



**PROFESSIONAL
INSURANCE PORTFOLIO
POLICY WORDING**

OUR PROMISE
TO YOU

In return for the premium **you** have paid, **we** agree to insure **you** in accordance with the terms and conditions of the **policy**.

Signed for and on behalf of Hiscox Insurance Company Limited:



Steve Langan
Managing Director

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COMPLAINTS
PROCEDURE

We pride ourselves on providing a first class, reliable and efficient service to all of our customers. Complaints are a key to monitoring our service and wherever possible, **we** seek to take action to prevent recurrence of a problem.

We define a complaint as any expression of dissatisfaction, whether oral or written, and whether justified or not, about a service or activity provided by the insurance company.

If you have a complaint, please contact your insurance broker in the first instance. If your complaint cannot be resolved satisfactorily by your insurance broker, please contact our customer services team:

Customer Services
Telephone: 0870 084 3777
Email: customerservices@hiscox.com

Hiscox Insurance Company Ltd, 1 Great St Helen's, London EC3A 6HX.

You may also, in accordance with the Rules of the Financial Services Authority, be able to refer **your** complaint to the Financial Ombudsman Service without affecting **your** legal rights. The address is:

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London E14 9SR

Telephone: 0845 080 1800

GENERAL DEFINITIONS

Words shown in **bold** type have the same meaning wherever they appear in this **policy**.

The words defined below are used throughout this **policy**. Any other definitions are shown in the section to which they apply.

Asbestos risks	<ul style="list-style-type: none"> a. the mining, processing, manufacturing, use, testing, ownership, sale or removal of asbestos, asbestos fibres or material containing asbestos; or b. exposure to asbestos, asbestos fibres or materials containing asbestos; or c. the provision of instructions, recommendations, notices, warnings, supervision or advice given, or which should have been given, in connection with asbestos, asbestos fibres or structures or materials containing asbestos
Business	Your business or profession as shown in the schedule.
Confiscation	Confiscation, nationalisation, requisition or destruction of or damage to property by or under the order of any government or public or local authority.
Date recognition	Any failure by any equipment (including any hardware or software) to correctly recognise any given date or to process any data or to operate properly due to any failure to correctly recognise any given date.
Endorsement	A change to the terms of the policy .
Excess	The amount you must bear as the first part of each agreed claim.
Geographical limits	The geographical area shown in the schedule.
Nuclear risks	<ul style="list-style-type: none"> a. Any sort of nuclear material, nuclear reaction, nuclear radiation or radioactive contamination; b. any products or services which include, involve or relate in any way to anything in (a) above, or the storage, handling or disposal of anything in (a) above; c. all operations carried out on any site or premises on which anything in (a) or (b) above is located.
Period of insurance	The time for which this policy is in force as shown in the schedule.
Policy	This insurance document and the schedule, including any endorsements .
Terrorism	<p>An act, or the threat of an act, by any person or group of persons, whether acting alone or on behalf of or in connection with any organisation or government, that:</p> <ul style="list-style-type: none"> a. Is committed for political, religious, ideological or similar purposes; and

- b. is intended to influence any government or to put the public, or any section of the public, in fear; and
- c.
 - i. involves violence against one or more persons; or
 - ii. involves damage to property; or
 - iii. endangers life other than that of the person committing the action; or
 - iv. creates a risk to health or safety of the public or a section of the public; or
 - v. is designed to interfere with or to disrupt an electronic system.

Virus A piece of unauthorised executable code which propagates itself through **your** computer system or network.

War War, invasion, act of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power.

We / us / our

Hiscox Insurance Company Limited.

You / your

The insured named in the schedule

CONDITIONS PRECEDENT

General Conditions 2, 3 and 4 below, General Claims Condition 1 and the conditions shown in each section under the heading **Your Obligations** are all conditions precedent to **our** liability. **We** will not make any payment under this insurance unless **you** comply with all the requirements of those conditions.

GENERAL CONDITIONS

The following conditions apply to the whole of this **policy**. Any other conditions are shown in the section to which they apply.

