

Policy Wording

In consideration of the payment of premium specified in Item 7 of the **Schedule** the **Insurer** hereby agrees to insure against loss in accordance with the **Policy** terms and conditions.

Policy Interpretation

Any word or phrase which has a definition set out below is printed throughout this **Policy** in bold type. Where a more general meaning applies this will be apparent from the way it is used in this **Policy**.

Unless the context otherwise requires, this **Policy** shall be interpreted on the understanding that:

- (a) references to the singular include the plural and vice versa;
- (b) headings are descriptive only and not an aid to interpretation;
- (c) all references to specific legislation include amendments to and re-enactments of such legislation and also include any equivalent legislation in the relevant territory.
- (d) the male includes the female and neuter; and
- (e) references to positions, offices and titles shall include their equivalent in the relevant territory.

Section 1 - The Policy Cover

1.1 Legal Liability

The **Insurer** will indemnify the **Insured** all loss in respect of claims made against the **Insured** and notified to the **Insurer** during the **Policy Period** incurred in the conduct of the **Insured's Professional Business** which give rise to a legal liability as a result of breach of professional duty arising out of negligence on the part of:

- 1.1.1 the **Insured**
- 1.1.2 any **Employee**.

Section 2 - Conditions

2.1 Duties of the Insured

It is a condition of this **Policy** that:

- 2.1.1 the **Insured** must pay to the **Insurer** all premiums due to the **Insurer** together with all taxes due on the premiums
- 2.1.2 the **Insured** must not notify any claim knowing it to be false or fraudulent as regards amount or otherwise

Any breach of Condition 1(a), (b) or (c) by the **Insured** will entitle the **Insurer** at their discretion to terminate the **Policy** from the date of inception and all claims shall be forfeited.

2.2 Claims Conditions

2.2.1 Notification

The **Insured** shall give notice to the **Insurer**, as soon as practicable, of:

- (i) any claim made against the **Insured**, or
- (ii) any **Circumstance**.

Provided that such notice as required in 2.2.1 (ii) of this Condition has been given during the **Policy Period**, any resultant claim arising from such matters notified, shall be deemed to have been given during the **Policy Period**, provided however that this deeming provision shall only have effect if the **Insured** complies within a reasonable time and at their own expense with:

- (1) the **Insurer's** standard requirement that the notification should state precisely why a claim is likely and if so, from whom, and
- (2) any reasonable request by the **Insurer** for further information in relation to the matters notified, and
- (3) any request by the **Insurer** for steps to be taken to reduce or avert the said risk.

For the avoidance of doubt, no other Condition of this **Policy** shall have the effect of limiting the **Insurer's** right to refuse to give effect to this deeming provision in the event of a failure by the **Insured** to comply with a request under 2.2.1 (1), (2) and (3) above.

2.2.2 Co-operation

Following notification of a claim or **Circumstance**, the **Insured** shall at their own expense:

- (i) give all information and assistance within timescales reasonably required by the **Insurer**, and
- (ii) make no admission of liability, arrangement, compromise, offer, promise or payment without the consent of the **Insurer**.

2.3 Insurer's Rights

Following notification of a claim or a **Circumstance** the **Insurer** will be entitled:

2.3.1 at its discretion, to take over and conduct in the name of the **Insured** the investigation, defence or settlement of any such matter

2.3.2 at any time, to pay to the **Insured** the amount of the **Limit of Indemnity** (less the **Excess** and any sum already paid or expended during the **Policy Period**) or any lesser amount for which, in the **Insurer's** opinion, any claim or claims can be settled and shall then cease to have conduct and control of the claim or proceedings and be under no further liability in respect of such costs, claim or claims, except for **Defence Costs** reasonably incurred prior to the date of such payment for which the **Insurer** is liable. The **Insurer** shall not be responsible for any loss which the **Insured** may claim to have sustained by reason of the **Insurer** having so acted

2.3.3 to be subrogated to all rights of recovery the **Insured** may have against any party and the **Insured** shall do nothing to prejudice such rights. It is agreed however that the **Insurer** shall not exercise such rights against any **Employee**.

2.4 Administrative Conditions

2.4.1 Governing Law

The construction, interpretation and meaning of the provisions of this **Policy** shall be determined in accordance with the law Country in which this **Policy** is issued, and any disputes relating thereto shall be dealt with according to such law.

