

FINANCIAL ADVISERS' LIABILITY

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SECTION 1: INSURING CLAUSES

QBE agrees subject to the terms, Conditions, limitations and Exclusions of this **Policy** to:

- | | | |
|-------------------------------------|-----|--|
| CIVIL LIABILITY | 1.1 | pay on behalf of the Insured amounts payable by way of compensatory damages or awards not including Ombudsman awards (including where applicable claimants' legal costs and expenses) for any Claim for compensation first made against the Insured during the Period of Insurance and notified to QBE in accordance with the terms of this Policy , in respect of any civil liability for breach of applicable FSA rules/regulations or other common law duty incurred:- |
| PROFESSIONAL SERVICES | (a) | by the Insured in the conduct of the Professional Services ; |
| CONSULTANT, SUB-CONTRACTOR OR AGENT | (b) | by the Insured in the conduct of the Professional Services arising from any act, error or omission committed or alleged to have been committed by any consultant, sub-contractor Appointed Representative or agent for whose acts, errors or omissions the Insured is legally liable; |
| LIBEL & SLANDER | (c) | in respect of libel or slander by the Insured in the conduct of the Professional Services . |
| OMBUDSMAN AWARDS | 1.2 | pay on behalf of the Insured amounts payable by way of Binding Awards made against the Insured by any Ombudsman for any Claim first made against the Insured during the Period of Insurance and notified to QBE in accordance with the terms of this Policy , always provided that QBE shall only pay in excess of the amount stated as Retention in the Schedule in respect of each and every Claim and associated Defence Costs and Expenses , with such Retention to be borne by the Insured and not to be insured elsewhere. |
| DEFENCE COSTS & EXPENSES | 1.3 | pay on behalf of the Insured Defence Costs and Expenses incurred, with the written consent of QBE , in the defence or settlement of any Claim insured under this Policy , subject to Clause 1.2. |
| LOSS OF DOCUMENTS | 1.4 | indemnify the Insured for costs and expenses reasonably incurred in replacing or restoring Documents discovered by the Insured to be lost, damaged or destroyed and, after diligent search, cannot be found.
Provided that:

(a) the discovery of such loss of Documents occurred during the Period of Insurance and is notified to QBE in accordance with the terms of this Policy ; |

- (b) such coverage shall be limited to the costs, charges and expenses of whatsoever nature incurred by the **Insured** in replacing and/or restoring such **Documents**, and any claim for such costs, charges and expenses shall be supported by bills and/or accounts which shall be subject to approval by a competent person nominated by **QBE** with the consent of the **Insured**;
- (c) such coverage shall be limited to the loss of any **Documents** which were in the physical custody or control of the **Insured** or any other person to whom the **Insured** entrusted, lodged or deposited such **Documents** in the ordinary course of business.

FIDELITY

1.5 indemnify the **Insured** for any loss sustained in consequence of any dishonest or fraudulent act or omission of any **Insured** involving loss of money, negotiable instruments, bearer bonds or coupons, stamps, bank or currency notes belonging to the **Insured** or for which the **Insured** has a **Legal Liability** provided always that:

- (a) such loss is first discovered by the **Insured** during the **Period of Insurance** and is notified in writing to **QBE** in accordance with the terms of this **Policy**;
- (b) **QBE** shall not be liable for any loss sustained in consequence of any act or omission occurring after the date of the discovery of, or of reasonable cause for suspicion of, any dishonest or fraudulent conduct on the part of the **Insured** concerned;
- (c) **QBE** shall not be liable to indemnify any **Insured** committing or condoning any dishonest or fraudulent conduct;
- (d) the **Insured** shall bear the burden of providing satisfactory proof to substantiate any loss hereunder (including any costs incurred in such process) and **QBE** will be under no obligation to provide indemnity to the **Insured** until such time as **QBE** is satisfied that such loss has, in fact, been sustained;
- (e) any monies which but for the dishonest or fraudulent act or omission of the **Insured** concerned would have been payable by the **Insured** and any monies of the **Insured** concerned shall be deducted by the **Insured**, to the extent it is legally entitled to do so, from the amount payable under this Clause in diminution or extinction of any loss.