1. *Basis of insurance*

Because of its importance, all information which **you** or anyone on **your** behalf provided before **we** agreed to insure **you** is incorporated into and forms the basis of this **policy**.

All facts and matters which might be relevant to **our** consideration of **your** proposal must be disclosed and all material representations made to **us** must be true, otherwise **we** are entitled to treat this insurance as if it had never existed.

2. *Change of circumstances*

You must tell **us** as soon as reasonably possible of any change in circumstances during the **period of insurance** which may materially affect this **policy**. (A material fact or circumstance is one which might affect **our** decision to provide insurance or the conditions of that insurance.) **We** may then change the terms and conditions of this **policy**.

GENERAL TERMS AND CONDITIONS

3. *Due diligence*

You must take reasonable steps to prevent accident or injury and to protect **your** property against loss or damage. **You** must keep any property insured under this **policy** in good condition and repair.

4. *Premium payment*

We will not make any payment under this **policy** unless **you** have paid the premium.

5. *Cancellation*

You or **we** can cancel the **policy** by giving 30 days' written notice. **We** will give **you** a refund of the premium for the remaining period.

If **you** pay the premium by instalments and an instalment remains unpaid after 14 days, **we** may cancel this **policy** from the date the last instalment was due.

6. *Multiple insureds*

The most **we** will pay is the relevant amount shown in the schedule.

If more than one insured is named in the schedule, the total amount **we** will pay will not exceed the amount **we** would be liable to pay to any one of **you**.

You agree that the insured named in the schedule, or if there is more than one insured named in the schedule the first of them, is authorised to receive all notices and agree any amendments to the **policy**.

7. *Aggregate limit*

Where this **policy** specifies an aggregate limit, this means **our** maximum payment for all relevant claims or losses covered under the **policy** during the **period of insurance**.

If the **period of insurance** is continuous, the aggregate limit will apply to all relevant claims or losses covered under the **policy** during the 12 months from the date the continuous cover starts. Each aggregate limit will be reinstated to the level shown in the schedule at each anniversary.

8. *Rights of third parties*

You and **we** are the only parties to this **policy**. Nothing in this **policy** is intended to give any person any right to enforce any term of this **policy** which that person would not have had but for the Contracts (Rights of Third Parties) Act 1999.

9. *Other insurance*

This **policy** does not cover any loss or claim where **you** would be entitled to be paid under any other insurance if this **policy** did not exist.

10. *Governing law*

Unless some other law is agreed in writing, this **policy** will be governed by the laws of England.

11. *Arbitration*

Any dispute arising out of or relating to this insurance, including over its construction, application and validity, will be referred to a single arbitrator in accordance with the Arbitration Act then in force.

**GENERAL CLAIMS
CONDITIONS**

The following claims conditions apply to the whole of this **policy**. Any other claims conditions and procedures are shown in the section to which they apply.

1. *Your obligations*

We will not make any payment under this **policy** unless **you**:

- a. give **us** prompt notice of anything which is likely to give rise to a claim under this **policy**, in accordance with the terms of each section;
- b. give **us**, at **your** expense, any information which **we** may reasonably require and co-operate fully in the investigation of any claim under this **policy**;
- c. make every reasonable effort to minimise any loss, damage or liability and take appropriate emergency measures immediately if they are required to reduce any claim;
- d. give **us** all assistance which **we** may reasonably require **to** pursue recovery of amounts **we** may become liable to pay under this **policy**, in **your** name but at **our** expense.

2. *Fraud*

If **you**, or anyone on **your** behalf, tries to deceive **us** by deliberately giving **us** false information or making a fraudulent claim under this **policy** then **we** will treat this **policy** as if it had never existed.

PROFESSIONAL INDEMNITY FOR PROPERTY PROFESSIONALS

The General Terms and Conditions and the following terms and conditions all apply to this section.

