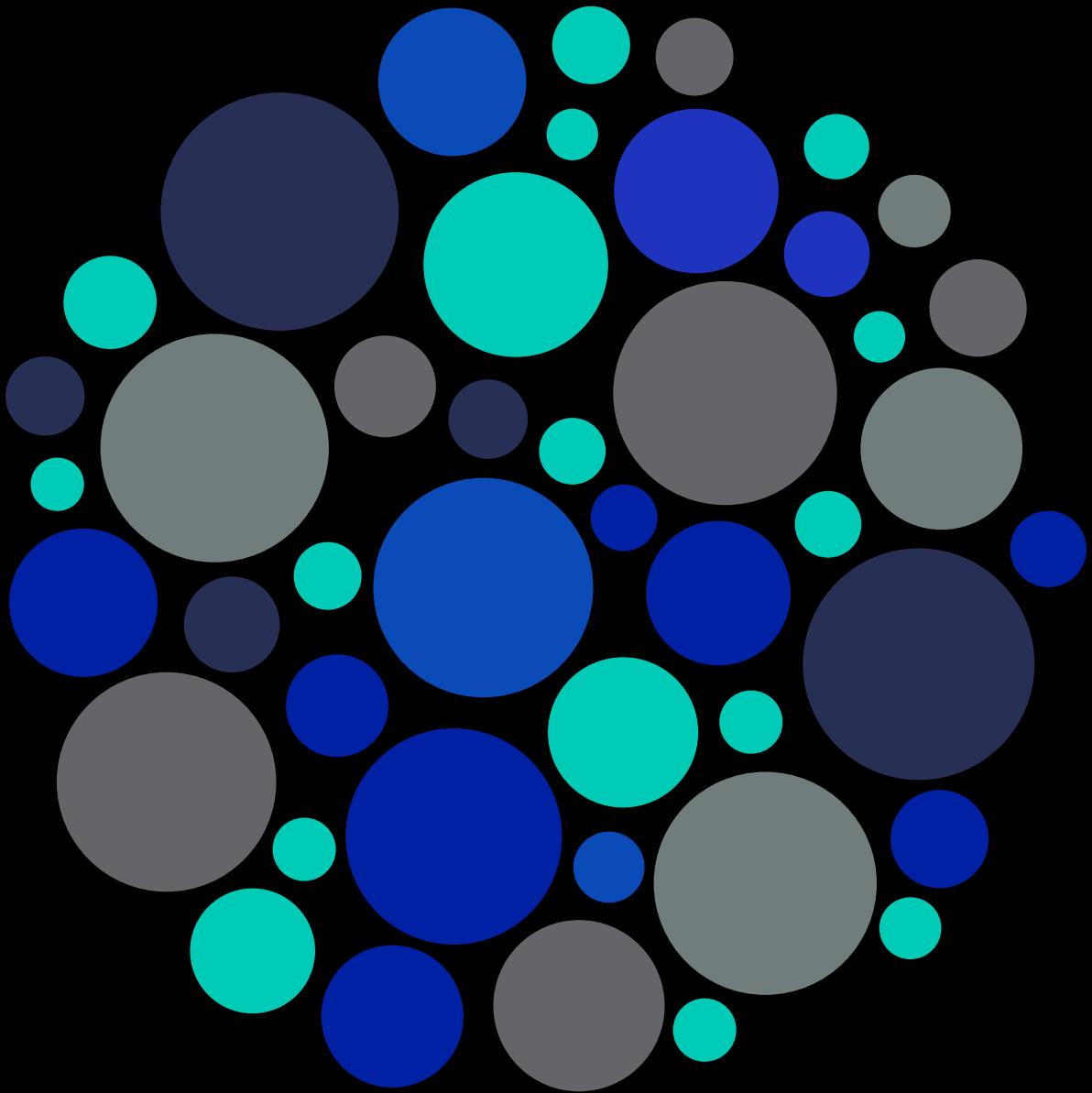


Easy to understand insurance policies Guidance

December 2021



1.	Foreword ☺	03
----	------------	----

2.	Why easy to understand insurance policies are essential ☺	05
2.1	The value of shared understanding – increases customer value, reduces your risk ☺	
2.2	Start with individuals, micro-enterprises and small and medium enterprises ☺	