SECTION 2: EXCLUSION

QBE shall have no liability under this **Policy** in respect of any **Claim** or loss:

EXISTING CLAIMS

- 2.1 (a) made, threatened or intimated against the **Insured** prior to the **Period of Insurance**;
- (b) directly or indirectly arising out of, or in any way involving any fact or circumstance:
- i. of which written notice has been given, or ought reasonably to have been given, under any previous policy (whether insured by **QBE** or not); or
 - ii. of which the **Insured** first became aware prior to the **Period of Insurance** and which the **Insured** knew or ought reasonably to have known had the potential to give rise to a **Claim** or loss;

FRAUD/DISHONESTY

- 2.2 directly or indirectly arising out of, or in any way involving:
- (a) any actual or alleged dishonest, fraudulent, criminal, or malicious act or omission of any **Insured** or their **Appointed Representatives**, consultants, sub-contractors, or agents; or
- (b) any act, error or omission of any **Insured** or their **Appointed Representatives**, consultants, sub-contractors, or agents committed or alleged to have been committed with reckless disregard for the consequences

provided that in either case this exclusion shall not apply to any **Insured** who is innocent of committing or condoning any such act, error, omission or breach;

ASSUMED DUTY OR OBLIGATION

- 2.3 directly or indirectly arising out of, or in any way involving any liability, duty or obligation incurred or assumed by the **Insured** which is not incurred or assumed in the normal conduct of the **Insured's Professional Services**;

CONTRACTUAL LIABILITY

- 2.4 directly or indirectly arising out of, or in any way involving a **Legal Liability** assumed by the **Insured** under any express warranty or guarantee, unless such liability would have attached to the **Insured** in the absence of such express warranty or guarantee;

TRADING DEBTS

- 2.5 directly or indirectly arising out of, or in any way involving any trading debt incurred by the **Insured** or any guarantee or undertaking given by the **Insured** for a debt or performance of any other obligation by a third party;

INSOLVENCY	2.6	directly or indirectly arising out of, or in any way involving the insolvency of any insurance company, building society, bank, investment manager, stockbroker, investment intermediary, or any other business, firm or company with whom the Insured has advised or arranged, directly or indirectly, any insurances, investments or deposits unless the Claim or loss arises directly from Legal Liability from the Insured's advising or arranging of insurances, investments or deposits with the particular entity or entities set out above;
ASSOCIATED COMPANY	2.7	<p>brought or maintained by or on behalf of:</p> <p>(a) any Insured or any Subsidiary of the Insured; or</p> <p>(b) any firm, partnership or entity in which the Insured or any director or partner of the Insured has a financial or executive interest</p> <p>provided that this exclusion shall not apply to such Claims originating from an independent third party;</p>
BODILY INJURY/PROPERTY DAMAGE	2.8	directly or indirectly arising out of, or in any way involving bodily injury, mental anguish or emotional distress, sickness, disease or death or damage to or destruction of any property (not otherwise insured under Clause 1.4) including loss of use thereof, provided that this exclusion shall not apply to Claims incurred as a result of a breach of applicable FSA rules/regulations or other common law duty in the conduct of the Insured's Professional Services ;
PROPERTY/OCCUPIER'S LIABILITY	2.9	directly or indirectly arising out of, or in any way involving the ownership, use, occupation or leasing of mobile or immobile goods or property by or on behalf of the Insured ;
INSURANCE MANAGEMENT	2.10	directly or indirectly arising out of, or in any way involving any act, error or omission committed in the course of the activities of the Insured as managers of any insurance company, or, if the Insured are Lloyd's Brokers, Underwriting Agents (Lloyds);
INSURER'S CLAIMS	2.11	by any underwriter or insurance company by reason of any act, error or omission committed by the Insured in the course of its activities as that underwriter's or company's appointed representative or agent;
FINES & PENALTIES	2.12	for taxes, fines, penalties, punitive, exemplary, aggravated or multiplied damages, or any Claim deemed uninsurable by law provided that this exclusion shall not apply to exemplary or aggravated damages for libel or slander, but only to the extent that the same are insurable at law;

