

Your Policy
Professional Indemnity Insurance for Accountants

Introduction

Thank You for choosing Norwich Union Insurance as Your insurer.

This is Your Professional Indemnity policy setting out Your insurance protection in detail.

Please read it carefully to make sure it meets Your requirements and that the details on the policy Schedule are correct.

Your premium has been based upon the information shown in the policy Schedule.

If after reading Your policy You have any questions, please contact Your insurance adviser.

Contents - a guide to Your policy

This policy is made up of individual sections. This policy should be read together with Your current Schedule for precise details of Your insurance protection.

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The Contract of Insurance

Your policy is a contract between Us, Norwich Union Insurance, and You, the Policyholder. The Proposal provided by You will be the basis of the contract.

In return for You having paid or agreed to pay the premium, We will indemnify You subject to the terms contained in or endorsed on the policy.

On behalf of Norwich Union Insurance



Simon Machell
Chief Executive, Norwich Union Insurance

IMPORTANT

This policy is a legal contract. You must tell Us about any facts or changes which affect Your insurance and which have occurred either since the policy started or since the last renewal date.

If You are not sure whether certain facts or changes are relevant please ask Your insurance adviser or local Norwich Union Insurance office. If You do not tell Us about relevant facts or changes, Your policy may not be valid in whole or in part.

You should keep a written record (including copies of letters) of any information You give Us, or Your insurance adviser .



**NORWICH
UNION**

an AVIVA company

Aviva Insurance Limited
Registered in Scotland No. 2116
Registered Office: Pitheavlis, Perth, Scotland PH2 0NH
A member of the Aviva group. Authorised and regulated by the Financial Services Authority.

Our Service To You

Our goal is to give excellent service to all Our customers but We recognise that things do go wrong occasionally. We take all complaints We receive seriously and aim to resolve all of Our customers problems promptly. To ensure that We provide the kind of service You expect, We welcome Your feedback. We will record and analyse Your comments to make sure We continually improve the service We offer.

What will happen if You complain?

- 1 We will acknowledge Your complaint within 2 working days of receipt.
- 2 We aim to resolve complaints within 5 working days.
- 3 Once an assessment and full investigation of Your concerns has been made, We will respond with a decision.

Most of Our customers' concerns can be resolved quickly but occasionally more detailed enquiries are needed. If this is likely, We will contact You with an update and give You an expected date of response. This will not be beyond 20 working days from when You first made Your complaint.

If You remain unhappy with the decision You receive from the local branch, You may write to the Chief Executive. If You are dissatisfied with Our final decision, You can refer the matter to the Financial Ombudsman Service (FOS).

The FOS will only consider Your complaint if You have given Us the opportunity to resolve it and You are a business with a group turnover of less than £1 million, a charity with an annual income of less than £1 million or a trustee of a trust with a net asset value of less than £1 million. If however, We do not resolve Your complaint within 40 working days, the FOS will accept a direct referral. Please follow the steps below.

Whilst We are bound by the decision of the FOS, You are not. Following the complaint procedure does not affect Your right to take legal action.

What should You do?

The steps You should take if dissatisfied

- Step 1 Seek resolution by Your insurance adviser or usual Norwich Union point of contact.**

If You are disappointed with any aspect of the handling of Your insurance We would encourage You, in the first instance, to contact the manager concerned. You can write or telephone, whichever suits You, and ask Your contact to review the problem.

Step 2 Refer Your complaint to Our Chief Executive.

If You remain unhappy with the decision You receive, please write with full details including policy number and/or claim number, to:

The Chief Executive
Norwich Union Insurance
Surrey Street
Norwich
NR1 3NS

A review of the matter will then be carried out at a senior level and a final decision given.

Step 3 Refer Your complaint to the Financial Ombudsman Service.

If after making a complaint to Us You are still unhappy and You feel the matter has not been resolved to Your satisfaction, please contact the FOS at:

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

Compensation Scheme

Our obligations are covered by the Financial Services Compensation Scheme (FSCS). If we were unable to meet our obligations, you could be entitled to compensation from this scheme, depending on the type of insurance and the circumstances at the time.

For compulsory classes of cover and cover required by the Road Traffic Acts, you would be covered in full for any claim; for any other type of claim, you would be covered for all of the first £2,000 and 90% of the remainder; in each case, without any upper limit.

