase or acquisition, obtains **our** written consent to extend coverage to such additional entities, assets or exposures, and agrees to pay any additional premium required by **us**.

If during the **period of the policy** the company named as the Insured in the Schedule consolidates or merges with or is acquired by another entity, then all coverage under this Policy shall terminate at the date of the consolidation, merger or acquisition unless **we** have issued an endorsement extending coverage under this Policy, and the company named as the Insured in the Schedule has agreed to any additional premium and terms of coverage required by **us**.

#### 15. Extended reporting period

In respect of **INSURING CLAUSES 3, 4 and 5** only, an Extended Reporting Period of 30 days following the Expiry Date as shown in the Schedule shall be automatically granted hereunder at no additional premium. Such Extended Reporting Period shall cover **claims** reported to **us** during this 30 day Extended Reporting Period but only in respect of a **wrongful act** committed prior to the Expiry Date shown in the Schedule, and subject to all other terms, conditions and exclusions of this Policy. No **claim** shall be accepted by **us** in this 30 day Extended Reporting Period if **you** are entitled to indemnity under any other insurance, or would have been entitled to indemnity under such insurance but for the exhaustion thereof.

#### 16. Optional extended reporting period

In respect of **INSURING CLAUSES 3, 4 and 5** only, in the event of cancellation or non-renewal of this Policy by **us** then **you** shall have the right, upon payment of the Optional Extended Reporting Period Premium shown in the Schedule in full and not proportionally or otherwise in part, to have issued an endorsement providing an Optional Extended Reporting Period, for the period of time shown in the Schedule, from the cancellation or non-renewal date. Such Optional Extended Reporting Period shall cover **claims** first made against **you** and

notified to **us** during this Optional Extended Reporting Period but only in respect of any **claim** arising out of **wrongful act** committed prior to the date of cancellation or non-renewal, and subject to all other terms, conditions and exclusions of the Policy.

In order for **you** to invoke the Optional Extended Reporting Period option, the payment of the Optional Extended Reporting Period Premium shown in the Schedule for this Optional Extended Reporting Period must be paid to **us** within 15 days of the date of the non-renewal or cancellation. At the commencement of this Optional Extended Reporting Period the entire premium shall be deemed earned and in the event that **you** terminate the Optional Extended Reporting Period for any reason prior to its natural expiration, **we** will not be liable to return any premium paid.

The right to the Extended Reporting Period or the Optional Extended Reporting Period shall not be available to **you** where:

- a) Cancellation or non-renewal by **us** is due to non-payment of premium, or
- b) Cancellation or non-renewal by **us** is due to **your** failure to pay such amounts in excess of the applicable Limit of Liability or within the amount of the applicable Deductible as is required by this Policy in the payment of **claims**.

At the renewal of this Policy, **our** quotation of different premium, Deductible or Limit of Liability or changes in policy language shall not constitute non-renewal by **us** for the purposes of granting this Optional Extended Reporting Period.

In no event shall the granting of the Extended Reporting Period or the Optional Extended Reporting Period increase **our** Limit of Liability, including **costs and expenses**, as shown in the Schedule.

#### 17. Additional insureds

**We** shall indemnify any **third party** as an additional Insured under this Policy, but only in respect of sums which they become legally obliged to pay (including liability for claimants' costs and expenses) as a result of a **claim** arising solely out of a **wrongful act** committed by **you** or arising solely out of accidental **bodily injury** or **damage** caused by **you**, provided that:

- a) **you** contracted in writing to indemnify the **third party** for such a **claim** prior to it first being made against them; and
- b) had the **claim** been made against **you**, then **you** would be

entitled to indemnity under this Policy.

When this **CONDITION** applies it shall be primary and non contributory to any **third party's** own insurance but only if **you** and any **third party** have entered into a contract that contains a provisions requiring this.

As a condition to **our** indemnification of any additional Insured:

- i) they shall prove to **our** satisfaction that the **claim** arose solely out of a **wrongful act** committed by **you** or arose solely out of accidental **bodily injury** or **damage** caused by **you**; and
- ii) they shall fully comply with **CONDITION I(a)** above as if they were **you**.

Where a **third party** is indemnified as an additional Insured as a result of this **CONDITION**, it is understood and agreed that any **claim** made by that **third party** against **you** shall be treated by **us** as if they were a **third party**, not an additional Insured.

#### 18. Choice of law, legal action and jurisdiction

The Provisions of the Insurance Contract Law 1981 apply to this Policy.

This Policy shall be interpreted under, governed by and construed in all respects in accordance with the law of the State of Israel and, for this purpose, **we** and **you** agree to submit to the exclusive jurisdiction of the courts of Israel.

**We** hereon agree that all summonses, notices or processes requiring to be served upon **us** for the purpose of instituting any legal proceedings in connection with this Policy may be served upon:

Sigal Schlimoff Rechtman  
Lloyd's Representative  
Gibor Sport Building  
7 Menachem Begin Road  
Ramat Gan 52521  
Israel