3.	Recommendations to make insurance products easy to understand ☺	08
3.1	Summarise key components up front ☺	
3.2	Reduce complexity ☺	
3.2.1	Use simple language ☺	
3.2.2	Use a simple structure ☺	
3.2.3	Example of simplification ☺	
3.3	Use clear design to aid navigation and comprehension ☺	
3.4	Reduce the length of documents ☺	
3.5	Adopt digital contracts ☺	
3.6	Listen to customer feedback ☺	
3.7	Keep the policy wording under review ☺	

4.	How to implement easy to understand insurance policies ☺	16
4.1	Start with one ☺	
4.2	Expand gradually ☺	
4.3	Test with customers and legal resources ☺	
4.4	Respond to feedback ☺	
4.5	Use the support available ☺	

5.	Appendices ☺	17
5.1	Appendix A: Insurance Product Information Document Template ☺	

Foreword

Insurance is a promise to pay. Avoiding a difference in understanding of the coverage provided by a contract between the insured and insurer is a fundamental requirement when designing and selling insurance products. A clear and easy to understand policy reduces the potential for a customer to believe they are protected against risks which are not covered as well as allowing insurers to price and reserve risk sustainably. There are several relatively simple steps which can be taken to ensure that insurance contracts are straightforward to understand. In the *'Building simpler insurance products to better protect customers'* report, Lloyd's outlined several ways to make insurance products simpler – both today and in the future. This guidance outlines the first steps that managing agents should be taking today.

Lloyd's and the Lloyd's Market Association are committed to helping the market improve the clarity of products being sold. Guidance, education, and well-designed model policy wordings create a positive impact on:

- Customer understanding and experience at placement, post loss, and through the product lifecycle
- Product design, simplification, and tailoring to meet changing customer needs and create greater clarity in coverage

While what is set out is not mandatory – it is strongly recommended. We expect managing agents to consider this guidance as they begin the Financial Conduct Authority's fair value reviews. The benefits gained by both customers and insurers from a shared understanding and positive outcomes from insurance are necessary for the long-term success of the industry.

Sheila Cameron

CEO of Lloyd's Market Association (LMA)

Patrick Tiernan

Chief of Markets, Lloyd's



2. Why easy to understand insurance policies are essential

An improved understanding of insurance contracts is good for all businesses, large or small, but we must start with those where the insurance buyer often has little insurance experience.

2.1 The value of shared understanding – increases customer value, reduces your risk

Clearer wording helps customers understand their protection. Once the existing cover is understood, a customer can then make informed decisions based on any risks that are excluded or restricted from the insurance cover and assess whether it meets their needs. The customer's and their insurer's expectations should be aligned – enabling trust and a long-term relationship.

Q. Won't reviewing and redrafting insurance policy wordings take a long time to do?

Putting together good, simple contracts does take time, but it is a worthwhile and necessary investment. The process will improve customer outcomes, increase contract clarity and reduce legal and reputational risk. If the recent COVID-19 disputes have proven anything it is that maintaining the status quo with a lack of contract clarity, can lead to a false economy – reviewing and redrafting contracts periodically could reduce the risk of further complaints, regulatory action or even fines.

Q. Won't it change the wording of legally robust wordings?

For individuals and micro/small and medium enterprise customers, insurance policies are rarely tested in the UK courts but are typically resolved by the Financial Ombudsman Service in the UK. As stated on the Financial Ombudsman Service website, if a case is formally referred to them, they will review all the facts and evidence and will make a final, binding decision based on what is "fair and reasonable". Where there is ambiguity, the interpretation will favour the customer.

Under certain circumstances policyholders outside the UK, on policies written by syndicates, may also have access to the Financial Ombudsman Service. Different rules apply to policies written by Lloyd's Europe and Lloyd's China but in some cases the Financial Ombudsman Service will be able to consider policyholder complaints here as well.

Considering the below categories and circumstances, currently there are approximately up to 13 million Lloyd's contracts that could be eligible to be referred to Financial Ombudsman Service to resolve disputes. The Financial Conduct Authority in the UK is currently consulting on a consumer duty that could give individuals greater recourse to legal courts – and potentially greater expense for the insurers than the Financial Ombudsman Service.