POLLUTION	2.13	directly or indirectly arising out of, or in any way involving any Pollutant including any rectification or clean-up costs relating to any Pollutant ;
OTHER INSURANCE	2.14	for which the Insured is, or would but for this Policy be, entitled to coverage under any other insurance policy;
USA/CANADA	2.15	in the form of any kind of legal (including arbitration) or regulatory proceedings brought in the United States of America or Canada or outside of the United States of America or Canada to seek enforcement or upholding of a judgment, award or order made in the United States of America or Canada;
WAR AND TERRORISM	2.16	directly or indirectly arising out of, or in any way involving war, terrorism, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or requisition of or damage to property by or under the order of any government or public local authority, provided always that this exclusion shall not exclude Legal Liability which would otherwise have arisen under this Policy to the extent that the Claim directly or indirectly arises out of or in any way involves terrorism and is attributable to the Insured's breach of applicable FSA rules/regulations or other common law duty in the conduct of the Insured's Professional Services ;
UNAUTHORISED REGULATED ACTIVITIES	2.17	directly or indirectly arising out of, or in any way involving, Financial Services Business for which the Insured should have, but has not, obtained or maintained FSA Authorisation ;
APPOINTED REPRESENTATIVES	2.18	directly or indirectly arising out of, or in any way involving: <ul style="list-style-type: none"> (a) the Insured's liability for the activities of an Appointed Representative that are outside the scope of that Appointed Representative's appointment; (b) the Insured's liability for any person or entity who should have, but has not, been notified to the FSA as an Appointed Representative; (c) claims by the Insured's Appointed Representatives against QBE under this Policy or against the Insured;
ELECTRONICALLY HELD DATA	2.19	directly or indirectly arising out of: <ul style="list-style-type: none"> a) corruption, erasure, theft, alteration of: or b) access or lack of access to: or c) interference with <p>electronically held data of or held by the Insured wholly or partly caused by any computer virus or by any person who is not a partner, director or Employee currently employed by the Insured;</p>

LOSS OF ELECTRONIC DOCUMENTS

- 2.20 directly or indirectly arising out of any loss of or damage to **Documents** which are stored on magnetic or electrical media unless
- a) such **Documents** are duplicated on magnetic or electrical media with the intention that in the event of loss of damage the duplicate can be used as the basis for restoring the **Documents** to their original status and such back up magnetic or electrical media are stored at a place other than the **Insured's** principal place of business; and
 - b) there is physical loss of or damage to the media on which such Documents are stored.

SECTION 3: CLAIMS AND NOTICE PROVISIONS

Each of the following Clauses 3.1 – 3.5 (inclusive) are conditions precedent to the rights of the **Insured** under this **Policy** and **QBE** shall have no liability in respect of any **Claim** or loss to the extent that the **Insured** has not complied with the requirements of those Clauses in relation to such **Claim** or loss.

WHEN TO NOTIFY

- 3.1 (a) The **Insured** shall give **QBE** written notice as soon as practicable of:
- i. any **Claim** made against any **Insured** or any loss during the **Period of Insurance**; or
 - ii. any circumstances occurring during the **Period of Insurance** which might reasonably be expected to give rise to a **Claim** or loss; provided always that such written notice is given to **QBE** during the same **Period of Insurance** or (if the **Insured** renews this insurance with **QBE**) within twenty-eight (28) days after its expiry.
- (b) Any such **Claim** or loss which is notified under Clause 3.1 (a) and any subsequent **Claim** arising out of circumstances notified under Clause 3.1(a) shall in each case be deemed to have been made during the **Period of Insurance** which expired immediately prior to the commencement of the twenty-eight (28) day period referred to in Clause 3.1 (a).

WHO TO NOTIFY

- 3.2 Any notice under Clause 3.1 shall be given in writing to **QBE**, and delivered to the address specified in the **Schedule** for this purpose.

WHAT TO NOTIFY

- 3.3 The **Insured** shall give **QBE** specific written notice including full details of the **Claim** or loss and, in the case of notified circumstances the reasons for the anticipation of the same, in each case with full particulars including the circumstances, dates and persons involved.

DEFENCE & SETTLEMENT

- 3.4 (a) The **Insured** agrees not to incur any **Defence Costs and Expenses**, admit liability for or attempt to settle, make any admission, offer any payment or otherwise assume any contractual obligation with respect to any **Claim** or loss without **QBE's** written consent. **QBE** shall not be liable for any **Defence Costs and Expenses**, settlement, admission, offer, payment, or assumed obligation to which it has not consented. In any event no action shall be taken which might prejudice **QBE**.
- (b) **QBE** shall be entitled (but not obliged) at any time to conduct, in the name of the **Insured**, the defence or settlement of any **Claim** or loss and to represent the **Insured** in respect of that **Claim** or loss. Any amount incurred by **QBE** on behalf of the **Insured** shall be part of the **Defence Costs and Expenses**.