Further information about compensation scheme arrangements is available from the FSCS website www.fscs.org.uk, or write to Financial Services Compensation Scheme, 7th floor Lloyds Chambers, Portsoken Street, London, E1 8BN.

Definitions

Each time We use one of the words or phrases listed below, it will have the same meaning wherever it appears in Your policy unless We state otherwise. In this policy the singular includes the plural and vice versa. A defined word or phrase will start with a capital letter each time it appears in the policy, except for headings and titles.

Alternate

Any individual practitioner, partnership, limited liability partnership or company who is acting in connection with the arrangements to cover the incapacity or death of a sole practitioner.

Bodily Injury

Bodily injury including death, illness, disease, sickness, psychological injury, emotional distress or nervous shock.

Business

- (1) The provision of advice or services by You or on Your behalf including those activities authorised by the Professional Body in accordance with the provisions of the Financial Services Act 1986 or any re-enactment thereof.
- (2) Any individual personal appointment (other than as company secretary or registrar or director) held by You but only in respect of advice or services shown in (1) above
- (3) Any individual personal appointment as company secretary or registrar or director but only in relation to the performance of Services

Claim

Demand made against You consisting of or arising from any

- (1) demand, whether oral or in writing, for damages or compensation,
- (2) notice of intention, whether oral or in writing, to commence legal proceedings,

- (3) communication invoking any pre action protocols,
- (4) notification of arbitration, ombudsman or adjudication proceedings.

Computer System

Any

- (1) computer, data processing equipment, media or part thereof,
- (2) system of data storage and retrieval, or communications system, network, protocol or part thereof,
- (3) storage device, microchip integrated circuit, real time clock system or similar device,
- (4) computer software (including but not restricted to application software, operating systems, runtime environments or compilers), firmware or microcode,
- (5) electronic documents utilised in the ownership, security and management of Your electronic communication system, world wide web site, internet site, intranet site, extranet site, or web address.

Documents

Any

- (1) project models or displays,
- (2) deeds, wills or agreements,
- (3) maps, plans, records, photographs, negatives, calculations or drawings,
- (4) written or printed books, letters, certificates, documents or forms of any nature whatsoever,
- (5) computer software, files, documents or systems records,

which are your property or are under Your custody or control.

This definition shall not include bearer bonds, evidence of share ownership (whether in electronic or other form), coupons, bank or currency notes and other negotiable paper.

Definitions (continued)

Employee

- (1) Any person who is or has been under a contract of service or apprenticeship with You.
- (2) Any person who is or has been
 - (a) self employed,
 - (b) a voluntary helper,
 - (c) engaged under a work experience or training scheme,
 - (d) seasonal or temporary personnel,
 - (e) agency staff,while working under Your control in connection with the Business.

Excess

The first part paid in respect of a Claim or loss, regardless of the effect of any aggregation of Claims for the purposes of the Limit of Indemnity, which is payable by You rather than Us. The amount of the Excess is stated in the Schedule.

The Excess does not apply to the Additional Clauses section.

Financial Services

The

- (1) buying or selling, subscribing for or underwriting of, or offering to do so, either as principal or agent;
- (2) giving or offering to give advice or information about;
- (3) inducement to invest in;
- (4) managing or offering to manage;

any savings, investment, insurance or pension product or scheme.

This definition shall not include:

- (1) the provision of advice or information about and the placing or arranging of any general insurance contract (as defined in the Financial Services Authority Handbook);

and

(2) the provision of advice or information about and the placing or arranging of any loan secured upon residential property by a first legal mortgage unless the borrower enters into any investment or pension product associated with repayment of the loan.

Limit of Indemnity

The maximum amount, stated in the Schedule, which We will pay in respect of any one Claim or loss.

But note that all Claims or losses arising directly or indirectly from one source or originating cause shall be treated for the purposes of the Limit of Indemnity as a single Claim or loss.

Any dishonesty or fraud committed by a person or persons acting in concert shall be treated as one Claim or loss.

Other Costs

All costs and expenses incurred in the investigation, defence or settlement of any Claim in so far as those costs and expenses have been incurred with Our written consent.