Furthermore, simpler wording removes much of the requirement for legal interpretation because the meaning is already clear. The recent Financial Conduct Authority business interruption test case that was escalated to the UK Supreme Court demonstrated the value of clarity. The legal team assembled by the Financial Conduct Authority identified key contractual uncertainties and missing 'causation' issues. Without these contractual uncertainties, the FCA rules that there was a lack of clarity for policyholders, resulting in successful claims against insurers.

- For contracts written by UK insurers, the Financial Conduct Authority defines micro/small and medium enterprise customers in two separate sub-categories:
- Micro-enterprise: employs fewer than 10 people; and has annual turnover or a balance sheet total of less than £2 million
 - Small business (part of Small and Medium Enterprise category): is not a Micro-enterprise; and has annual turnover of less than £6.5 million; and has a balance sheet total of less than £5 million or employs fewer than 50 people

This example is evidence enough that there is no good reason to delay the process of simplification and every incentive to start clarifying your wordings as soon as possible.

2. Why easy to understand insurance policies are essential

2.2 Start with individuals, micro-enterprises and small and medium enterprises

Increased customer understanding would be of value to all segments, but in particular for those classified as individuals, micro-enterprises and small and medium enterprises where the insurance buyer often has little insurance experience. For these customer segments, it is recommended that a comprehensible policy should:

- Summarise the key components up front (Insurance Product Information Documents where required, otherwise using product summaries as recommended in section 3.1 below)
- Simplify the language to the reading age of a 12-year-old and avoid jargon
- Have a clear structure
- Use clear design to aid navigation and comprehension
- Be as concise as possible (to reduce the length of the document)
- Adopt the use of digital contracts to replace the traditional paper format wherever possible
- Be updated as required in response to customer feedback
- Be kept under review

While these types of businesses might benefit most from an easy to understand insurance contract, there is no customer segment, small or large, or insurer that wouldn't ultimately benefit from greater clarity.



3. Recommendations to make insurance products easy to understand

Improving language, structure and design will help customers improve their understanding, without changing the meaning of the contract.

3.1 Summarise key components up front

Standardised product summaries at the start of insurance policies help improve customer understanding and make policies more comparable. Typically they outline the key coverage, excesses, limits and exclusions – as well as common areas of misunderstanding. Summaries could be improved if they were to also link to the different sections of the contract where further detail is available, providing an easy reference point to help customers quickly navigate the key contract components.

Using consistent coloured icons throughout the document can also help to aid navigation. Colour coding sections of the document can be helpful to demonstrate what the insurance actually covers and how it will protect the customer. Additionally, limiting a product summary to two pages would make it more accessible and easier to comprehend.

Where products are purchased online, the summary should be shown prominently on screen, otherwise it should be explained verbally and provided in writing to customers if negotiations are in person or over the telephone.

The European Union's Insurance Distribution Directive already makes this a requirement for non-life consumer insurance products by means of an Insurance Product Information Document (more commonly known as an IPID). This requirement has been implemented by the Financial Conduct Authority and continues to be applicable in the UK.

The IPID format is not limited to consumer business and may also be used for commercial business, indeed, in some EU territories IPID's have been applied more broadly to include commercial customers. It is important to be familiar with the specific requirements in each EU/EEA territory in relation to Lloyd's Insurance Company business.

The Insurance Distribution Directive requires the following section headers to be used per their template (see [Appendix A](#)) including all icons and formatting for a standardised presentation:

- 'What is this type of insurance?'
- 'What is insured?'
- 'What is not insured?'
- 'Are there any restrictions on cover?'
- 'Where am I covered?'
- 'What are my obligations?'
- 'When and how do I pay?'
- 'When does the cover start and end?'
- 'How do I cancel the contract?'

Contact details on how to make a claim or raise a complaint should always be included so those details are readily available to a customer when they need assistance. While simply providing a product summary document will not fully realise the potential benefits for customers and the industry, it is a relatively easy to implement first step.

In [Appendix A](#) we provide the European Union's Insurance Product Information Document (IPID) template which summarises the key components of a contract. It is a separate document issued alongside the policy wording.



3. Recommendations to make insurance products easy to understand

3.2 Reduce complexity

Having formal qualifications in English, Economics or Law should not be prerequisites to understanding your insurance cover. In a detailed academic study with leading linguistics researchers from the University of Nottingham, the law firm Browne Jacobson established that all insurance policies reviewed for the study required an advanced level of education (to at least A-level and in the majority of cases graduate or post graduate level) in order to be properly understood.