Please pay special attention to the **Notification for adjudication section in the grey box at the end of this section.**

SPECIAL DEFINITIONS FOR THIS SECTION

Business activity	Advice given and services performed in the course of your business arising from the activities shown in the schedule.
Defence costs	Costs incurred with our prior written agreement to investigate, settle or defend a claim against you .
You / your	Also includes: 1. any person who was, is or during the period of insurance becomes your partner or director or senior manager in actual control of your operations; 2. past or present consultants named in the proposal and shown in the schedule acting for you or on your behalf in the conduct of your business activity ; 3. any employee of yours including any self-employed person acting for you or on your behalf in the conduct of your business activity .

WHAT IS COVERED

Claims against you

If during the **period of insurance**, and as a result of **your business activity** within the **geographical limits** for clients, any party brings a claim against **you** for:

- a. any civil liability, including any civil liability for which **you** are responsible arising from the **business activity** of any business **you** acquired before the **period of insurance**,
- b. any matter referred to an ombudsman, including the Ombudsman for Estate Agents,

or refers a dispute arising directly from **your** breach of a duty of care to arbitration, including the Surveyors and Valuers Arbitration Scheme 1998, an independent third party properly appointed by the Home Inspectors and Energy Assessors certification scheme of which **you** are a member, or to adjudication under the Housing Grants Construction and Regeneration Act 1996,

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

Cyber claims

If during the **period of insurance**, and as a result of **your business activity** within the **geographical limits** for clients transacted via the internet, extranet or **your** own website, internet site or web address or via the transmission of mail or documents by electronic means, any party brings a claim against **you** for:

- a. negligent advice, negligent misstatement or negligent misrepresentation,
- b. defamation,

PROFESSIONAL INDEMNITY FOR PROPERTY PROFESSIONALS

- c. infringement of intellectual property rights,
- d. **your** misuse of any data which is either confidential or subject to statutory restrictions on its use,
- e. misuse by any employee of **yours** of **your** encrypted electronic signature or external email,

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

Defence costs

We will also pay **defence costs**. **We** will not pay costs for any part of a claim not covered by this section or for any claim referred to an Ombudsman.

Avoiding a potential claim against you

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

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

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

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

Your own losses

Losses from dishonesty

If, in the performance of **your business activities** within the **geographical limits**, **you** suffer a loss, and inform **us** of it, during the **period of insurance** from the dishonesty of **your** past or present individual partners, directors or employees or self-employed subcontractors directly contracted to **you** and under **your** supervision where there was a clear intention to cause **you** loss or damage and to obtain a personal financial gain over and above any salary, bonus or commission, **we** will indemnify **you** against **your** direct financial loss.

Loss of documents

If any document, information or data of **yours** which is necessary for the performance of **your business activities** is lost, damaged or destroyed while in **your** possession, **we** will cover **you** against the cost of restoring or replacing it.

Representation costs

We will pay for the cost of representing **you** at properly constituted hearings, tribunals or proceedings first instituted in respect of any occurrence first discovered during the **period of insurance** arising out of **your business activity** which may lead to indemnity under this section.

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Breach of statutory obligations

If proceedings are brought against **you** during the **period of insurance** under the:

1. Property Misdescription Act 1991,
2. Estate Agents Act 1979,
3. Health and Safety at Work etc. Act 1974,
4. Health and Safety at Work (Northern Ireland) Order 1978,
5. Construction (Design and Management) Regulations 1994, or any similar safety legislation,

we will pay the reasonable costs incurred with **our** prior written consent to defend **you** if, in **our** opinion, a successful defence may avoid a claim being made against **you** based on the same facts.

Court attendance compensation

If any person within the definition of **you**, or any other relevant party chosen by **you** (except expert witnesses) has to attend Court as a witness in connection with a claim against **you** covered under this section, **we** will pay **you** compensation for each day that their attendance is required by **our** solicitor.