CLAIMS MITIGATION & COMPENSATION

- 3.5 (a) The **Insured** shall use due diligence and ensure that all reasonable and practicable steps are taken to avoid or diminish any liability which may give rise to or has given rise to a **Claim** or loss.
- (b) The **Insured** shall disclose to **QBE** all relevant information and, in addition, shall provide assistance to **QBE** to enable **QBE** or its agents to investigate and/or to defend any **Claim** or loss under this **Policy** (including without limitation by way of compliance with any protocol or other procedural requirements which may be relevant to the jurisdiction in which the **Claim** is brought) and/or to enable **QBE** to determine its liability under this **Policy**.

LEGAL OPINION

- 3.6 (a) **QBE** shall not require the **Insured** to contest any **Claim** unless the legal opinion of a Queen's Counsel (to be mutually agreed upon by the **Insured** and **QBE** or failing such agreement to be nominated by the Chairman for the time being of the Bar Council of England and Wales or where appropriate by a similar official of any similar body in any other applicable jurisdiction) shall advise that such **Claim** should be contested.
- (b) Full consideration as to the damages and costs which are likely to be recovered by the claimant, the likely **Defence Costs and Expenses** and the prospects of the **Insured** successfully defending the **Claim** will be taken into account.
- (c) The cost of such legal opinion shall be regarded as part of the **Defence Costs and Expenses**.

- FULL & FINAL SETTLEMENT 3.7 In respect of any **Claim** or loss, **QBE** may in its reasonable opinion decide to make a payment to the **Insured** of the amount available under the **Limit of Liability** or of an amount for which the **Claim** or loss may be settled (whichever is the lesser) in full and final settlement of all liability of **QBE** to the **Insured** under this **Policy** in respect of that **Claim** or loss.
- SUBROGATION 3.8 (a) In the event of any notice of a **Claim** or circumstance (as set out at clause 3.1) under this **Policy**, **QBE** shall be subrogated to the extent of such payment to all the **Insured's** rights of recovery, and the **Insured** shall execute all papers required and shall do everything necessary to secure and preserve such rights, including the execution of documents necessary to enable **QBE** effectively to bring proceedings in the name of the **Insured**.
- (b) **QBE** agrees not to exercise such rights against any principal, partner, director or **Employee** of the **Insured** unless the **Claim** or loss is brought about or contributed to by the dishonest, fraudulent, criminal or malicious act or omission of that principal, partner, director or **Employee**.
- ALLOCATION 3.9 (a) If both liability from a **Claim** or loss covered by this **Policy** and liability for a **Claim** or loss not covered by this **Policy** arises, either because:
- i. a **Claim** against any **Insured** or a loss includes both covered and uncovered matters; or
- ii. a **Claim** against any **Insured** is made and others are a party to the proceedings or demand to which the **Claim** relates
- then the **Insured** and **QBE** shall use their best efforts to agree the allocation of such amount between covered loss and uncovered loss based on a fair and proper assessment of the relative legal and financial exposures.
- (b) If **QBE** and the **Insured** are unable to agree any allocation, the dispute shall be submitted to the decision of a Queen's Counsel (to be mutually agreed upon by the **Insured** and **QBE** or failing such agreement to be nominated by the Chairman for the time being of the Bar Council of England and Wales or where appropriate by a similar official of any similar body or any other applicable jurisdiction) on the basis that such a Queen's Counsel shall determine a fair and proper allocation in accordance with Clause 3.9 (a).

- (c) Any allocation of **Defence Costs and Expenses** on account of a **Claim** which is negotiated or determined in accordance with Clause 3.9 (b) shall be applied retrospectively to all **Defence Costs and Expenses** on account of such **Claim**.

SECTION 4: CONDITIONS

LIMIT OF LIABILITY

- 4.1 (a) **QBE's** total liability under this **Policy** in respect of any one **Claim** or loss and in respect of all **Claims** and losses during the **Period of Insurance** including **Defence Costs and Expenses** shall not exceed in the aggregate the **Limit of Liability** as specified in the **Schedule**.
- (b) **QBE's** total liability under Clause 1.4 shall not exceed in the aggregate the relevant sub-limit (if any) specified in the **Schedule**.
- (c) **QBE's** total liability under Clause 1.5 shall not exceed in the aggregate the relevant sub-limit (if any) specified in the **Schedule**.
- (d) For the purpose of Clause 4.2 the sub-limit referred to in Clauses 4.1, (b) and (c) shall be included within and not in addition to the **Limit of Liability** as stated in the **Schedule**.