Policyholders often found it difficult to comprehend what is and isn't covered in insurance policies and the study demonstrated that the best way of improving comprehension was to reduce the reading age of a policy to that of a 12-13-year-old. This was achieved using plain English, avoiding multiple references to other information, having clear structure and presentation and using other visual and colourful techniques to highlight and explain important information.

The following general recommendations are a useful guide to reducing complexity:

3.2.1 Use simple language

- Have clear paragraph and sentence structure, spelling out first where conditions are applicable in general, then what the exceptions are, and then what any section specific conditions are
- Use an active voice wherever you can, addressing a person not a group, to make the sentence clear (for example use “we” for the insurer and “you” for the insured)
- Break up paragraphs to keep them short – cover a single topic in each paragraph
- Break up overly long sentences – multiple short sentences are easier to understand than fewer, more complex ones. Have a single subject per sentence
- Keep subject, verb and object close together within a sentence. All clauses and exceptions can be added later in the sentence or in a separate sentence. For example: “The policyholder may, in the event of Y, claim for X” becomes “You can claim for X if Y happens”
- Use short, simple words in common use – substitute uncommon words with those that are more frequently used and understood, like replacing “prior” with “before”
- Avoid Latin abbreviation such as i.e. or e.g. and instead, use easily understood words and phrases like “meaning”, “for example” or “such as”
- Remove unnecessary words, for example, “in order to” can simply be “to” and “is able to” can simply be “can”
- Use the active, not the passive voice – for example, instead of “all exceptions must be reported” use “you must report all exceptions”
- Use “must” for requirements rather than “shall”, “must not” for prohibition, “may” for discretionary and “should” for recommendation
- Use the simplest form of a verb – typically the present tense where possible. For example, “claims are payable when they have been notified” becomes “we will pay your claim when you notify us”
- Use the verb rather than the noun form of the verb, for example: “make an application for X” becomes “apply for X”
- Avoid using technical, legal or uncommon words and insurance jargon that many consumers won't understand, even where very common in insurance. Most small and micro-enterprise insurance buyers are not insurance specialists. This could include:
 - Employers' liability (which is ‘your responsibility to your employees for personal injury’)
 - Professional and public liability (which is ‘your responsibilities to your customers and the wider public’)
 - Business interruption (which is ‘loss of income due to interruption of business operation’)
- Remove double negatives, for example “no fewer than” can be “at least” and “may not... until” becomes “may only... when”
- Avoid acronyms and abbreviations where possible
- Avoid brackets in sentences – they often extend a sentence with a sub-clause when a separate sentence would be clearer

3. Recommendations to make insurance products easy to understand

3.2.2 Use a simple structure

- Minimise cross references by:
 - Repeating the material if it is short
 - Organise the sections better so the related components are close to each other
- Keep definitions sections short – remove them if possible. Consider use of “hover over definitions” where the contract is digital
- Use vertical lists rather than semi colons within a sentence. When writing a list include a lead in sentence to explain the purpose of the list
- Use tables where this is clearer than the explanation

3.2.3 Example of simplification

The following Complaints clause in respect of an “All Risks Home Insurance Policy (HIP)” model wording was recently updated by the Lloyd’s Market Association and is simplified/improves understanding by using some of the techniques outlined in sections 3.2.1 and 3.2.2.

Before:

How to make a complaint

Our aim is to ensure that all aspects of your insurance are dealt with promptly, efficiently and fairly. At all times we are committed to providing you with the highest standard of service. If you have any questions or concerns about your insurance or the handling of a claim you should, in the first instance, contact [CONTACT DETAILS].

In the event that you remain dissatisfied and wish to make a complaint, you can do so at any time by referring the matter to the Complaints team at Lloyd’s. The contact details are: Complaints, Lloyd’s Market Services, One Lime Street, London EC3M 7HA. Tel: 020 7327 5693; Fax: 020 7327 5225; Email: complaints@Lloyds.com.

Details of Lloyd’s complaints procedures, including timescales for resolution, are set out in a leaflet “Your Complaint – How We Can Help” available at www.lloyds.com and are also available from the above address.