WHAT IS NOT COVERED

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

Matters specific to your business

1. any survey, inspection or valuation of real or leasehold property, not carried out by a fellow or associate of the Royal Institution of Chartered Surveyors, the Incorporated Society of Valuers and Auctioneers, the Faculty of Architects and Surveyors, the Royal Institute of British Architects, the Royal Incorporation of Architects in Scotland, or by any person with more than five years' experience, or by any other person **you** nominate to do the work as part of their training under the supervision of someone who is a fellow or associate of one of the above professional associations, or any Home Inspection or Energy Assessment not carried out by a person who is a member of an approved certification scheme
2. any pollution or contamination, including noise, electromagnetic fields, radiation and radio waves, unless **your** liability arises from **your** negligent structural design or specification or **your** failure to report any defect in the structure of any property, in which case **we** will indemnify **your** liability for the cost of remedying, re-specifying or rectifying a structure but not the cost of remedying or rectifying loss or damage to any land or the environment or any loss of value.
3. transmission of a computer **virus**.
4. overcharging of fees or commission by **you**.

PROFESSIONAL INDEMNITY FOR PROPERTY PROFESSIONALS

WHAT IS NOT COVERED

Collateral warranties

5. **your** agreement to take on any legal liability under any express agreement, warranty, indemnity, waiver or guarantee, unless:
 - a. **you** would be liable even if **you** had not given any such agreement, warranty, indemnity, waiver or guarantee; or
 - b. the liability arises from a Collateral Warranty or Duty of Care agreement, in which case **we** will not indemnify **you** for any liability arising from:
 - i. any fitness for purpose guarantee;
 - ii. any greater or longer lasting benefit than that given to the party with whom **you** originally contracted;
 - iii. any express guarantee, contractual penalty or liquidated damages;
 - iv. any assignment of the warranty or agreement to any purchaser or tenant after the first two assignments;
 - v. **your** agreement to exercise a standard of care greater than would normally be expected in **your** profession.

Undeclared partners previous business

6. any work carried out by any partner of **yours** while they were a partner of another firm, which has not been declared to and expressly accepted by **us**.

Disputes referred to arbitration

7. any dispute referred to arbitration under the Surveyors and Valuers Arbitration Scheme 1998 unless the law applied by the arbitrator is that of England and Wales, Scotland or Northern Ireland.

Matters insurable elsewhere **your**

8. the death or any bodily or mental injury or disease suffered by anyone, unless arising directly from breach of a duty of care in the performance of a **business activity**.
9. anyone's employment with or work for **you**, or any breach of an obligation owed by **you** as an employer or any kind of discrimination, harassment or unfair treatment.
10. **your** ownership, possession or use of any land or building, any animal, any aircraft, watercraft or any motor vehicle.
11. the loss, damage or destruction of any tangible property, unless arising directly from **your** breach of a duty of care in the performance of a **business activity**.
12. the loss, damage or destruction of any bearer bonds, coupons, share certificates, stamps, money or other negotiable paper.
13. any personal liability incurred by a director or officer of **yours** when acting in that capacity or as a trustee or while managing **your** business, other than when performing a **business activity** for a client.
14. **your** supply, manufacture, sale, installation or maintenance of any product.

**WHAT IS NOT
COVERED**

**Deliberate, reckless or
dishonest acts**

15. any act, breach, omission or infringement **you** deliberately, spitefully, dishonestly or recklessly commit, condone or ignore.

This does not apply to:

- a. any claim arising from dishonesty, other than claims under the cyber claims cover in WHAT IS COVERED;
- b. **your** own loss under the dishonesty cover in WHAT IS COVERED.

We will not in any event provide cover to any party who actually commits, condones or ignores any dishonesty.

Pre-existing problems

16. any claim or shortcoming in **your** work or **your** own loss which **you** knew about, or ought reasonably to have known about, before **we** agreed to insure **you**, and which does not fall within the terms of the Special Institution Conditions.

Date recognition

17. **date recognition.**

War, terrorism and nuclear

18. **war, terrorism or nuclear risks.**

Asbestos

19. **asbestos risks.**

B. We will not make any payment for:

**Claims brought by a
related party**

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

Adjudication costs

2. a claim referred to adjudication under the Housing Grants Construction and Regeneration Act 1996 where **your** contract with **your** client failed to provide that:
- a. the adjudicator is independent of the parties to the dispute;
 - b. the decision of the adjudicator is not the final determination of the dispute;
 - c. the adjudicator cannot reach a decision on commercial considerations as opposed to the legal liabilities and obligations of the parties in dispute.

