

PROFESSIONAL

INDEMNITY.

PREAMBLE

NOTICE TO INSURED

Please check this documentation carefully and ensure that it is accurate and meets your needs. If there is any error, or anything that you do not understand, please contact Hammond PI straightaway.

All insurances contain conditions and exclusions; some contain warranties (which if they are breached may well void the insurance completely). It is vital that you are familiar with the obligations imposed upon you by the terms of this policy and the limitations of its scope.

COMPLAINTS

We recognise the importance of service and set ourselves high standards. If we have not met your expectations then we would like to know. This helps us to improve and to try to resolve the problem. If you have a complaint:

1. In the first instance, speak to the person who arranged the policy for you.
2. If you remain unhappy, then our Compliance Officer will be pleased to investigate your complaint.

Please write, telephone or email:

Address

The Compliance Officer,
Alpha Towers
Suffolk St Queensway
Birmingham
B1 1TT

Tel : 03332224257

Email: contactus@hammondpi.com

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In this contract unless the context otherwise requires: the singular includes the plural, and vice versa; the male gender includes the female and neutral genders; person includes a body corporate; and headings and notes are for information purposes only and are not to be construed as part of the Policy;

THE COVER

In consideration of successful payments of the premium stated in the Schedule and in reliance upon the statements made by the **Insured** in the **Proposal**, which statements are deemed to be a fair and true presentation to the Insurer as described in Part 2 of the Insurance Act 2015 and which form the basis of and shall be incorporated in this **Policy**.

The Policy, Schedule(s) and any Endorsements shall be read as one contract and any word or expression to which a specific meaning has been attached in any part of the Policy, its Endorsement(s) (if any) or the Schedule shall bear the same meaning wherever it may appear.

In the event of any inconsistency between any documents issued as part of the insurance contract and the Policy then the terms of the Policy will prevail.

Insurers agree, subject to the terms, conditions and exclusions contained herein to;

1. Indemnify the **Insured** up to the **Limit of Indemnity** specified in the Schedule in respect of Professional Indemnity **Claims** first made against the **Insured** and notified to the Insurer during the **Period of Insurance** in respect of civil liability (including liability for claimant's costs and expenses) incurred in connection with the conduct of **Professional Services** for which the **Insured** shall be legally liable.
2. Will pay **Defence Costs** in respect of all eligible **Claims** incurred by the **Insured** with the Insurers written consent or incurred directly by the Insurer. **Defence Costs** and Expenses shall be payable in addition to the **Limit of Indemnity**, subject to a maximum annual aggregate cap of £500,000 and always provided that following the exhaustion of any applicable **Limit of Indemnity** by payment of any **Claim** (including but not limited to payment in full and final settlement of any **Claim**) the maximum amount of Legal **Defence Costs** that the Insurer shall be liable to pay shall be limited to the proportion that the exhausted **Limit of Indemnity** bears to the total amount of any such **Claim** .

POLICY EXCLUSIONS

EXCLUSIONS SPECIFIC TO THIS POLICY

The Insurer shall not be liable to indemnify or make any payment under this **Policy** for any **Claim** or **Defence Costs** directly or indirectly caused by or arising out of or in any way connected with any of the following:

1. ASBESTOS, FUNGI OR MICROBES

Any Claim or Defence Costs directly or indirectly caused by or arising out of or in any way connected with:

- a) Asbestos or any materials containing asbestos in whatever form or quantity; or
- b) The actual, potential, alleged or threatened formation, growth, presence, release or dispersal of any fungi, moulds, spores or mycotoxins of any kind; or
- c) Any action taken by any party in relation to the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of (to include the investigation of, testing for, detection, monitoring, treating, remediating or removal of) any fungi, moulds, spores or mycotoxins of any kind whether in response to any governmental or regulatory order, requirement, directive, mandate, decree or otherwise. In the event of any dispute as to whether or not this exclusion applies the Insured shall have the burden of proving that this exclusion does not apply;

2. BANKRUPTCY

Any insolvency or bankruptcy of the **Insured** or the insolvency or bankruptcy of any Partner, **Principal** or Director of the **Insured**.