If you remain dissatisfied after Lloyd’s has considered your complaint, or, in any event, after a period of eight weeks from making your complaint, you may refer your complaint to the Financial Ombudsman Service (FOS). The contact details for the FOS are: The Financial Ombudsman Service, Exchange Tower, London, E14 9SR. Telephone 0800 023 4 567 (calls to this number are free from “fixed lines” in the UK) or 0300 1239 123 (calls to this number are charged at the same rate as 01 and 02 numbers on mobile phone tariffs in the UK). Email complaint.info@financial-ombudsman.org.uk.

3. Recommendations to make insurance products easy to understand

After:

Complaints

We aim to deal with all aspects of **your** policy fairly and promptly. We are committed to providing the highest levels of service. However, if **you** do need to make a complaint, please follow the procedure shown below:

Questions or concerns

1. If you have any questions or concerns about the policy or the handling of a claim, please contact your broker.

*You can find **your broker’s** details on the shedule under “key contacts”*

Further concerns

2. If your broker can’t resolve your concerns, you can make a complaint to Lloyd’s Complaints Team. Please use the following details:

Address:
Complaints, Lloyd’s Market Services, One Lime Street, London EC3M 7HA.

Telephone:
020 7327 5693

Details of Lloyd’s complaints process are set out in a leaflet “Your Complaint – How We can Help”. This is available at www.lloyds.com or from the above address.

Financial Ombudsman Service

3. If:
- a. **you** aren’t happy with Lloyd’s response; or
 - b. **you** haven’t received a response in 8 weeks, you can refer your complaint to the Financial Ombudsman Service (FOS). Please use the following details:

Address: The Financial Ombdsman Service, Excahnge Tower, London, E14 9SR

Telephone: 0800 023 4567 (free from fixed lines in the UK 0300 1239123 (charged at the same rate as 01 and 02mnumbers on mobiles in the UK)

Email:
complaint.info@financial-ombudsman.org.uk

Making a complaint doesn’t affect **your** right to take legal action.

3. Recommendations to make insurance products easy to understand

3.3 Use clear design to aid navigation and comprehension

Insurance contracts are rarely read from start to finish by the policyholder – but are typically consulted as required. As such they benefit from clear navigation aids and should be structured to make the sections most likely to be consulted the easiest to find, such as how to cancel the policy, make a claim or a complaint.

The following general design recommendations would significantly help make insurance documents easier to understand:

- Provide a contents page
- Structure the document so the most frequently used sections are near the start, i.e. “contact details”, “frequently asked questions”, “how to cancel your policy”, “how to make a claim” and “how to make a complaint”
- Sections should be ordered by frequency of claim for business type
- Group similar areas together – like “what is covered”, and “what is not covered (exclusions)”
- Headings should be larger/bolder than the main body of text for each section and act as signposts
- Colour coding and icons should be used to make sections distinguishable and improve navigation – for example, a different colour per section, or consistent use of formatting for particular sections (i.e. “what is covered” heading in green with a tick icon and “what is not covered” heading in red with a cross icon)
- Font size should be readable across print and digital media and efforts should be made to accommodate policyholders with disabilities (i.e. braille, large print format or audio versions of the policy)

- Leave enough white space to make it easier to read – including indents and paragraph spacing
- Avoid “full justification” text throughout the policy which can make it difficult to read, especially for people with dyslexia
- Include images, tables, charts and infographics to convey complex information clearly (for example a visual representation of how the claim process works to make it easy to understand at a glance)

Example insurance policy structure

- Definitions (if required/if a ‘hover over’ feature is not available for digital contracts)
- Policy summary
- Contents page
- Customer information (how to claim & contact details)
- What is covered
- What is not covered
- Conditions of your cover

3. Recommendations to make insurance products easy to understand

3.4 Reduce the length of documents

Clarity should not be sacrificed for brevity but generally, the longer a document, the less likely it is to be read by a policyholder. Irrelevant sections only add to complexity and increase the chances of misunderstandings. Insurance documents can be made shorter in a number of ways:

- Removal of sections not relevant to the individual or business
- Integration of schedule information into wording (i.e. fully tailored policy wording)
- Streamlining language so that it actually says what it means

3.5 Adopt digital contracts

Digital contracts provide opportunities to improve document navigability and cross referencing that are not available for a paper contract, for example:

- Contents page references enable quick jumping to the relevant section of the document, like those used in this guidance
- ‘Hover over’ definitions can reduce the length of sentences (using “tooltip”, a graphical user interface element that when used hovering over text box displays information about it). Hover over definitions could also remove the need for a definitions section
- Autogenerated contracts could automatically pull together only the relevant components of a broader contract to build a bespoke contract for the customer
- A modular structure with a ‘certificate’ style approach to each section of cover pulling the Sum Insured, Excess and Sub-Limits from the Schedule into the document could avoid the need for cross-referencing in the policy wording document

3.6 Listen to customer feedback

The insurance industry must constantly and consistently find ways to improve the customer experience throughout the insurance lifecycle – from when they look to buy coverage, through to their moment of need. To do that, brokers, coverholders and insurers must employ accurate, dynamic and responsive measurement tools, using appropriate metrics to track against fair value principles.