Restricted recovery rights

3. that part of any claim where **your** right of recovery is restricted by any contract.

Computer data

4. the loss or distortion of any data held electronically unless the data has been duplicated on magnetic or electrical media which is intended to be used as a basis for restoring such data.

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WHAT IS NOT COVERED

Consequential loss

5. **your** lost profit, mark-up or liability for VAT or its equivalent.
6. any trading loss or trading liability including those arising from the loss of any client, account or business.

Non-compensatory payments

7. fines and contractual penalties, liquidated, aggravated, punitive or exemplary damages and also additional damages under section 97(2) of the Copyright, Designs and Patents Act 1988 or any statutory successor to that section or damages of a similar nature imposed by the law of any country other than England and Wales.

Claims outside the applicable courts

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

Related business in North America

9. any claims arising from the business of a parent, subsidiary, associated company or related partnership of **yours** whose principal place of business is in the United States of America or Canada.
10. any **business activity you** perform in the United States of America or Canada.

HOW MUCH WE WILL PAY

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

All claims and losses which arise from the same original cause, a single source or a repeated or continuing shortcoming in **your** work will be regarded as one claim. This includes all claims which arise from a single appointment **you** have with a client or where more than one insured or claimant is involved. It includes such claims and losses arising after, as well as during, the **period of insurance**.

Special limits

1. For claims and **your** own losses arising from dishonesty, the most **we** will pay is a single limit of indemnity for the total of all such claims, their **defence costs** and **your** own losses. **You** must pay the relevant **excess** shown in the schedule. When **we** settle **your** own losses from dishonesty, **we** will deduct any sums **you** owe or the value of any property **you** hold belonging to, or recover from, the perpetrator. As part of each loss **we** will pay up to the amount shown in the schedule for accountants' fees **you** incur in investigating **your** loss.
2. For cyber claims, the most **we** will pay for the total of all such claims is a single limit of indemnity for the total of all such claims, their **defence costs** and **your** own losses. **You** must pay the **excess** shown in the schedule.

PROFESSIONAL INDEMNITY FOR PROPERTY PROFESSIONALS

HOW MUCH WE WILL PAY

3. For lost, damaged or destroyed documents, information or data, **we** will pay the reasonable expenses **you** incur with **our** prior written consent in restoring or replacing them. The most **we** will pay for the total of all such expenses is the amount shown in the Special Limits endorsement. **You** must pay the **excess** shown in the schedule.
4. **We** will pay 80% of the cost:
 - a. to represent **you** at hearings, tribunals or proceedings;
 - b. to defend proceedings relating to **your** breach of any statutory obligation.

We will not pay more than the amount shown in the Special Limits endorsement for each such hearing, tribunal or proceedings. **You** must pay the remaining 20% of the cost.

5. **We** will pay up to the amount shown in the schedule for each Ombudsman's award provided that the Ombudsman has operated within any terms of reference or rules applicable to their appointment. **You** must pay the relevant **excess** shown in the schedule.
6. For Court attendances, **we** will pay the amount shown in the Special Limits endorsement for each day or part of a day. The most **we** will pay for the total of all such payments is the Maximum Amount Payable shown in the Special Limits endorsement.

Paying out the limit of indemnity

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

YOUR OBLIGATIONS

If a problem arises

We will not make any payment under this section:

1. unless **you** notify **us** promptly of the following within the **period of insurance** or at the latest within 14 days after it expires for any problem **you** first become aware of in the seven days before expiry:
 - a. **your** first awareness of a shortcoming in **your** work for a client which is likely to lead to a claim against **you**. This includes any criticism of **your** work even though regarded by **you** as unjustifiable.
If **we** accept **your** notification **we** will regard any subsequent claim as notified to this insurance.
 - b. any claim or threatened claim against **you**, or any referral to arbitration or any complaint to an Ombudsman.
 - c. **your** first awareness of any actual or threatened hearing or tribunal.
 - d. **your** first awareness of any actual or threatened proceedings against **you** for breach of a statutory obligation.