INTERRELATED ACTS

- 4.2 All **Claims** and losses resulting from one and the same act error or omission shall jointly constitute one **Claim** under this **Policy**, and only one **Retention** shall be applicable in respect of such **Claim**.

RETENTION

- 4.3 **QBE** shall only pay in excess of the amount stated as **Retention** in the **Schedule** which amount applies as stated in the Schedule, either to:
 - (a) each and every **Claim** or each and every loss under Clauses 1.4 and 1.5; or
 - (b) each and every **Claim** by each and every claimant, in which case for the purposes of determining the applicable **Retention**, the provisions of Clause 4.2 shall not apply.

Except under clause 1.2, such amount excludes **Defence Costs and Expenses** and such amount is to be borne by the **Insured** and is not to be insured.

RETROACTIVE COVER

- 4.4 (a) "Unlimited Retroactive Cover" – unless a Retroactive Date is specified in the **Schedule**, coverage under this **Policy** shall be in respect of acts, errors or omissions committed or alleged to have been committed irrespective of when such acts, errors or omissions were committed or alleged to have been committed.

- (b) “Limited Retroactive Cover” – where a Retroactive Date is specified in the **Schedule**, then coverage under this **Policy** shall only be in respect of acts, errors or omissions first committed or alleged to have been first committed after the Retroactive Date.

TERRITORY & LEGAL ACTIONS 4.5 This **Policy** shall apply to **Claims** wherever made outside the United States of America or Canada, based upon acts, errors or omissions occurring anywhere in the world.

TAKE-OVER OR MERGER 4.6 In the event of a **Take-over or Merger**, this **Policy** shall apply only to any **Claim** or loss by reason of acts, errors or omissions committed by the **Insured** prior to the date of such **Take-over or Merger** unless otherwise previously agreed in writing by **QBE**.

ALTERATION TO RISK 4.7 The **Insured** shall give to **QBE** written notice as soon as practicable of any material alteration to the risk during the **Period of Insurance** including but not limited to:

- (a) the **Insured** going into bankruptcy, receivership, administration or liquidation or the **Insured** failing to pay debts or breaching any other obligation giving rise to the appointment of a receiver or bankruptcy or winding-up proceedings;
- (b) any material change in the nature of the **Professional Services** of the **Insured**;
- (c) any failure to obtain, or maintain, or any material change in, **FSA Authorisation** and/or any enquiries, investigations, interventions, warnings, variations, cancellations, waivers or enforcement procedures initiated by the **FSA**;
- (d) any material omission from, change in, or addition to, the **Application Form** or any other information given to **QBE** for underwriting purposes either before or during the **Period of Insurance**.

Upon receipt of such notice, **QBE** shall be entitled to continue the **Policy** on such new terms and conditions as it may consider appropriate. Failure to give such notice shall entitle **QBE** to reject or reduce **Claims** connected with the failure and/or continue the **Policy** on such new terms and conditions as it may consider fit.

AUTHORISATION 4.8 The **Insured** named in the **Schedule** (or, if more than one, the first such **Insured**) shall act on behalf of all **Insureds** with respect to the giving and receiving of notice under this **Policy**, including but not limited to the giving of notice of any **Claim** or loss, the payment of premiums, the receipt and acceptance of any endorsements attaching to and forming part of this **Policy**.