By improving the way that customer experience is monitored and analysed, insurers and brokers can more easily identify pain points and take actions quickly – especially when there are significant numbers of complaints, cancellations, lapses, queries or rejected claims. For example, coverage consistently cancelled within a 14-day cooling off period may indicate that a product isn’t suitable for the customer base to which it is being sold or targeted.

There are also many ways that the industry can better measure customer experience, then use that feedback and to build simpler products and better protect its customers. These include:

- Customer surveys: gauging customers’ experience at key interaction points, the fit of a product to their need and their level of understanding of the coverage provided
- Customer engagement tools: understanding how engaged customers are in the purchase process and how they will manage dynamic changes to their risk profile
- Net Promoter Scores (NPS): understanding customers’ willingness to recommend a company’s products or services
- Rejected claims analysis: providing a thematic indication of any expectation gap between customers and their insurer
- Complaints analysis: providing insight into customers’ understanding and interpretation of their cover
- Cancellation of cover: indicating where products have not met customers’ expectations
- Cover ‘Not Taken Up’: identifying products that may not be appropriate for their target customer segment

3. Recommendations to make insurance products easy to understand

3.7 Keep the policy wording under review

Wordings that are created for a particular purpose can evolve over time. This may include adding extra exclusions and clauses or inserting whole new sections, making a policy more confusing over time. To prevent this, it is very important that insurers review contracts on a regular basis, at least every year, if not, more frequently for products that have a higher risk of not delivering fair value to customers (see 'LMA Guidance for Managing Agents: Pricing Practices and Product Reviews' report mentioned in section 4.5 below).

The review should look at the whole policy wording (and any associated documents such as the proposal form, IPID or product summary and endorsements) not just the new sections, to check that:

- It is still suitable overall, and the key components remain clear up front
- The wording is still easy to understand
- The policy coverage meets the needs of the target market
- The changes have not made other sections hard to understand or made the meaning uncertain or added conflict
- You are providing a satisfactory claims service to the coverage given

The review should also consider any relevant customer feedback or management information. This could include:

- Are there any sections in the policy wording that are regularly the subject matter of complaints or indemnity referrals?
- Are there any common causes of claims denial that relate to coverage terms?
- What feedback are distributors providing including brokers and coverholders?
- Is there any guidance that can be gained from looking at recent Financial Ombudsman Service decisions?



4. How to implement easy to understand insurance policies

Start with one contract, expand gradually, test and respond to feedback. Lloyd's is encouraging all managing agents to prioritise wordings for simplification and demonstrate fair value to customers.

4.1 Start with one

It is not feasible to address all policies at once. Identify your policies targeting individuals, micro-enterprises and small and medium enterprises. These customer segments should all be addressed eventually but start by prioritising the wordings that are the most complex. The Financial Conduct Authority expects managing agents to complete fair value product reviews by **October 2022**. We encourage managing agents to use this opportunity to prioritise wordings for simplification and help them to demonstrate fair value.

4.2 Expand gradually

Simplifying the first policy will be the most challenging as you set your own principles and precedents. Simplifying policies should get easier after the first as you are able to follow the same process and develop standard clauses. It is worth taking the time with the first few policies to set down the principles you want to follow consistently to ensure customer clarity.

4.3 Test with customers and legal resources

Your customers may be willing to be involved – if you send them the amended wording for a new contract, they can feedback if any components are not clear.

Your legal team will need to be involved to ensure that while the contents of the contract remains, so does the scope of the cover offered. Where clarification does explicitly change the scope, repricing may become necessary.

4.4 Respond to feedback

Proactive customer engagement enables continued refinement of products, as well as minimising complaints and ensuring better customer outcomes. Where there are common complaints over a specific insurance policy, ensure that component is clarified – and the amended wording becomes the standard.