PROFESSIONAL INDEMNITY FOR PROPERTY PROFESSIONALS

- e. **your** discovery, or the existence of reasonable grounds for **your** suspicion, that any partner, director, employee or self-employed subcontractor has acted dishonestly.
- f. **your** discovery that any document, information or data of **yours** has been lost, damaged or destroyed.

YOUR OBLIGATIONS

2. if, when dealing with **your** client or a third party, **you** admit that **you** are liable for what has happened or make any offer, deal or payment, unless **you** have **our** prior written agreement. **You** must also not reveal the amount of cover available under this insurance, unless **you** had to give these details in negotiating a contract with **your** client or have **our** prior written agreement.

Dishonesty

We will not make any payment for claims or losses arising from dishonesty unless:

1. on discovery of any loss, **you** immediately take all reasonable steps to prevent further loss;
2. at **our** request, **you** take all reasonable steps to make a recovery from the perpetrator or from their personal representatives;
3. you require and obtain the signatures of at least two properly authorised officers or partners of **yours** as authorisation of any monetary transactions with a value greater than £1,000;
4. **your** annual accounts are prepared and/or certified by an independent and properly qualified accountant or auditor.

We will not make any payment for claims or losses arising from the dishonesty of any person after **you** have discovered any dishonesty by that person or have reasonable cause for suspicion of dishonesty.

CONTROL OF DEFENCE

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

SPECIAL CONDITION

Mergers or change in partnership

You must tell **us** promptly if **you** take over or merge with another business or partnership or if any new partner joins **your** firm.

PROFESSIONAL INDEMNITY FOR PROPERTY PROFESSIONALS

SPECIAL INSTITUTE CONDITIONS

Under General Condition 1 in the General Terms, all facts and matters which might be relevant to **our** consideration of **your** proposal must be disclosed and all material representations made to **us** must be true, otherwise **we** are entitled to treat this insurance as if it had never existed. **We** will not do this if **you** satisfy **us** that the alleged misrepresentation or failure to disclose was innocent and not intended to mislead **us**.

Where the material matter is a claim or shortcoming in **your** work or a loss which should have been notified under an earlier insurance, **we** will cover **you** on the basis of either this insurance or that in force when the matter should have been notified, whichever gives the more restrictive cover.

If **you** have breached any of **your** obligations to **us** and as a result **you** have prejudiced the handling, settlement or investigation of any claim or loss, **we** will only pay as much as **we** would have paid under this insurance had the prejudice not taken place.

If there is any dispute regarding the application of these Special Institution Conditions it will be referred to the President of the Royal Institution of Chartered Surveyors (or the President's nominee) whose decision will be final.

These Special Institution Conditions will not apply, and **we** will not be liable to make any payment under this section, if someone has taken legal control of **your business** or affairs on **your** death, incapacity, insolvency or financial difficulty and has breached any of **your** obligations under this insurance and the breach is either intentional or shows a deliberate or reckless disregard for **our** interests. The Special Institution Conditions will also not apply to any claim which is referred to an Ombudsman or adjudication.

Notification for adjudication

In view of the strict timetable relating to an adjudication **YOU MUST NOTIFY US** by fax or electronic mail within two (2) working days of **your** receipt of any notice of an intention to adjudicate, or of **your** intention to serve such a notice which may lead to a claim against **you** being dealt with by adjudication.

You should make this notification directly to **us**, and not through **your** broker, as follows:

Claims Department
Hiscox Insurance Company Ltd.
1 Great St Helen's
London
EC3A 6HX

Fax: 020 7448 6298
Email: hicliability.claims@hiscox.com

We will not indemnify **you** under this insurance unless **you** comply with the above.

The General Terms and Conditions and the following terms and conditions all apply to this section.