- CONFIDENTIALITY 4.9 The **Insured** shall not disclose the terms, Conditions, Exclusions, **Limit of Liability** of this **Policy** or the amount of the premium paid to any third party except to the extent that they are required by law to do so or **QBE** consents, in writing, to such disclosure.
- QBE'S RIGHTS 4.10 In the event of **QBE** being entitled to avoid this **Policy** ab initio, **QBE** may at their election instead give notice in writing to the **Insured** that they regard this **Policy** as of full force and effect save that there shall be excluded from any insurance afforded hereunder any **Claim** or loss which has arisen or which may arise and which is related to the circumstances which entitle **QBE** to avoid this **Policy**. This **Policy** shall then continue in full force and effect but shall be deemed to exclude the particular **Claim** or loss referred to in the said notice (as if the same had been specifically endorsed ab initio).
- FRAUDULENT CLAIMS 4.11 If the **Insured** shall make any request for payment in respect of any **Claim** or loss knowing the same to be false or fraudulent, as regards amount or otherwise, this **Policy** shall become void and all entitlements to payment in respect of any **Claim** or loss shall be forfeited.
- THIRD PARTY RIGHTS 4.12 No party who is not an **Insured** shall be entitled to enforce any term of this **Policy** for its own benefit under the Contracts (Rights Against Third Parties) Act 1999 or otherwise.
- ARBITRATION 4.13 All disputes which may arise under, out of, in connection with or in relation to this **Policy**, or to its existence, validity or termination, or to the determination of the amount or any amounts payable under this **Policy**, shall be referred to the London Court of International Arbitration (LCIA) in accordance with the Rules of the LCIA at the date of reference, which Rules are deemed to be incorporated by reference into this Clause. Should the chosen Tribunal consist of a sole arbitrator, s/he shall be a national of the United Kingdom and of Queen's Counsel practising at the English Bar. The place of arbitration shall be London, the language of the arbitration shall be English and the law applicable to and in the arbitration and governing all disputes shall be English law. In the event that these arbitration provisions shall be held to be invalid all such disputes shall be referred to the exclusive jurisdiction of the courts of England.
- POLICY CONSTRUCTION 4.14 (a) Unless otherwise agreed, the construction, interpretation and meaning of the provisions of this **Policy** shall be determined in accordance with the law of England & Wales.
- (b) The marginal notes and titles of paragraphs in this **Policy** are included for descriptive purposes only and do not form part of this **Policy** for the purpose of its construction or interpretation.

- (c) In this **Policy** references to any statute or statutory instrument shall be to that statute or statutory instrument as amended or re-enacted from time to time.

WAIVER OR AMENDMENT

- 4.15 The terms of this **Policy** can only be waived or changed by endorsement issued by **QBE** or intended to be issued by **QBE** to form part of this **Policy**. No other act, omission, course of dealing, forbearance, delay, or indulgence of any kind whatsoever by **QBE**, whether by its officers, employees, servants, agents or otherwise, can be treated or relied upon as a waiver or change of any of the terms of this **Policy**.

DATA PROTECTION

- 4.16 **QBE** records and holds data in accordance with the Data Protection Act 1998. **QBE** also follow strict security procedures in the storage and disclosure of information provided to prevent unauthorised access or loss of such information.

QBE may find it necessary to pass data to other firms or businesses that supply products and services associated with this **Policy**.

Further, by accessing and updating various databases **QBE** may share information with other firms and public bodies, including the police, in order to substantiate information and prevent or detect fraud. If the **Insured** provide false or inaccurate information and **QBE** suspect fraud this fact will be recorded and the information will be available to other organisations that have access to the databases.

QBE can supply details of databases **QBE** access or contribute to on request.

DOCUMENT MANAGEMENT

- 4.17 **QBE** may hold documents relating to this **Policy** and any **Claim** or loss in electronic form and may destroy the originals. An electronic copy of any such document will be admissible in evidence to the same extent as, and carry the same weight as, the original.

SECTION 5: DEFINITIONS

For the purposes of this **Policy**, the following Definitions apply:

APPLICATION FORM	5.1	“Application Form” shall mean the written application or proposal including any attachments made by the Insured to QBE .
APPOINTED REPRESENTATIVE	5.2	“Appointed Representative” shall mean anyone who has been notified to the FSA as an appointed representative of the Insured in accordance with s. 39 FSMA 2000 and the FSA Handbook .
BINDING AWARD	5.3	“Binding Award” shall mean a binding award under the compulsory jurisdiction of the Ombudsman .
CIVIL LIABILITY	5.4	“Civil Liability” shall mean the civil liability of the Insured as set out at clause 1.1 of this Policy .
CLAIM	5.5	“Claim(s)” shall mean: (a) the receipt by the Insured of any written or verbal notice of demand for compensation made by a third party against the Insured ; and, for the avoidance of doubt, includes any complaint as defined in the Dispute Resolution: Complaints Sourcebook of the FSA Handbook . (b) any writ, statement of claim, claim form, summons, application or other originating legal or arbitral process, cross-claim, counterclaim, notice from any Ombudsman or third or similar party notice served upon the Insured .
DEFENCE COSTS & EXPENSES	5.6	“Defence Costs and Expenses” shall mean the expenses incurred by or on behalf of the Insured or QBE in the investigation or defence of a Claim and shall include legal costs and disbursements. Defence Costs shall not include any remuneration or expenses of an Employee of the Insured or of any Appointed Representative of the Insured .
DOCUMENTS	5.7	“Documents” shall mean deeds, wills, agreements, maps, plans, books, letters, policies, certificates, forms and documents of any nature whatsoever, whether written, printed or reproduced by any method including computer records and electronic data material but shall not include bearer bonds or coupons, stamps, bank or currency notes or any other negotiable instrument.
EMPLOYEE	5.8	“Employee(s)” shall mean any person employed under a contract of service or apprenticeship during or prior to commencement of the Period of Insurance .

