

Information Technology Endorsement

Definitions

For the purpose of this endorsement the words or terms that appear in **bold** will be interpreted as follows:

Deliverables

Shall mean any hardware, firmware, peripherals, software, cabling or electronic equipment.

Extensions

Subject otherwise to the terms and conditions of this Policy, **We** agree in addition to indemnify the **Insured** up to the

Indemnity limit for claims first notified by the **Insured** during the **Period of insurance**

- 1 for breach of a contract to design or supply **Deliverables** caused by:
 - a) any failure of the **Deliverables** to conform with any written specification incorporated into a contract in which contract the **Insured** has warranted that the **Deliverables** will conform with the specification;
 - b) the existence of a material defect in the **Deliverables**;
 - c) the failure of the **Deliverables** to meet any term implied by statute as to quality, fitness for purpose or the safety of the **Deliverables**.
- 2 relating to amounts owed to the **Insured**, including amounts legally owed by the **Insured** to sub-contractors or suppliers, due to the refusal of the **Insured's** client to pay for work done by the **Insured** for them where such client has reasonable grounds for being dissatisfied with the work and threatens to bring a claim for more than the amount owed. In such circumstances, if it is possible to settle the dispute by agreeing not to pursue the outstanding amount, **We** will agree to pay the amount owed if they consider that it will avoid a legitimate claim for a greater amount. If, following this, a claim still arises then the amount paid under this section will be deducted from the **Indemnity limit**. If the **Insured** eventually recovers the debt then the amount paid by **We** must be repaid to them less the **Insured's** reasonable expenses of recovering the debt due.

Exclusions

Exclusion 4.3 (Supply of Goods) in this Policy shall be amended to read

as follows:

4.3 Supply of Goods

Arising out of or relating to:

- a) the manufacture, construction, alteration, repair, servicing or treating of any goods or products sold, distributed or supplied than **Deliverables**; or
- b) buildings, building works or physical structures constructed, repaired, installed, erected, removed or demolished by the **Insured** or any related company or sub-contractor of the **Insured**;

Exclusion 4.6 (Contractual Liability) in this Policy shall be amended to read as follows:

4.6 Contractual Liability

Arising directly or indirectly

- a) from any breach or alleged breach of any contractual duty or duty of care owed or alleged to have been owed by the **Insured** to any third party and which is more onerous than any duty that would otherwise be implied by common law or statute except as covered by Extension Clause 1 in this endorsement;
- b) from any contract where, before entering into or extending a contract, the **Insured** failed to take reasonable steps to ensure that it could fulfil all of its obligations in accordance with the terms of the contract or any representations made by or on behalf of the **Insured**

It is understood and agreed that **We**, in addition to the exclusions contained elsewhere in this Certificate, shall not be liable to indemnify the **Insured** against any claim:

1 Obscenity

Arising directly or indirectly from any obscenity, blasphemy or pornographic material;

2 Libel and slander

For damages for libel or slander arising directly or indirectly from statements made or published by the **Insured** unless the **Insured** can demonstrate that it neither knew nor ought reasonably to have known that the statement was defamatory at the time that it was published;

3 Restricted recovery rights

Where the **Insured's** right of recovery from any third party in respect of that claim has been restricted by the terms of any contract entered into by the **Insured**;

4 Recall costs

For the costs and expenses incurred in the recall, repair, replacement of any service provided or **Deliverables** or the refund of any money paid by a third party in connection with the recall of any **Deliverables**;

5 Third party default

Arising directly or indirectly from

- a) a defect in any **Deliverable** supplied by a third party;
- b) any failure by a third party to supply any **Deliverable** or provide any service;

6 Consequential losses

For damages for loss of

- a) sales or profits
- b) software, computer files, documents or data
- c) indirect, consequential or special loss

in circumstances where it would have been reasonable for the **Insured** to have contractually excluded their liability for those losses.

In the event that there is any dispute as to whether or not this exclusion applies the **Insured** shall have the burden of proving that this exclusion does not apply.

7 Contractual remedies

For any award of, or liability to pay, compensation or damages where the **Insured** has assumed an obligation to pay compensation or damages in excess of any amount that would otherwise be awarded under statute or common law.

8 Financial advice

Arising directly or indirectly from the provision by the **Insured** of any financial advice or arrangements made by or on behalf of the **Insured** in respect of any finance, credit or leasing agreement.

Notification and Claims Conditions

In addition to the Notification and Claims Conditions contained in this Policy, the **Insured** shall:

1. as a condition precedent to their right to be indemnified under this Policy, inform **We** as soon as possible, and in any event within 10 working days (provided always that such notification is received by **Us** before the expiry of the **Period of Insurance**) of the receipt, awareness or discovery of any refusal of any client of the **Insured** to pay for work done by the **Insured** where such client has reasonable grounds for being dissatisfied with the work and threatens to bring a claim for more than the amount owed.
2. take (without prejudice to the Notification and Claims Conditions in this Policy) all reasonable steps to avoid or mitigate any loss, damage or liability that may result in any claim or **Circumstance** notifiable under this Policy.

All other terms and conditions of this Policy remain unaltered.