3. CLAIMS BY INSURED

Any **Claim** brought by or on behalf of any **Insured**, or any parent or subsidiary company of the **Insured** named in the Schedule, or any person or entity having a financial, executive or controlling interest in such Insured, or any entity where the **Insured** has accepted any financial interest, in place of professional fees otherwise incurred unless any such **Claim** is brought directly against the **Insured** by a third party independent of any other Insured.

4. COMPUTER VIRUS

loss of or damage to Documents arising directly or indirectly from the transmission or impact of any Virus.

5. CONTRACTUAL LIABILITY

Any Claim arising from any contractual agreement in respect of:

- a) Any express guarantee given by the **Insured** including any relating to the period of a project; or
- b) Any agreement to use more than reasonable care and skill; or
- c) Any express contractual penalty made between the **Insured** and a third party; or
- d) Any acceptance by the **Insured** of liability for liquidated damages in so far as liability assumed by the **Insured** exceeds the amount of the Insured's liability as stated in the Schedule in the absence of such agreement.

6. CONTROLLING INTEREST

Any **Claim** made against the **Insured** by:

- a) Any entity in which the **Insured** or any partner Member or director or any combination of partners Members or directors of the **Insured** exercises or has exercised a controlling interest;
- b) Any entity exercising a controlling interest over the **Insured** by virtue of their having a financial or executive interest in the operation of the **Insured** unless such **Claim** emanates from an independent third party.

7. DESIGN AND CONSTRUCT/SUPPLY

Any liability arising out of or relating to:

- a) Goods or products sold, supplied, repaired, altered, manufactured, installed or maintained; or
- b) Buildings, building works or physical structures constructed, repaired, installed, erected, removed or demolished by the **Insured** or any related company or sub-contractor of the **Insured**;

8. DIRECTORS' AND OFFICERS' LIABILITY

Any **Claim** against any **Insured** in their capacity as a director, Member, officer or trustee in respect of the performance or non-performance of their duties as a director, Member, officer or trustee.

9. DISHONEST AND MALICIOUS ACTS

Any **Claim** or loss resulting from the dishonest, fraudulent, criminal or malicious acts or omissions committed after the **Insured** could reasonably have discovered or suspected improper conduct by the employee. No indemnity will be provided to any person committing or condoning any dishonest, fraudulent, malicious or criminal acts or omissions which includes any principal, partner, member or director.

10. EMPLOYERS LIABILITY

Any **Claim** arising from any liability to any Employee former employee or prospective employee in respect of employment related libel slander humiliation or defamation wrongful dismissal repudiation or breach of any employment contract or arrangement termination of a training contract or contract of apprenticeship harassment discrimination or like conduct.

11. FINANCIAL SERVICES

Any **Claim** arising from any regulated activities as defined in the Financial Services and Markets Act 2000.

12. INJURY & DAMAGE

Any **Claim** or **Defence Costs** arising out of or in any way connected with any **Bodily Injury** to an **Employee** arising out of and in the course of his employment for or on behalf of the **Insured**. The Insurer shall not be liable for any **Claim** or **Defence Costs** arising out of or in any way connected with any **Bodily Injury** to any other person or loss of or damage to property unless arising out of omission to perform a professional duty.

13. OTHER INSURANCE

If at the time any claim arises under this Insurance the **Insured** is or would but for the existence of this Insurance be entitled to an indemnity under any other **Policy** or policies, the Insurer shall not be liable except in respect of any **Excess** beyond the amount which would have been payable under such other **Policy** or policies had this Insurance not been effected.

14. PATENT

Any **Claim** arising from any infringement of any patent.

15. PENSION AND BENEFIT SCHEMES

Any **Claim** arising from the operation or administration of any pension or employee benefit scheme, including any actual or alleged breach by the **Insured** of any legislation or regulations related to such schemes.

16. POLLUTION

Any **Claim** or **Claims** based upon or arising out of or relating directly or indirectly to or in consequence of or in any way involving seepage pollution or contamination of any kind including noise, electromagnetic fields, or ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel; or radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

17. PRIOR KNOWLEDGE

Any **Circumstance** which might reasonably be expected to give rise to a **Claim** being made against the **Insured** which was known to the **Insured** prior to the inception of this **Policy** and which the **Insured** at such time knew about or reasonably could have foreseen or discovered prior to the **Period of Insurance**.

18. RETROACTIVE DATE

Any act error or omission committed or alleged to have been committed prior to the **Retroactive Date** as specified in the Schedule.