**SPECIAL
DEFINITIONS FOR
THIS SECTION**

Computer system	Your own computer network, including any third party software programs.
Defence costs	Costs incurred with our prior written agreement to investigate, settle or defend a claim against you .
Hacker	Anyone who specifically and maliciously targets you and gains access to the website via the internet or other external electronic link, solely by circumventing electronically the security systems in place to protect against such access. A hacker does not include: <ul style="list-style-type: none"> a. any director or partner of yours or any sub-contractor, self-employed freelancer or third party on your premises without permission; b. anyone who gains access directly through either any computer, computer system or network of yours or the physical possession of any password or other security code.
Website	Any website(s), intranet or extranet where you have full control over the content and which you run for the promotion of your own business .
You / your	Also includes any person who was, is or during the period of insurance becomes your partner or director or officer or senior manager in actual control of your operations

**WHAT IS
COVERED**

If during the **period of insurance**, and as a result of **your business**, any party brings a claim against **you** arising from:

Claims against you

- a. the content of **your** email, intranet, extranet or **website** (including its domain name, metatags and hyperlinks and the marketing and advertising of **your** business on the **website**), including alterations or additions made by a **hacker**, but not connected with any professional business activity for a client, and due to:
 - i. **your** infringement of any intellectual property rights, including any copyright, trademark, passing off or linking to or framing of another page;
 - ii. any defamatory statement on **your website** or in **your** email, including any defamatory statement concerning a client or business competitor of **yours**;
 - iii. **your** breach of confidence or infringement of any right to privacy;

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- b. **your** negligent transmission of a computer **virus**, worm, logic bomb or Trojan horse to anyone with whom **you** do business or who uses **your website** in the course of their business,
- c. **your** unauthorised collection or misuse of any data concerning any customer or potential customer of **yours** which is either confidential or subject to statutory restrictions on its use and which **you** obtained through the internet or extranet or **website** and hold electronically,
- d. a third party's good faith reliance on a **hacker's** fraudulent use of **your** encrypted electronic signature, encrypted electronic certificate, email or **website** where there was a clear intention to cause **you** loss or obtain a personal gain for the **hacker**,

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

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

Your losses from vandalism

If, during the **period of insurance**, a **hacker** damages, destroys or alters **your website** or **computer system**, **we** will pay the reasonable and necessary costs and expenses **you** incur with **our** prior written consent to repair or replace the affected part of the **website** or **computer system** to the same or equivalent standard and with the same contents or as near as reasonably possible as immediately before it was damaged, destroyed or altered.

If, during the **period of insurance**, a **hacker** threatens to damage **your website** in a way which would be covered by this section, **we** will indemnify **you** against the ransom paid with our prior written consent or, if the demand is for goods or services, their market value at the time of surrender. **We** will only indemnify **you** in this way if **you** can demonstrate to **us** that the ransom has been surrendered under duress and that before agreeing to its payment **you** took all reasonable efforts to determine that the threat was genuine and not a hoax and to ensure that at least one of **your** senior officers agreed to the ransom's payment.

If a claim arises from the cover provided in either of the two immediately preceding paragraphs **we** will also pay any advertising or publicity expenses reasonably and necessarily incurred, and with our prior permission, in contacting any people who attempted to use the **website** while it was damaged, destroyed or altered.

WHAT IS NOT COVERED

Matters specific to your business

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

1. any **virus**, worm, logic bomb or Trojan horse written or created by **you**, **your** employee or any self-employed freelancer directly contracted to **you** and under **your** supervision.
2. any **virus**, worm, logic bomb or Trojan horse which indiscriminately replicates itself and is automatically disseminated on a global or national scale, or to an identifiable class or sector of users, unless specifically passed on to **you** by a **hacker** of **your website** or **computer system**.
3. the infringement of any patent.
4. any unauthorised or fraudulent use of any credit, debit, charge or store card.