Period of Insurance

From the effective date until the expiry date shown in the Schedule.

Pollution

Any pollution or contamination by naturally occurring or man-made substances, forces or organisms or any combination of them, whether permanent or transitory and however occurring.

Professional Body

The Association of Chartered Certified Accountants.

Proposal

Any signed proposal form, renewal, declaration, statement of fact and any additional information supplied to Us by You or on Your behalf.

Definitions (continued)

We/Us/Our/Norwich Union Insurance

Aviva Insurance Limited.

Schedule

The document which specifies Your details and details of the Excess, Limit of Indemnity and endorsements applying to this policy.

Services

All services performed or advice given by You in connection with tax matters, secretarial work, share registration, financial advice to management, book-keeping, management accounting, financial investigation and reports, financial claims (including their negotiation and settlement), company formations, investment advice, insurance and pension scheme advice and computer consultancy.

Terrorism

Any act or acts including but not limited to

- (a) the use or threat of force and/or violence and/or,
- (b) harm or damage to life or to property (or the threat of such harm or damage) including but not limited to harm or damage by nuclear and/or chemical and/or biological and/or radiological means,

caused or occasioned by any person(s) or group(s) of persons, or so claimed, in whole or in part for political, religious, ideological or similar purposes.

You/Your/The Policyholder/The Insured

- (1) Any individual, partnership, limited liability partnership, company or limited company named in the Schedule or any predecessor in business of such individual, partnership, limited liability partnership, company or limited company as declared to Us.
- (2) Any person named in the Proposal as consultant or former consultant of any person or body referred to in (1) above but only in respect of work undertaken for or on behalf of any person or body referred to in (1) above.

- (3) Any person who is or has been or who becomes a director, partner, member, principal or Employee of any person or body referred to in (1) above but only in respect of work undertaken for or on behalf of any person or body referred to in (1) above.
- (4) The estate, heirs, executors, legal or personal representatives of any person or body referred to in (1), (2) or (3) above in the event of their death, incapacity, insolvency or bankruptcy.
- (5) Any person who is acting on Your behalf as an Alternate.
- (6) Any person who is or has been or becomes an appointed representative (as defined in the FSA Handbook of Rules and Guidance) but only in respect of work undertaken for or on behalf of any person or body referred to in (1) above.

Cover

We will indemnify You in respect of any Claim arising out of the conduct of Your Business, first made against You and notified to Us during the Period of Insurance, for any,

- (a) civil liability including claimants costs and expenses,
- (b) final or binding award or determination of any ombudsman appointed pursuant to the provisions of the Financial Services and Markets Act 2000 or any subsequent amendment or re-enactment.

(4) We shall not be liable for the amount of the Excess or any lesser amount for which a Claim or loss may be settled.

Our total liability under this policy shall not, save in the circumstances stated under the Additional Clauses section, exceed the Limit of Indemnity.

- (1) We will not provide indemnity
 - (a) in respect of any defamation unless You can show that it was committed by You in good faith,
 - (b) to any person committing or conspiring to commit or condoning any dishonest or fraudulent act or omission,
 - (c) for any Claim or loss arising from any dishonest or fraudulent act or omission committed by any person after the discovery, by You in relation to that person, of reasonable cause for suspicion of any dishonest or fraudulent act or omission.
- (2) We will not provide indemnity for any Claim or loss arising from any dishonest or fraudulent act or omission unless, at Our request, You shall take all reasonable steps to effect recovery from the person committing or condoning such dishonest or fraudulent act or omission or from the personal representatives of such person.
- (3) The following will be deducted from any amount payable
 - (a) any monies which but for such dishonest or fraudulent act would be due from You to the person committing or condoning such act,
 - (b) any monies held by You and belonging to such person,
 - (c) any monies recovered following action as described in (2) above.

Additional Clauses

In addition to the Limit of Indemnity

(1) Accountants Fees

We will pay on Your behalf any accountants fees, incurred with Our prior written consent, to substantiate the amount of any loss referred to in Additional Clause (3) of this policy.

Our total liability under this clause shall not exceed £15,000 in all in any one Period of Insurance.