FINANCIAL SERVICES BUSINESS	5.9	“ Financial Services Business ” shall mean regulated activities as described in the Regulated Activities Order SI No. 2001/544.
FSA	5.10	“ FSA ” shall mean the UK Financial Services Authority.
FSA AUTHORISATION	5.11	“ FSA Authorisation ” shall mean the Insured’s permission to conduct Financial Services Business from the FSA under Part IV of the FSMA 2000 .
FSA HANDBOOK	5.12	“ FSA Handbook ” shall mean the rules, regulations and guidance in the sourcebooks and manuals from time to time published and applied by the FSA to firms it regulates.
FSMA 2000	5.13	“ FSMA 2000 ” shall mean the Financial Services and Markets Act 2000.
INSURED	5.14	<p>“Insured(s)” shall mean:</p> <ul style="list-style-type: none"> (a) the person, persons, partnership, company, corporation or other entity specified as the Insured in the Schedule and their predecessors in business; and (b) any person who is, during the Period of Insurance, a principal, partner, director or Employee of the Insured; and (c) any former principals, partners, directors or Employees of the Insured; and (d) in the event of the death or incompetence or bankruptcy of any principal, partner, director or Employee of the Insured, such person’s estate, heirs, legal representatives or assigns, for legal liabilities incurred due to any act, error or omission of such deceased, incompetent or bankrupt person. <p>If the Insured should change its name and there is no other change that materially alters the risk, the Schedule shall automatically be amended to include the Insured’s new name effective from the time of change.</p> <p>For the avoidance of doubt “Insured” shall not include any Appointed Representative, consultant, sub-contractor or agent (not being an Employee) of the Insured.</p>
LEGAL LIABILITY	5.15	“ Legal Liability ” shall mean either an award of damages by a court or a Binding Award of an Ombudsman payment of which can be enforced against the Insured in the courts of England & Wales.
LIMIT OF LIABILITY	5.16	“ Limit of Liability ” shall mean the Limit of Liability as specified in the Schedule .

OMBUDSMAN	5.17	“ Ombudsman ” shall mean the Financial Ombudsman Service or such other statutory ombudsman service for the time being responsible for Financial Services Business in the United Kingdom.
PERIOD OF INSURANCE	5.18	“ Period of Insurance ” shall mean the period specified in the Schedule .
POLICY	5.19	<p>“Policy” shall mean:</p> <p>(a) the Schedule, Insuring Clauses, Exclusions, Conditions, Definitions and other terms contained herein; and</p> <p>(b) any endorsement attaching to and forming part of the Policy either at inception or during the Period of Insurance; and</p> <p>(d) the Application Form.</p>
POLLUTANT	5.20	“ Pollutant ” shall include but not be limited to any solids, liquids, gaseous or thermal irritants, contaminants, smoke, vapour, soot, fumes, acids, alkalis, radioactive and/or nuclear material, chemical or waste materials (including but not limited to any materials to be recycled, reconditioned or reclaimed).
PROFESSIONAL SERVICES	5.21	“ Professional Services ” shall mean the Financial Services Business carried out by the Insured as described in the Application Form and for which the Insured has FSA Authorisation .
QBE	5.22	“ QBE ” shall mean QBE Insurance (Europe) Limited.
RETENTION	5.23	“ Retention ” shall mean the amount of Retention as stated in the Schedule .
SCHEDULE	5.24	“ Schedule ” shall mean the Schedule attached to this Policy .
SUBSIDIARY	5.25	<p>“Subsidiary” shall mean any company in respect of which the Insured (either directly or indirectly through one or more of its Subsidiary Companies):-</p> <p style="margin-left: 40px;">i. controls the composition of the board of directors; or</p> <p style="margin-left: 40px;">ii. controls more than half the voting power; or</p> <p style="margin-left: 40px;">iii. holds more than half of the issued share capital.</p>