4.5 Use the support available

We believe that the benefits of product simplification are clear. We believe that managing agents will voluntarily begin the process of simplifying their policies and we are confident that this guidance, the Lloyd's Market Association model wordings and the links below will help. However, Lloyd's may reassess whether mandatory simplification is required in the future.

Further support is available through:

- **LMA:** 'Consumer Wordings Guidance' document, available to download here: [🔗](#)
- **LMA:** 'Guidance for Managing Agents: Pricing Practices and Product Reviews', available to download here: [🔗](#)
- **CII:** 'Transparency and Insurance Companion Guide', available to read here: [🔗](#)
- **LMA:** "How clear are your policy wordings?" report, available to download here: [🔗](#)
- **Fairer Finance:** 'Fairer Finance's guide to clear design', available to read here: [🔗](#)
- **Lloyd's:** 'Harnessing the power of customer feedback' document, available to download here: [🔗](#)

5. Appendices

5.1 Appendix A: Insurance Product Information Document Template

Editable templates are available to download from the European Insurance and Occupational Pensions Authority website

www.eiopa.europa.eu/editable-template-insurance-product-information-document-ipid_en

Business Insurance

Insurance Product Information Document

Company: ABC Insurance Company

Product: Business Plus Policy

This document is intended to provide a summary of the main cover and exclusions and is not personalised to your specific individual needs in any way. Full information on the product is provided in your policy documentation.



What is insured?

We will pay you up to these amounts, following a valid claim:

Property and buildings up to \$2 million for:

- ✓ Physical damage to property and buildings, including architects, surveyors, legal and consulting engineers' fees
- ✓ Fire damage (for causes specified in detailed policy wordings)
- ✓ Accidental damage
- ✓ Cables and underground pipes as a result of insured damage

Business interruption up to \$2 million for:

- ✓ Loss of business income following a claim under the property and buildings cover
- ✓ Cover for outstanding debit balances where records are lost following physical damage (up to a maximum of \$50,000 for any one occurrence and \$250,000 in total during any one period of insurance)
- ✓ Failure of public utilities (up to a maximum of \$1 million for any one occurrence)

Public and products liability up to \$5 million for:

- ✓ Compensation payments and any associated legal costs if you're held responsible for causing injury or property damage to a member of the public, including:
 - Injury to working partners
 - Accidental damage to employees' and visitors' vehicles and personal belongings in your custody and control
 - Payment for court attendance expenses in connection with a claim you are covered for (up to \$500 per day)
 - Personal liability of employees and directors working temporarily overseas
 - Legal costs and expenses for defending prosecutions under health and safety legislation
 - Corporate manslaughter and corporate homicide act
 - Acts of terrorism

Employer's liability up to \$10 million for any one occurrence for:

- ✓ Costs of compensating an employee and any associated legal fees if they are injured or become ill as a result of their work for:
 - Employees on work experience and government schemes
 - Cover for employees who are temporarily working overseas
 - Legal costs defending prosecutions under all relevant health and safety legislation
 - Court attendance expenses in connection with a claim you are covered for (up to \$500 per day)
 - Acts of terrorism



What is not insured?

- ✗ Your policy excess of \$1000 which will be deducted from each claim
- ✗ Your policy does not cover you for loss or physical damage arising directly or indirectly however so caused by War, Terrorism, Chemical, Biological, Nuclear, Radioactive or Chemical Contamination
- ✗ Your policy does not cover you from loss arising out of Pollution or Contamination

For all sections other than Employer's liability

- ✗ This policy excludes any cover for:
 - Cyber losses, as defined in your detailed policy wording
 - Losses of any nature resulting from any loss of use or reduction in quality of business data, including the cost of replacing the data

Business interruption

- ✗ We will not cover loss of business income for any reason other than those specified in your property and buildings cover
- ✗ We will not cover failure of electricity, gas or water supply cover due to:

- your wilful act or neglect
- a deliberate act of the supply undertaking in restricting or withholding supplies
- weather conditions or drought
- any industrial action
- any failure of supply lasting for less than four hours

✗ We will not cover any accounts receivable losses under this cover resulting from:

- misplacing or misfiling of information
- a public supply company deliberately restricting or withholding your electricity supply
- deliberate erasure, loss, distortion or corruption of information

Public and products liability

✗ Injury to an employee travelling in or on, or getting into or out of, a vehicle where any Road Traffic Act legislation applies.

