

**PROFESSIONAL INDEMNITY FOR
ESTATE AGENTS AND LETTING AGENTS**

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

**SPECIAL
DEFINITIONS FOR
THIS SECTION**

Business activity	The activities shown in the schedule, which you perform in the course of your business .
Defence costs	Costs incurred with our prior written agreement to investigate, settle or defend a claim against you .
You / your	Also includes 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.

**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** or refers a complaint to arbitration for:

- a. negligence or breach of a duty of care,
- b. negligent misstatement or negligent misrepresentation,
- c. infringement of intellectual property rights including copyright, patent, trademark or moral rights or any act of passing-off,
- d. breach of confidence or misuse of any information, which is either confidential or subject to statutory restrictions on its use,
- e. defamation,
- f. dishonesty of **your** individual partners, directors, employees or self-employed freelancers directly contracted to **you** and under **your** supervision,
- g. any other civil liability unless excluded under WHAT IS NOT COVERED below,

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.

**Complaints to the
Ombudsman**

If during the **period of insurance** and as a result of **your business activity** within the **geographical limits** for clients, any party refers any complaint arising directly from **your** breach of a duty of care to any Ombudsman, **we** will indemnify **you** against the sums **you** have to pay as compensation.

**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.

**WHAT IS
COVERED**

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 during the **period of insurance**, and in the performance of **your business activity** within the **geographical limits**, **you** suffer a loss from the dishonesty of **your** employees or self-employed freelancers 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.

**Breach of statutory
obligations**

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

- a. the Property Misdescription Act 1991, or
- b. the Estate Agents Act 1979,

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** which would be covered by this section.

**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 investment of client funds or investment business as defined by the Financial Services and Markets Act 2000 (and subsequent Acts) unless **you** have only acted as an introducer to an external independent financial adviser.
2. any survey of physical property or valuation of physical property for the purposes of a loan or any construction or erection work.
3. **your** operation or administration of any pension or employee benefit scheme or trust fund, or the sale or purchase of or dealing in any stocks, shares or securities or the misuse of any information relating to them, or **your** breach of any legislation or regulation related to these activities.
4. **your** breach of any taxation, competition, restraint of trade or anti-trust legislation or regulation.
5. any pollution or contamination, including noise, electromagnetic fields, radiation and radio waves.

**WHAT IS NOT
COVERED**

**Matters insurable
elsewhere**

6. the work of any personnel supplied by **you** to a client, unless **you** have breached a duty of care in supplying them.
7. transmission of a computer **virus**.
8. **your** liability under any contract which is greater than the liability **you** would have at law without the contract.
9. the death or any bodily or mental injury or disease suffered by anyone, unless arising directly from **your** breach of a duty of care in the performance of a **business activity**.
10. 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.
11. the ownership, possession or use of any land or building, any animal, any aircraft, watercraft or any motor vehicle.
12. 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**.
13. the loss, damage or destruction of any bearer bonds, coupons, share certificates, stamps, money or other negotiable paper.
14. 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, other than when performing a **business activity** for a client, or any statement, representation or information concerning **you** or **your** business contained in **your** accounts, reports or financial statements.
15. **your** supply, manufacture, sale, installation or maintenance of any product.
16. any statement **you** knew, or ought reasonably to have known, was defamatory at the time of publication.
17. any act, breach, omission or infringement **you** deliberately, spitefully, dishonestly or recklessly commit, condone or ignore. This does not apply to any claim or **your** own loss under the dishonesty cover in WHAT IS COVERED, but **we** will not in any event provide cover to any party who actually commits, condones or ignores any dishonesty.
18. any 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**.
19. **date recognition**.
20. **war, terrorism or nuclear risks**.
21. **asbestos risks**.

**Deliberate, reckless or
dishonest acts**

Pre-existing problems

Date recognition

War, terrorism and nuclear

Asbestos

**WHAT IS NOT
COVERED**

**Claims brought by a
related party**

Restricted recovery rights

Consequential loss

**Non-compensatory
payments**

**Claims outside the
applicable courts**

B. We will not make any payment for:

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 activity**.
2. that part of any claim where **your** right of recovery is restricted by any contract.
3. **your** lost profit, mark-up or liability for VAT or its equivalent.
4. any trading loss or trading liability including those arising from the loss of any client, account or business.
5. fines and contractual penalties, 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.
6. 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**

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.

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 the perpetrator.

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**.

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.
2. **We** will pay up to the relevant amount shown in the schedule for each Ombudsman's award provided that the Ombudsman has operated within any terms of reference or rule applicable to their appointment. **You** must pay the relevant excess shown in the schedule.

**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 or threatened complaint to an Ombudsman;
 - c. **your** discovery, or the existence of reasonable grounds for **your** suspicion, that any partner, director, employee or self-employed freelancer has acted dishonestly.
 - d. **your** first awareness of any actual or threatened proceedings against **you** for breach of a statutory obligation.
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.

**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.