

Professional Indemnity for Home Inspectors Policy wording

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	<p>If during the period of insurance, and as a result of your business activity within the geographical limits for clients, any party:</p> <ol style="list-style-type: none">brings a claim against you for any civil liability; orrefers a dispute arising directly from your breach of a duty of care to arbitration by an independent third party properly appointed by the certification scheme of which you are a member; <p>we will indemnify you against the sums you have to pay as compensation.</p> <p>We will also pay defence costs but we will not pay costs for any part of a claim not covered by this section. The amount we pay for defence costs will include the cost of representing you in regulatory proceedings, arbitrations and mediations relating to any claim covered under this section.</p>
--------------------	---

Avoiding a potential claim against you	<p>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 sub-contractors 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.</p> <p>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.</p> <p>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.</p> <p>We will not make any payment for any part of a claim not covered by this section.</p>
--	--

Your own losses	<p>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.</p>
-----------------	--

What is not covered

Matters specific to your business	<p>A. We will not make any payment for any claim or loss directly or indirectly due to:</p> <ol style="list-style-type: none">any survey not carried out by a person who is a member of a certification scheme.any valuation of physical property or any construction or erection work.
-----------------------------------	--

Professional Indemnity for Home Inspectors Policy wording

3. any pollution or contamination, including noise, electromagnetic fields, radiation and radio waves, unless **your** liability arises from **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.
 4. transmission of a computer **virus**.
 5. overcharging of fees or commission by **you**.
- Collateral warranties
6. **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
7. 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
8. any dispute referred to arbitration unless the law applied by the arbitrator is that of England and Wales, Scotland or Northern Ireland.
- Matters insurable elsewhere
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.
 15. **your** supply, manufacture, sale, installation or maintenance of any product.
- Deliberate, reckless or dishonest acts
16. any act, breach, omission or infringement **you** deliberately, spitefully, dishonestly or recklessly commit, condone or ignore. This does not apply to:
 - a. any claim for dishonesty of **your** individual partners, directors, employees or self-employed freelancers directly contracted to **you** and under **your** supervision, or
 - 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.

Professional Indemnity for Home Inspectors Policy wording

Pre-existing problems	17. 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 .
Date recognition	18. date recognition .
War, terrorism and nuclear	19. war, terrorism or nuclear risks .
Asbestos	20. 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 activity .
Restricted recovery rights	2. that part of any claim where your right of recovery is restricted by any contract.
Consequential loss	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.
Non-compensatory payments	5. fines and contractual penalties, aggravated, punitive or exemplary damages, and additional damages under section 97(2) of the Copyright, Designs and Patents Act 1988 or any statutory successor to that section.
Claims outside the applicable courts	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.
Related business in North America	7. 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. 8. 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 claims and losses arising after, as well as during, the **period of insurance**.

Special limits

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

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.

2. **We** will pay 80% of the cost to represent **you** in regulatory proceedings, arbitrations and mediations. **We** will not pay more than the relevant amount shown in the schedule.

Professional Indemnity for Home Inspectors Policy wording

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.
 - c. **your** first awareness of any actual or threatened regulatory proceedings.
 - d. **your** discovery, or the existence of reasonable grounds for **your** suspicion, that any partner, director, employee or self-employed freelancer has acted dishonestly.
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 **your**s 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 conditions

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.

Non-disclosure and breach of obligations

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 of failure to disclose was innocent and not intended to mislead **us**.



Professional Indemnity for Home Inspectors Policy wording

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.

This Special Condition 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.