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5. the use or provision of any games, or any gaming, gambling, lottery or auctioneering facilities or services.
6. the failure or interruption of the service provided by an internet service provider or any telecommunications or other utility provider.
7. any pornographic, sexually explicit or obscene material unless arising directly from the activities of a **hacker**.
8. any defamatory statement concerning any partner, director or employee of **yours** or a self-employed freelancer directly contracted to **you** and under **your** supervision.
9. **your** liability under any contract which is greater than the liability **you** would have at law without the contract.
10. any data or software unique to your company
11. the death or any bodily or mental injury or disease suffered by anyone.
12. anyone's employment with or work for **you**, or any breach of an obligation owed by **you** as an employer or any kind of discrimination, harassment or unfair treatment.
13. any personal liability incurred by a director or officer of **yours** when acting in that capacity or managing **your** business, or **your** breach of any fiduciary duty, or any statement, representation or information concerning **you** or **your** business contained in **your** accounts, reports or financial statements.
14. **your** supply, manufacture, sale, installation or maintenance of any product.
15. any statement **you** knew, or ought reasonably to have known, was defamatory at the time of publication.
16. any act, breach, omission or infringement **you** deliberately, spitefully, dishonestly or recklessly commit, condone or ignore.
17. **date recognition**.
18. **war, terrorism or nuclear risks**.

Matters insurable elsewhere

Deliberate, reckless or dishonest acts

Date recognition

War, terrorism and nuclear

B. We will not make any payment for:

Pre-existing problems

Non-compensatory Payments

Claims outside the applicable courts

1. any claim, potential claim or loss or payment which could be made under this section which **you** knew about, or ought reasonably to have known about, before **we** agreed to insure **you**.
2. fines and contractual penalties, punitive or exemplary damages.
3. any trading loss or trading liability including those arising from the loss of any client, account or business.
4. any claim, including arbitration, brought outside the countries set out in the schedule under Applicable Courts. This applies to proceedings in the applicable courts to enforce, or which are based on, a judgment or award from outside the applicable courts.

**HOW MUCH WE
WILL PAY**

The most **we** will pay for the total of all claims, their **defence costs** and **your** own losses is the limit of indemnity shown in the schedule irrespective of the number of claims or losses. However, the most **we** will pay for **your** own losses from vandalism, including any advertising or publicity expenses, is the amount shown in the schedule. This does not increase the limit of indemnity. **You** must pay the relevant **excess** shown in the schedule.

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

**Paying out the limit of
indemnity**

At any stage **we** can pay **you** the limit of indemnity or what remains after any earlier payment from that limit. **We** will then have no further liability for any claim, **defence costs** or loss.

**YOUR
OBLIGATIONS****If a problem arises**

We will not make any payment under this section:

1. unless **you** notify **us** promptly of the following within the **period of insurance** or at the latest within 14 days after it expires for any problem **you** first become aware of in the seven days before expiry:

a. **your** first awareness of any matter which is likely to lead to a claim against **you**. This includes any criticism of **your** work even though regarded by **you** as unjustifiable.

If **we** accept **your** notification **we** will regard any subsequent claim as notified to this insurance.

b. any claim or threatened claim against **you**.

c. **your** first awareness of any fraud, threatened fraud or suspicion of fraud involving **your website**, electronic signature or electronic mail.

d. any damage, destruction or alteration to **your website** or **computer system**.

e. **your** first awareness of any threat to damage **your website**.

2. if, when dealing with **your** client or a third party, **you** admit that **you** are liable for what has happened or make any offer, deal or payment without **our** prior written agreement. **You** must also not reveal the amount of cover available under this insurance, unless **you** had to give these details in negotiating a contract with **your** client or have **our** prior written agreement.

3. if **you** do not inform the police of any ransom demand as soon as is practicable.

**Computer systems
protection and
back-ups**

We will not make any payment under this section if **you** have failed to:

a. take reasonable steps to use, maintain and upgrade any program which protects against computer viruses or any unauthorised use of or access to **your computer system**, network, electronic link or **website**;

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- b. make back-up copies of any data, file or program at reasonably frequent intervals;
- c. cancel any user name, password or other security protection after **you** knew or had reasonable grounds to suspect that it had been made available to any unauthorised person.

CONTROL OF DEFENCE

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