2.4.2 Dispute Resolution

In the event of a dispute arising under this **Policy**, the **Insurer** at the request of the **Insured** will submit to the jurisdiction of any competent Court in the Country in which this **Policy** is issued. Such dispute shall be determined in accordance with the law and practice applicable in such Court.

2.4.3 Cancellation

The **Insurer** may not terminate this **Policy** other than for non-payment of premium.

2.4.4 Sanctions Limitation

The **Insurer** shall not provide cover nor shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

2.4.5 Third Party Rights

A person who is not a party to this **Policy** has no right under the contract to enforce any terms of this **Policy** but this does not affect any right or remedy of a third party which exists or is available under the applicable law.

Section 3 – Exclusions

This **Policy** shall not indemnify the **Insured** in respect of any claim, loss, liability or expense arising directly or indirectly out of:

3.1 Activities as Agent

any claim or loss by any insurer or underwriter by reason of any negligent act, error or omission committed in the course of the **Insured's** as agent of such insurer or as claims adjusters.

3.2 Bodily Injury and Property Damage

- (a) any bodily, mental or emotional injury, sickness, disease or death, or
- (b) any loss of or damage to property, other than covered under Policy Cover Clause 2

of any third party unless such claim, loss, liability or expense arises from negligent advice, design or specification by the **Insured**.

3.3 Claims and Circumstances Known at Inception

any claim or **Circumstance**

- (a) known to the **Insured** prior to the inception of this **Policy** or which in the reasonable opinion of the **Insurer** ought to have been known, or
- (b) notified to the **Insurer**, or any other insurer, by the **Insured** under any other insurance prior to the inception of this **Policy**.

3.4 Retroactive Date

any act, error or omission committed or alleged to have been committed prior to the **Retroactive Date**.

3.5 Computer Network and Data Corruption

- (a) corruption, erasure, theft, alteration of, or
- (b) access or lack of access to, or
- (c) interference with

electronically held data of or by the **Insured** wholly or partly caused by any computer virus or by any person who is not a partner, director or employee currently employed by the **Insured**.

3.6 Computer Records

loss, distortion or erasure of computer records:

- (a) whilst mounted in or on any machine for use or processing unless caused by any negligent act or omission on the part of the **Insured**, or
- (b) resulting from wear, tear, vermin or gradual deterioration, or
- (c) caused by climatic or atmospheric conditions or extremes of temperature, or
- (d) due to the presence of magnetic flux or due to loss of magnetism.

3.7 Pollution

pollution, seepage or contamination, howsoever caused.

3.8 Punitive or Exemplary Damages

any fines, penalties, punitive or exemplary damages.

3.9 Dishonesty of the Insured

the dishonesty of the **Insured**.

3.10 USA / Canada

- (a) any **Professional Business** conducted in whole or in part

in, or conducted under the jurisdiction of, the United States of America or Canada

- (b) any claim brought in whole or in part in the United States of America or Canada, or
- (c) any judgement, award, payment or settlement made within countries which operate under the laws of the United States of America or Canada or any order made anywhere in the World to such judgements, awards, payments or settlement.

3.11 Controlling Interest/Associated Companies

any claim by

- (a) any parent or subsidiary company of the **Insured** or any company having the same parent company as the **Insured**, or
- (b) any other company in which the **Insured** has a majority shareholding in excess of 50%, or
- (c) any other company in common ownership with the **Insured** unless such claim emanates from an independent third party.

3.12 Employers' Liability

bodily injury, sickness, disease or death sustained by any person arising out of and in the course of their employment by the **Insured** in any capacity.

3.13 Nuclear Risks and War/Terrorist Risks

or caused by, or contributed to by:

- (a) ionising radiations or contamination by radioactivity from any nuclear fuel, waste or substance, or
- (b) the radioactive, toxic, explosive or other hazardous properties of any explosive, nuclear assembly or nuclear component thereof
- (c) war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, riot, civil commotion assuming the proportion of or amounting to a popular uprising, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority, or
- (d) any act or acts, or threat thereof, of terrorism, force or violence for political, religious or other ends directed towards the overthrowing or influencing of the government, or for the purpose of putting the public in fear, by any person or persons acting alone or on behalf of or in connection with any organisation.