(2) Documents

We will pay all reasonable costs and expenses incurred by You in replacing, restoring or reconstituting Documents, lost or damaged in the conduct of Your Business provided the loss or damage is suffered and first discovered by You and notified to Us during the Period of Insurance.

Our total liability under this clause shall not exceed £50,000 for any one occurrence and £200,000 in all in any one Period of Insurance.

We will not provide indemnity in respect of any loss or damage to Documents which are stored on a Computer System, unless such Documents are duplicated with the intention that in the event of loss or damage the duplicate can be used as the basis for restoring the Documents to their original status.

(3) Fidelity

We will indemnify You for any loss of Your own money or property (other than Employees' money or property) as a result of any dishonest or fraudulent act committed by any Employee acting alone or in collusion with others.

Provided that any loss is first discovered by You and notified to Us during the Period of Insurance.

Our total liability under this clause shall not exceed £250,000 or the amount stated in the Schedule as the Limit of Indemnity, whichever is the lesser, in all in any one Period of Insurance.

We will not provide indemnity:

- (1) to any person committing or conspiring to commit or condoning any such loss;
- (2) for any loss arising from any dishonest or fraudulent act committed by any Employee after the discovery, by You, in relation to that Employee, of reasonable cause for suspicion of any dishonest or fraudulent act;
- (3) for any loss of a consequential nature including but not limited to, potential income, profit, interest or dividends, not realised by You;
- (4) for any loss of or damage to, proprietary information, trade secrets, confidential processing methods, intellectual property or confidential information of any kind;
- (5) for any costs, fees and expenses incurred by You in establishing either the existence or amount of any loss other than as specifically indemnified under Additional Clause 1
- (6) in respect of any loss caused by any Employee or in which any Employee colluded whose normal place of employment or service is outside the United Kingdom (including the Channel Islands and the Isle of Man)
- (7) unless Your annual accounts are prepared or certified by an independent and properly qualified accountant or auditor.
- (8) in respect of the first £500, or any lesser amount for which a loss may be settled under this clause

Additional Clauses

(4) Other Costs

We will pay Other Costs.

Provided that if the amount paid to dispose of a Claim exceeds the Limit of Indemnity, Our liability for Other Costs will only be the proportion which the Limit of Indemnity bears to the total amount paid to dispose of such Claim.

(5) Payment for Court Attendance

We will compensate You, subject to Our prior written consent, if You are attending court as a witness in connection with a Claim or loss for which You are entitled to indemnity under this policy.

The maximum We will pay is £300 per person per day. Our total liability, under this clause, shall not exceed £15,000 in all in any one Period of Insurance.

Exceptions

We will not provide indemnity in respect of any Claim

- (1) arising from or caused by any dispute between You and any present or former Employee or any person who has applied for or been offered employment with You.
- (2) or loss arising from or caused by
 - (a) any Bodily Injury of any Employee whilst in the course of their employment with You,
 - (b) any other Bodily Injury unless arising from any actual or alleged breach of duty in the performance of Your Business.
- (3) or loss arising out of or caused by any express warranty or guarantee unless such liability would have attached to You in the absence of said express warranty or guarantee.
- (4) or loss arising from any fines or penalties or any punitive multiple or exemplary damages where such can be identified separately within any award of any court or tribunal.

This exception will not

- (a) apply to any Claim relating to any actual or alleged defamation arising from the conduct of the Business,
 - (b) operate to exclude or limit any legal liability to meet any award made by any ombudsman appointed pursuant to the provisions of the Financial Services and Markets Act 2000 or any subsequent amendment or re-enactment.
- (5) or loss arising directly or indirectly from or caused by the supply of any goods by You or any products manufactured, constructed, altered, repaired, treated, sold, supplied or distributed by You.

This exception does not apply to computer software unless such software is produced by a third party for general distribution on a wholesale or retail basis and it has not been amended or adapted by or on behalf of You.

- (6) or loss arising from or caused by You acting as company secretary or registrar or director other than where the Claim or loss arises from the performance of Services.
- (7) or loss arising from any trading losses or trading liabilities incurred by any business managed by or carried on by You.

This exception does not apply to any Claims for negligence in the course of Your conduct of any receivership or procedures under the Insolvency Act 1986 or any subsequent amendment or re-enactment.