19. SANCTIONS

Any situation that would expose the Insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

20. WAR & TERRORISM

War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, insurrection, riot, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government, or public or local authority, any act or acts of terrorism, force of violence for political, religious or other ends directed towards the overthrowing or influencing of the government, or for the purpose of putting the public in fear, by any person or persons acting alone or on behalf of or in connection with any organisation. The burden of proving that a Claim does not fall within this exclusion shall be upon the **Insured**.

CONDITIONS

The **Insured** shall take all reasonable precautions to prevent losses or liability arising in connection with the insured risks and in the event of a **Claim** or **Circumstance** will take all reasonable steps (subject to the Conditions noted below) to prevent further loss.

CLAIM NOTIFICATION

The **Insured** shall inform the Agent as soon as possible, and in any event within 10 working days (provided always that such notification is received by the Insurer before the expiry of the **Period of Insurance**) of the receipt, awareness or discovery of:

- a) Any **Claim** made against them
- b) Any notice of intention to make a **Claim** against them
- c) Any **Circumstance**
- d) The discovery of reasonable cause for suspicion of dishonesty or fraud. Such notice having been given as required in b), c) or d) above, any subsequent **Claim** made shall be deemed to have been made during the **Period of insurance**;

Where an **Insured** is served with any court document, adjudication/arbitration, Financial Ombudsman notice supporting or investigating a **Claim** or **Circumstance**, the **Insured** shall, at their own cost, provide the Agent with copies immediately and in any event within 2 working days of receipt (provided always that such notification is received by the Insurer before the expiry of the **Period of insurance**).

NO ADMISSION OF LIABILITY

In the event or discovery of a **Claim** or **Circumstance**, the **Insured** shall not admit liability, incur any costs or make any offers of settlement in connection therewith or otherwise prejudice the conduct or the defence or settlement of such **Claim** or **Circumstance** without Insurers' prior written consent (not to be unreasonably withheld).

CONDUCT OF CLAIMS

Following notification of a **Claim** or **Circumstance**, Insurers shall be entitled, in their absolute discretion, to take over and conduct in the name of the **Insured** the investigation, defence or settlement of any such matter.

The **Insured** shall give to Insurers all such information and assistance as Insurers may reasonably require and that are in the **Insured's** power to provide and will concur in doing all such things as Insurers may reasonably require. The **Insured** shall co-operate with Insurers and their appointed representatives:

- a) By providing all such information, assistance, signed statements or depositions as may be required to facilitate compliance with all and any Civil Procedure Rules, Practice Directions and Pre-Action Protocols as may be issued.
- b) By allowing them to present the best possible defence of a **Claim** within the time constraints available.
- c) By ensuring ready access to all and any information that they may require in the defence or investigation of any **Claim** or **Circumstance** including (if demanded) a statutory declaration of the truth concerning any **Claim** or **Circumstance** and of any matters relating thereto.
- d) By ensuring the payment on demand of the **Excess** in conjunction with the terms of any settlement (including any payment into court) agreed by Insurers.
- e) By continuing to provide such information and assistance as may be required and promptly and fully informing Insurers of all developments of which the Insured becomes aware concerning any reported **Claim** or **Circumstance**.

- f) By providing and continuing to provide all such information, assistance, signed statements or depositions as may reasonably be required to permit Insurers to exercise rights of subrogation.
- g) by providing such information and assistance as may be required in investigating issues of **Policy** response.
- h) The **Insured** shall bear their own costs and expenses incurred in complying with any **Claims Condition**

ALTERATION OF RISK

The **Insured** shall notify the Insurer as soon as reasonably practicable of any material alteration in the nature of the risk covered by this **Policy** during the **Period of Insurance**.

CANCELLATION

The Insurer reserves the right to terminate the **Policy** with immediate effect if the **Premium** due under this **Policy** has not been paid to the Insurer or by giving the Insured 30 days' notice in writing. The cancellation notice will be deemed to have been served if sent by post to the Insured's last known address.

If Insurers elect to cancel the Policy, the Premium will be adjusted pro-rata from the date of cancellation until the expiry date.