TAKE-OVER OR MERGER 5.26 **“Take-over or Merger”** shall mean any sale of the **Insured** named in the **Schedule** or its merger with or acquisition by another entity such that the **Insured** is not the surviving entity and no longer:-

- i. controls the composition of the board of directors; or
- ii. controls more than half the voting power; or
- iii. holds more than half of the issued share capital,

and includes, in the case of an **Insured** which is a partnership, a merger with another partnership or the appointment of new partners (other than from existing **Employees** of the partnership **Insured**) such that the number of partners in the partnership immediately after such merger or appointment(s) is more than 200% of the number of partners in the partnership **Insured** immediately before such merger or appointment(s).

SECTION 6: COMPLAINT PROCEDURE

QBE Insurance (Europe) Limited strives to provide an excellent service to all its customers but occasionally things can go wrong. QBE take all complaints seriously and endeavours to resolve all customers' problems promptly.

To ensure its service meets customers' expectations all comments received are recorded and analysed to facilitate continuous improvement to its service.

WHAT YOU SHOULD DO? The steps you should take if you are not satisfied:

1. If you have a question or complaint about this insurance or the conduct of your intermediary please contact your intermediary in the first instance.
2. If you wish to contact QBE directly then please contact us at our Head Office as follows:

Managing Director
QBE Insurance (Europe) Limited
Plantation Place,
30 Fenchurch Street,
London, EC3M 3BD
Tel: 020 7105 4000
Fax: 020 7105 4019
Registered in England No. 1761561

Please quote your policy number or claim number as appropriate in any correspondence.

3. If you are still not satisfied please write to the Chief Executive Officer of **QBE Insurance (Europe) Limited** at the above address.
4. If, after making a complaint, you feel that the matter has not been resolved to your satisfaction then if you
 - are an eligible complainant you may contact:
The Financial Ombudsman Service
South Quay Plaza 2
183 Marsh Wall
Docklands
London E14 9SR
 - are not an eligible complainant then the informal complaint process ceases.

Making a complaint to the Financial Ombudsman Service (FOS) does not affect your rights under this policy.

WHAT QBE WILL DO IF YOU COMPLAIN

Following a full investigation a nominated representative will attempt to resolve your complaint and reply, with a decision, within 5 working days after receipt of your complaint.

In cases requiring a more detailed investigation it may not be possible to reach a decision within this timeframe. If this is the case QBE will contact you and provide an estimated date for a decision. In any event this will not be longer than 20 working days from the date of your complaint.

If you remain dissatisfied with the outcome and you write to QBE's Chief Executive Officer, you will at this stage receive a final response letter from QBE.

If you are still unhappy with the decision you may have a right to refer the complaint to the FOS.

ABOUT THE FINANCIAL OMBUDSMAN SERVICE (FOS)

Eligible complainants are a

- private policyholder, or
- commercial policyholder or charity with a turnover under £1m, or
- trust with assets under £1m

The FOS will only consider a complaint if you are an eligible complainant and if:

- QBE have been given an opportunity to resolve it and
- QBE have sent you a final response letter and you have referred your complaint to the FOS within 6 months of the QBE final response letter or
- QBE have not responded to your complaint with a decision within 40 days.

FINANCIAL SERVICES COMPENSATION SCHEME

QBE is covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the Scheme if QBE is unable to meet its obligations under this contract.

Entitlement to compensation under the Scheme depends on the type of business and circumstances of the claim. Further information about compensation scheme arrangements is available from the Financial Services Compensation Scheme, 7th floor, Lloyds Chambers, Portsocken Street, London E1 8BN or from their website (www.fscs.org.uk).

QBE's Head Office and registered address is:

QBE Insurance (Europe) Limited

Plantation Place, 30 Fenchurch Street,
London, EC3M 3BD

Tel: 020 7105 4000 [Fax: 020 7105 4019]

Registered in England No. 1761561

Home State - United Kingdom

**Authorised and regulated by the Financial Services Authority
Registration Number 202842**