- (8) or loss arising from or caused by the ownership, possession or use, by You or on Your behalf, of any aircraft, watercraft, hovercraft, motor vehicle or trailer.
- (9) or loss arising from or caused by the ownership, possession or use, by You or on Your behalf, of any buildings, structures, premises or land or that part of any building leased, occupied or rented by, or licenced to You or any property (mobile or immobile) of Yours.
- (10) or loss arising from or caused by physical loss of or damage to property other than that indemnified under the Documents clause.
- (11) or loss where You are entitled to indemnity under any other policy except in respect of any excess beyond the amount which would have been payable under such insurance had this policy not been effected.
- (12) or loss or circumstance that might give rise to a Claim which has been notified under any other insurance attaching prior to the inception of this policy.
- (13) (a) instituted or pursued in the United States of America, its territories and/or possessions or Canada (including without limitation the enforcement of a judgement or finding of a court or tribunal of another jurisdiction or otherwise),
 - (b) in which it is contended that the laws of the United States of America, its territories and/or possessions or Canada should or do apply,

Exceptions (continued)

- (c) which involves the enforcement or attempted enforcement of a judgement or finding of a court or tribunal of the United States of America, its territories and/or possessions or Canada.
- (14) or loss arising from any of Your business carried out from any office or other premises situated in the United States of America its territories and/or possessions or Canada.
- (15) or loss arising from or caused by Pollution.

This exception shall not apply where any Claim or loss arises from any actual or alleged breach of duty in the performance of Your Business.
- (16) by any underwriter or insurer arising from Your activities as their insurance agent unless the underwriter or insurer has obtained a judgement in any court against You.
- (17) arising from the failure or inability or any alleged failure or inability of any Computer System, whether Your property or not, at any time to achieve any or all of the purposes and consequential effects intended by the use of any number, symbol or word to denote a date, including without limitation, the failure or inability to recognise capture save retain or restore and/or correctly to manipulate, interpret, transmit, return, calculate or process any date, data, information, command, logic or instruction as a result of
 - (a) recognising, using or adopting any date, day of the week or period of time, other than the true or correct date, day of the week or period of time,
 - (b) the operation of any command or logic which has been programmed or incorporated into any Computer System.
- (18) arising from any liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from
 - (a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel,

- (b) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.
- (19) or consequence whatsoever resulting directly or indirectly from or in connection with any of the following regardless of any other contributory cause or event
 - (a) war, invasion, act of foreign enemy hostilities or a warlike operation or operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of, or amounting to, a military uprising or usurped power
 - (b) Terrorism
 - (c) any action taken in controlling preventing suppressing or in any way relating to (a) and/or (b) above.

In any action, suit or other proceedings, where We allege that by reason of this definition any consequence whatsoever resulting directly or indirectly from or in connection with (a) and/or (b) above regardless of any other contributory cause or event is not covered by this policy, the burden of proving that any consequence whatsoever resulting directly or indirectly from or in connection with (a) and/or (b) above regardless of any other contributory cause or event is covered shall be upon You.
- (20) brought by any person within the definition of You with the exception of any steps taken to effect recovery from any person committing or condoning any dishonest or fraudulent act or omission.

Conditions

Claims Conditions

If in relation to any Claim or loss You fail to fulfil or observe the requirements imposed upon You by conditions (1), (2) or (3) You will lose Your right to indemnity or payment for that Claim or loss.

- (1) If during the Period of Insurance, regardless of any Excess, You
 - (a) receive any Claim, You shall give written notice to Us as soon as practicable,
 - (b) become aware of any circumstance that might give rise to a Claim or loss, You shall give written notice to Us of such circumstance as soon as practicable. Any Claim or loss subsequently arising from any circumstance notified to Us shall be deemed to have been made during the Period of Insurance in which the notice of such circumstance was first received by Us,
 - (c) discover a reasonable cause for suspicion of any dishonesty or fraud on the part of any past or present director, partner or Employee of Yours, whether giving rise to a Claim or loss or not, You shall give written notice to Us of such discovery as soon as practicable,
 - (d) discover any loss of or damage to Documents, You shall give written notice to Us of such discovery as soon as practicable,

provided always that any such written notice under any part of this condition (1) is received by Us during the Period of Insurance.