Where the **Insured** fails to pay the whole or any part of the **Premium** due on or before the due date the **Insurer** shall have the right to cancel this **Policy** by giving 10 days written notice to the Insured in writing via its Agent ("Extended Period"). Should the **Premium** due remain unpaid after the Extended Period the **Policy** will automatically terminate from the date the premium was originally due to be paid.

THIRD PARTY RIGHTS

A person 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.

SUBROGATION

In relation to sums paid or payable by them, Insurer's shall be entitled to at any stage to bring an action for their own benefit seeking indemnity, damages or otherwise against any third party in the name of the **Insured**.

Insurers expenses in the recovery shall always be deducted prior to the application of any such recovery.

FRAUDULENT CLAIMS

In the event the **Insured** shall make any request for payment from Insurer's knowing any such request to be false or fraudulent in respect of the amount or otherwise, this **Policy** shall become void ab initio, all premiums paid shall be forfeited and all payments to the **Insured** under the **Policy** shall be returned.

POLICY JURISDICTION AND APPLICABLE LAW

This **Policy** is governed by and should be construed in accordance with the laws of England and Wales.

Any dispute between Insurers and the **Insured** concerning this **Policy**, its validity, existence or termination or relating to the interpretation of the terms, conditions, limitations and/or exclusions contained herein shall be determined in accordance with the laws of England and Wales.

DEFINITIONS

1. AGENT

Shall mean Hammond Professional Indemnity Consultants Ltd.

2. BODILY INJURY

Shall mean any death, disease, illness, bodily or mental injury of or to a person.

3. CLAIMS BY INSURED

Circumstance shall mean any circumstance or state of affairs or event, act or omission which might reasonably be expected to give rise to a **Claim** against the **Insured** or a **Claim** by the **Insured** under the Policy.

4. CLAIM

Claim shall mean any one **Claim** or series of **Claims** arising from a **Circumstance** or occurrence or a series of **Circumstances** or occurrences consequent upon or attributable to one source or originating cause;

- a) Service of a **Claim** form, counterclaim other additional **Claim** application notice of appeal witness summons or similar legal document including an application for any related injunction or.
- b) A reference to or notification of intention to commence or the commencement of proceedings of any kind including arbitration proceedings or a complaint to an ombudsman or.
- c) A written communication including electronic communications (whether or not containing a demand for compensation or damages) asserting a legal liability on the part of the **Insured** or.
- d) Any communication in whatsoever form invoking any Pre-Action Protocols contained in the Civil Procedure Rules.

5. DEFENCE COSTS

Shall mean reasonable and necessary fees and expenses incurred by or on behalf of the **Insured** with prior written consent of the Insurer which result from:

- a) The investigation, defence and/or settlement of a **Claim**; or
- b) The attendance or representation at or in connection with any examination, inquest or enquiry or proceedings commissioned by any official, administrative or regulatory body in the exercise of its powers over any **Insured** in relation to any **Circumstance** actual or alleged which has a direct relevance to any **Claim**;
- c) Any appeal from the proceedings mentioned in 'a' and 'b' above.

6. DOCUMENTS

Shall mean

- a) All documents excluding stamps, currency, coins, bank notes and bullion, travellers cheques, cheques, drafts, postal orders, money orders, bills of exchange, promissory notes, securities, negotiable instruments and the like; and
- b) Separable programmes, instructions or data for physical incorporation into any Computer belonging to You or for which You are legally responsible, whilst in Your custody, or in the custody of any person to whom or with whom they have been entrusted, lodged or deposited by You in the ordinary course of Your Business.

7. EMPLOYEE

Shall mean any person including any trainee or consultant under a contract of service with the Insured working under the Insured's direction, control and supervision in respect of the Professional Services at the time of any conduct giving rise to a Claim against the Insured or at the time of any other occurrence which may be the subject of indemnity under this Insurance.

8. EXCESS

Shall mean the amount specified in the Schedule for which the **Insured is liable** in respect of each and every **Claim**.

9. INSURED

Insured is any person or firm stated in the Schedule and includes any current or previous partner, director, principal, member or Employee of any firm or company stated in the Schedule and any other person who becomes a partner, director, principal, member or Employee of the firm.

10. INSURER

Shall mean Red Sands Insurance Company (Europe) Limited.

11. LIMIT OF INDEMNITY

Means the sum specified in the Schedule and represents the Insurers total liability under the **Policy**.

