

Your Policy
Professional Indemnity Insurance

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



Patrick Snowball
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 .



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.

Bodily Injury

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

Business

The provision of advice or services by You or on Your behalf as declared to Us in the Proposal or as shown in the Schedule as the Business.

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, worldwide 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, drawings,
- (4) written or printed books, letters, certificates, documents or forms of any nature whatsoever
- (5) computer software, files, documents and 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.

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.

Definitions (continued)

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.

Limit of Indemnity

The maximum amount, stated in the Schedule, which We will pay in respect of any one Claim and in total for all Claims first made during any one Period of Insurance.

But note that all Claims 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.

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

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.

This definition shall not include pollution or contamination by asbestos.

Proposal

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

Schedule

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

Territorial Limits

The United Kingdom (including the Channel Islands and the Isle of Man) and any other EU member country.

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.

We/Us/Our/Norwich Union Insurance

Aviva Insurance Limited.

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 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.
- (3) The estate, heirs, executors, legal or personal representatives of any person or body referred to in (1) or (2) above in the event of their death or incapacity.

Cover

- (1) 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 civil liability including claimants costs and expenses arising from
 - (a) any negligent act or omission committed by You,
 - (b) any dishonest or fraudulent act or omission committed by any of Your past or present partners, directors or Employees.
- (2) We will indemnify You for reasonable costs and expenses incurred by You in respect of any reasonable action taken to mitigate a loss or potential loss that would otherwise be the subject of a Claim under this policy provided that
 - (a) We give prior written consent to You incurring such costs and expenses and
 - (b) You prove to Our satisfaction that the amount of the costs and expenses to be incurred are less than any likely award of damages arising from the same potential Claim.

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 arising from any dishonest or fraudulent act or omission committed by any person after the discovery, 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 arising from any dishonest or fraudulent act or omission unless
 - (a) 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,
 - (b) Your annual accounts are prepared or certified by an independent and properly qualified accountant or auditor.
- (3) The following will be deducted from any amount payable
 - (a) any monies which, but for such dishonest or fraudulent act or omission, would be due from You to the person committing or condoning such act or omission,
 - (b) any monies held by You and belonging to such person,
 - (c) any monies recovered following action as described in (2) (a) above.
- (4) We shall not be liable for the amount of the Excess or any lesser amount for which a Claim may be settled.
- (5) We will not provide indemnity where Your Business is conducted outwith the Territorial Limits.

Additional Clauses

In addition to the Limit of Indemnity

(1) 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.

(2) 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.

(3) Representation Costs

We will pay on Your behalf any reasonable costs and expenses incurred by You for representation at properly constituted hearings, tribunals or proceedings provided that:

- (a) such costs and expenses are incurred with our prior written consent and
- (b) the subject of the hearing, tribunal or proceeding may become a Claim under this Policy.

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

(4) 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 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

- (1) any Claim arising directly or indirectly 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) any Claim arising directly or indirectly 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 or loss of or damage to property unless arising from any actual or alleged breach of duty in the performance of Your Business.
- (3) any Claim arising out of or caused by any
 - (a) representation, promise or warranty given by You as to the outcome of Your conduct of the Business,
 - (b) express guarantee,
 - (c) express contractual penalty,
 - (d) acceptance of liability for liquidated damages,unless such liability would have attached to You in the absence of the features listed above.
- (4) any fines or penalties or any punitive, multiple, aggravated or exemplary damages where such can be identified separately within any award of any court or tribunal.
- (5) any Claim 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

- (a) project models or displays
- (b) any Claim arising from Your negligent advice or specification of any software, hardware, firmware or other computer equipment supplied or installed by You when providing consultancy services.

- (6) any Claim arising directly or indirectly from the conduct of Your Business where You contract to manufacture, construct, erect or install or supply materials or equipment.

This exception does not apply to any Claim arising from Your negligent advice or specification of any software, hardware, firmware or other computer equipment supplied or installed by You when providing consultancy services.

- (7) any Claim brought by any entity
 - (a) in which You exercise a controlling interest,
 - (b) which exercises a controlling interest over Your business by virtue of having a financial or executive interest in You,

unless such Claim arises from or is caused by a claim made against such entity by an independent third party.

- (8) any Claim made against You in Your capacity as a director, officer or trustee unless arising out of the professional conduct of Your Business.
- (9) any Claim arising directly or indirectly from or caused by any
 - (a) pension or Employee scheme,
 - (b) trust fund,
 - (c) stocks, shares or securities,established or maintained to provide benefits to You or Your Employees.
- (10) any trading losses or trading liabilities incurred by any business managed by or carried on by You.
- (11) any Claim arising directly or indirectly from or caused by Your insolvency or bankruptcy.
- (12) any Claim arising directly or indirectly from or caused by the ownership, possession or use, by You or on Your behalf, of any aircraft, watercraft, hovercraft, motor vehicle or trailer.

Exceptions (continued)

- (13) any Claim arising directly or indirectly 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.
- (14) any Claim 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.
- (15) any Claim or circumstance that might give rise to a Claim which
- (a) has been notified under any other policy of insurance attaching prior to the inception of this policy,
 - (b) You were or should, after reasonable enquiry, have been aware of prior to the inception of this policy.
- (16) any Claim
- (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,
 - (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.
- (17) any Claim arising directly or indirectly from or caused by Pollution.
- (18) any Claim arising directly or indirectly from, in consequence of, contributed to or aggravated by asbestos in whatever form or quantity, whether alleged or actual.
- (19) any Claim arising directly or indirectly from or caused by the transmission or receipt of a computer virus, program or code that causes loss of or damage to

- any Documents or Computer System or prevents any Computer System from performing or functioning accurately or properly.
- (20) any Claim of whatsoever nature arising directly or indirectly from or caused by 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.
- (21) 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.
- (22) any Claim 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,

Exceptions (continued)

- (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.

Conditions

Claims Conditions

If in relation to any Claim 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.

- (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, You shall give written notice to Us of such circumstance as soon as practicable. Any Claim 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 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 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.

If We do take over and conduct the defence or settlement of any such Claim, 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, 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 any lesser amount for which We believe that such Claim can be settled and thereupon We shall relinquish the control of such Claim 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 to contest any legal proceedings unless a senior barrister (to be mutually agreed upon between You and Us) shall advise that such action has a reasonable prospect of success.