Any written notice should be sent to:

**The Claims Manager,
Norwich Union Professional Risks,
PO Box 196,
Technology Park,
DUNDEE DD1 9QL.**

**Tel. 01382 593634
Fax. 01382 561460**

E-mail : delauth@norwich-union.co.uk

- (2) In the event of a Claim or the discovery of a circumstance that might give rise to a Claim, You must not admit liability for

or settle any Claim or incur any related costs or expenses without Our written consent.

- (3) In the event of a Claim or loss or the discovery of a circumstance that might give rise to a Claim, We will be entitled, at Our own expense at any time, to take over and conduct in Your name the defence or settlement of any such Claim or loss.

If We do take over and conduct the defence or settlement of any such Claim or loss, You shall give Us all such information and assistance as We may reasonably require and that is in Your power to provide.

Without prejudice to the generality of the above, Your duty to assist Us includes

- (a) providing all such information, assistance, signed statements or depositions as may be required to facilitate compliance with any civil procedure rules, practice directions and pre-action protocols as may be issued,
- (b) allowing Us to present the best possible defence of a Claim within the time constraints available,
- (c) ensuring ready access to all and any information that We may require in the defence of a Claim or investigation of a loss,
- (d) ensuring the payment, on demand, of the Excess in conjunction with the terms of any settlement agreed by Us.

General Conditions

- (4) If You make any claim for indemnity under this policy knowing the same to be false or fraudulent as regards to the amount or otherwise, this policy shall become void and You shall forfeit all benefit hereunder.
- (5) In connection with any Claim or loss, We may at any time pay You the amount of the Limit of Indemnity (after deduction of any sums already paid as damages or claimant's costs and expenses in respect of such Claim or loss) or any lesser amount for which We believe that such Claim or loss can be settled and thereupon We shall relinquish the control of such Claim or loss and be under no further liability in connection therewith except for costs and expenses incurred prior to the date of such payment and for which We may be responsible under this policy.

Conditions (continued)

- (6) The Limit of Indemnity and the Excess apply to all of You jointly. 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.
- (7) If any settlement is made by Us to You under the terms of this policy, You grant to us all rights of recovery that You would have had against any parties from whom a recovery may be made and You will take all reasonable steps to preserve and not to prejudice such rights.
- (8) A person or company who is not a party to this policy has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this policy but this does not affect any right or remedy of a third party which exists or is available apart from that Act.
- (9) This policy is governed by the law of England and Wales and the courts of England and Wales are to have exclusive jurisdiction for hearing and determining any litigation arising out of or in connection with the interpretation of this policy.
- (10) This policy, its endorsements and the Schedule shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of the policy, endorsements or the Schedule shall bear the same meaning wherever it may appear unless the contrary is indicated.
- (11) You shall not be required
 - (a) to contest any legal proceedings
 - or
 - (b) to take steps to effect recovery from any person committing or conspiring to commit or condoning any dishonest or fraudulent act (or from the personal representatives of such person) including the taking of legal proceedings against such person

unless a senior barrister (to be mutually agreed upon between You and Us) shall advise that such action has a reasonable prospect of success.

- (12) Where there has been non-disclosure or misrepresentation of facts or untrue statements in the Proposal and provided always that You establish to Our reasonable satisfaction that such alleged non-disclosure, misrepresentation of facts or untrue statements were free of any fraudulent conduct or intent to deceive We shall not exercise Our right to avoid this policy.

However in any case of a Claim first made against You during the Period of Insurance or loss where

- (a) You had previous knowledge of the circumstances which could give rise to such Claim or loss
- and
- (b) You should have notified the same under any preceding insurance

then where the indemnity or cover under this policy is greater or wider in scope than that to which You would have been entitled under such preceding insurance We will only be liable to afford indemnity to such amount and extent as would have been afforded to You by such preceding insurance.

Where Your breach of or non-compliance with any condition of this policy has resulted in prejudice to the handling or settlement of any Claim or loss, We shall be entitled to reduce the indemnity afforded by this policy in respect of such Claim or loss (including Other Costs) to such sum as in Our reasonable opinion would have been payable by Us in the absence of such prejudice.

For the avoidance of doubt, this condition shall not apply to any Claim or loss known to You prior to inception of this policy.