12. PERIOD OF INSURANCE

Means the period stated in the Schedule inclusive of both the Start date and Expiry date

13. POLICY

Means this document, the Schedule and any endorsements thereon.

14. PREMIUM

Shall mean the sum specified in the Schedule.

15. PROFESSIONAL SERVICES

Means those professional services which are listed in the Schedule (or have otherwise been declared to Insurers) and are performed by or on behalf of the Insured within the Territorial limits.

16. SINGLE CLAIM

Where more than one claim or loss arises from the same original cause or single source or event all such claims or losses shall be deemed to be one claim or loss and only one limit of liability shall be payable in respect of the aggregate of all such claims or losses.

17. VIRUS

Shall mean programming code or series of instructions designed to achieve an unexpected unauthorised or undesirable effect or operation when loaded onto a system transmitted between systems by transfer between computer systems via networks extranets internet or electronic mail or attachments thereto or via floppy diskettes or CDROMs or otherwise and whether involving self-replication or not.

CHOICE OF LAW FOR DISPUTES

This Policy and any disputes arising from, or in connection with it, shall be governed in accordance with the laws of England and Wales and the Insured and the Insurer agree to submit to that jurisdiction for the determination of any such disputes. Interpretation of this Policy shall be determined in accordance with the law of England and Wales

INSURANCE ACT 2015

In the event of inconsistency between this Policy and the Insurance Act 2015, the Act shall prevail.

PRIVACY AND DATA PROTECTION NOTICE

We are committed to protecting and respecting your privacy in accordance with the current Data Protection Legislation ("Legislation"). This notice sets out the basis on which we will process any personal data that we collect from you, or that you provide to us. For the purposes of the Legislation, Red Sands Insurance Company (Europe) Limited will qualify as the Data Controller in relation to any personal data you supply to us. Below is a summary of the main ways in which we process your personal data, to see our full Privacy Policy please visit our website at <http://www.redsands.gi>.

OUR PRIVACY PRINCIPLES:

When we collect and use your personal information, it is kept no longer than is necessary, we ensure we look after it properly and use it in accordance with our privacy principles, we keep it safe and will never sell it.

INFORMATION WE MAY COLLECT OR RECEIVE ABOUT YOU:

We may collect and process personal data that you provide directly to us by filling in forms, sending emails, over the phone or that we receive via third parties such as our partners.

HOW WE USE YOUR INFORMATION:

For the purposes of providing insurance, handling claims, research or statistical purposes and any other related purposes. We will also use your data to safeguard against fraud, money laundering and to meet general legal or regulatory obligations.

DISCLOSURE OF YOUR PERSONAL DATA:

We may disclose your personal data to third parties involved in providing products or services to us, or to service providers who perform services on our behalf, these include reinsurers, legal advisors, regulatory authorities and as may be required by law.

INTERNATIONAL TRANSFERS OF DATA:

We may transfer your personal data to destinations outside the European Economic Area ("EEA"). Where we transfer your personal data outside of the EEA, we will ensure that it is treated securely, and in accordance with our privacy notice and the Legislation.

YOUR RIGHTS:

You have the right to see a copy of the personal information we hold about you, to have your data deleted (subject to certain exemptions), to have any inaccurate or misleading data corrected or deleted, to ask us to provide a copy of your data to any controller and to lodge a complaint with the local data protection authority. If you have any questions concerning our use of your personal data, please contact the Data Protection Liaison Officer at Red Sands Insurance Company (Europe) Limited, Level 3 Ocean Village Business Centre, 23 Ocean Village Promenade, Gibraltar, GX11 1AA.

IMPORTANT INFORMATION

Any Claims or Complaints must be notified in writing to the Agent at the following address:

Hammond Professional Indemnity Consultants Ltd
Professional Indemnity Claims Department
Alpha Towers
Suffolk St Queensway
Birmingham
B1 1TT

OTHER IMPORTANT INFORMATION

Red Sands Insurance Company (Europe) Limited is licensed and regulated by the Gibraltar Financial Services Commission under the Financial Services (Insurance Companies) Act 1987 of Gibraltar and is a member of the UK's Financial Services Compensation Scheme. Red Sands is registered in Gibraltar under company number 87598 and has a registered office at Level 3, Ocean Village Business Centre, 23 Ocean Village Promenade, Gibraltar.