In any claim and in any action, suit or other proceedings to enforce a claim under this **Policy**, the burden of proving that such claim does not fall within this Exclusion shall be upon the **Insured**.

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

3.14 Warranty or Guarantee

the giving by the **Insured** of any warranty, indemnity or guarantee or financial obligation assumed by the **Insured** under contract unless such liability would have attached to the **Insured** notwithstanding such express agreement.

3.15 Outside Directorship Duties

the **Insured** acting as a director or officer of any company or corporation except insofar as liability arises directly from the actual or alleged negligence of the **Insured** in the provisions of the **Professional Business** and provided that fees from such appointment are for the benefit of the **Insured**.

3.16 Libel and Slander

libel and slander committed or allegedly committed by any person.

3.17 Dishonesty of the **Employees**

the dishonesty of the **Employees**.

3.18 Ownership of Buildings

the ownership by the **Insured** of any buildings, premises or land or that part of any building leased, occupied or rented by the **Insured**.

3.19 Building Contractor

any contract where the **Insured** acts as a building contractor whether or not in conjunction with their **Professional Business**

Section 4 – Definitions

Circumstance means:

Any circumstance of which the **Insured** first becomes aware during the **Policy Period** which is likely to give rise to a claim against them and is subject to the indemnity provided under this **Policy**.

Defence Costs means:

All costs and expenses incurred with the prior written consent of the **Insurer** in the investigation, defence or negotiation of the settlement of any claim or **Circumstance**.

Defence Costs do not include the overheads of the **Insured**, including but not limited to the salaries, wages or benefits of any of its directors, officers, **Employees**, in-house lawyers or other in-house professional advisers.

The **Excess** does apply to **Defence Costs**.

Documents means:

All forms of documents of whatsoever nature including computer system records (provided the **Insured** maintains duplicates of computer system records).

Employee means:

Any person currently or previously employed under a contract of service with the **Insured** including partners, executive and non executive directors, consultants and temporary employees employed by the **Insured**.

Excess means:

The first amount of each claim which is payable by the **Insured** and for which no insurance is provided by this **Policy**.

The amount of the **Excess** is stated in Item 4 of the **Schedule**.

Firm means:

1. The firm(s) identified as the **Insured** in Item 1 of the **Schedule**.
2. Any firm(s) or business(es) or any subsidiary firm(s) or subsidiary business(es) for which the **Insured** is legally liable in consequence of their acquisition (whether partial or otherwise) either prior to the inception of this **Policy** or during the **Policy Period** provided the **Insurer** has been notified in writing of their existence and has agreed to insure such firm(s) or business(es).

Insured means:

1. the **Firm**

2. any partner, director or principal of the **Firm** including any person appointed to such position during the **Policy Period**
3. any former partner, director or principal of the **Firm**
4. the estate, personal representatives or trustee or assignee in bankruptcy of 1., 2. and/or 3.

Insurer means:

Shall mean the Insurance Company participating on this **Policy**.

Limit of Indemnity means:

The sum stated in Item 3 of the **Schedule** which applies in respect of all claims, inclusive of all costs and expenses including **Defence Costs**, for which indemnity is provided under this **Policy**.

The **Insurer's** total aggregate liability shall not exceed the **Limit of Indemnity** during the **Policy Period**.

For the avoidance of doubt it should be noted that the indemnity afforded under the terms of this **Policy** is provided jointly to all parties constituting the **Insured** and for all purposes this **Policy** shall be considered as a joint policy with one **Limit of Indemnity**.

For the purposes of determining the **Limit of Indemnity** and the application of the **Excess**, all claims resulting from one and the same act, error or omission or a series of acts, errors or omissions arising out of the same cause or the acts, errors or omissions of one person or persons acting together or in which such person or persons is/are concerned or implicated shall be deemed to be one claim.

Policy Period means:

The period specified in Item 2 of the **Schedule**.

Policy means:

The contents of this document together with the **Schedule** incorporating all Endorsements issued from time to time by the **Insurer**.

Professional Business means:

The activities stated in Item 5 the **Schedule** and related activities.

Retroactive Date means:

The date (if any) specified in Item 6 of the **Schedule**.

Schedule means:

The schedule attaching to this **Policy**, incorporating all Endorsements.