✗ Physical damage to property in your custody or control other than employees' and visitors' personal belongings

✗ Liquidated damages, penalty clauses, fines or punitive damages

✗ Products supplied that could affect the navigation, or safety of any aircraft or other aerial device

✗ Pollution or contamination

✗ Products supplied to or work on, or travel to/from any offshore installation or support vessel

✗ Claims arising from asbestos

✗ Physical damage during the fixing/correcting of defective products supplied, or the cost of recalling them

✗ Any advice, instruction, consultancy, design, inspection, certification or testing which you provide under a specific contract or for which you're paid separately

Employers liability

✗ Work in or on or travel to or from any offshore installation or support vessel

✗ Injury to an employee travelling in or on, or getting into or out of, a vehicle where any Road Traffic Act legislation applies.

✗ Liquidated damages, penalty clauses, or fines



Are there any restrictions on cover?

- ! We will not pay any costs we consider are not reasonably and necessarily incurred
- ! We will not pay more than the specified \$2 million policy limit towards any one loss
- ! We will only pay for losses incurred from 01/01/2020 to 31/12/2020
- ! You will pay the policy excess of \$1000 towards any claim
- ! We will not pay a claim against a loss that is insured elsewhere
- ! We may not make any payment if you have contracts in place with third parties which restrict our rights of recovery
- ! Additional conditions apply, as specified in your detailed policy wording, for:
 - Security conditions
 - Special terms for empty buildings



What must I do?

- You must provide us with honest, complete and accurate information
- You must tell us as soon as possible of any changes:
 - to the business
 - in the persons or organisations listed as the insureds
 - to the information you provided to us previously or any new information that
 - increases the risk of loss as insured under any section of your policy
- You must comply with all applicable laws and regulations in all relevant jurisdictions, as set out in your policy documentation
- Timely payment of outstanding premiums



When and how do I pay?

- You can pay your premium annually or monthly by Direct Debit or debit/credit card. Alternatively, call us on 01234 567 890, 9.00am - 5.30pm, Monday to Friday to discuss other payment options
- If you fail to make your monthly payment(s) in full by the due date on more than 3 occasions in any period of insurance, we will cancel your policy immediately



When does the cover start and end?

- A period of 12 months from 01/01/2020 to 31/12/2020



How do I cancel the contract?

- If you wish to cancel and the insurance cover has not yet commenced, you are entitled to a full refund of any premium paid
- If the cover has commenced, you can cancel your policy at any time during the period of insurance by advising us. Provided you have not made a claim, you will be entitled to a refund of any premium paid, subject to a deduction for any time for which you have been covered



How do I make a claim?

- If you need to make a claim, please email us at claims@ABCinsurance.com with the following information:
 - Your name and policy details
 - Details of the injury, loss or damage incurred
 - Any relevant evidence to help us pay your claim
- Alternatively, please call us on 01234 567 890, 9.00am – 5.30pm, Monday to Friday

Twitter @LloydsOfLondon
LinkedIn [lloyds.com/linkedin](https://www.linkedin.com/company/lloyds/)
Facebook [lloyds.com/facebook](https://www.facebook.com/lloyds/)

© Lloyd's 2021 All rights reserved

Lloyd's is a registered trademark
of the Society of Lloyd's.

The material, information and ideas contained in this report are for general information purposes. While Lloyd's has made every effort to ensure that the information contained in this report has been obtained from reliable sources, Lloyd's is not responsible for any errors or omissions or for the results obtained from the use of this information. Lloyd's and members of the Lloyd's community accept no liability whatsoever for any direct, indirect or consequential loss or damage arising out of the use of all or any of the material or information in this report. Nothing in the report shall to any extent substitute for the independent investigations and the sound technical business judgment of the reader. Any solutions would need careful competition law consideration in the relevant jurisdiction and discussion with relevant regulators before any steps were taken to implement the consultation proposals.

The content of this presentation does not represent a prospectus or invitation in connection with any solicitation of capital. Nor does it constitute an offer to sell securities or insurance, a solicitation or an offer to buy securities or insurance, or distribution of securities in the United States or to a U.S. person, or in any other jurisdiction where it is contrary to local law. Such persons should inform themselves about and observe any applicable legal requirements.