


# Professional Indemnity for Accountants

## Policy document



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## How to make a claim



**Write to us**  
Zurich Insurance, Specialty Claims  
Department, 70 Mark Lane, London,  
EC3R 7NQ



**Email us**  
professionalandfinancial.lines.  
newclaims@uk.zurich.com

# Data protection statement

Zurich takes the privacy and security of your personal information seriously. We collect, use and share your personal information so that we can provide policies and services that meet your insurance needs, in accordance with applicable data protection laws.

The type of personal information we will collect includes: basic personal information (i.e. name, address and date of birth), occupation and financial details, health and family information, claims and convictions information and where you have requested other individuals be included in the arrangement, personal information about those individuals.

We and our selected third parties will only collect and use personal information (i) where the processing is necessary in connection with providing a quotation and/or contract of insurance; (ii) to meet our legal or regulatory obligations; (iii) where you have provided the appropriate consent; (iv) for our 'legitimate interests'.

It is in our legitimate interests to collect personal information as it provides us with the information that we need to provide our services more effectively including providing information about our products and services. We will always ensure that we keep the amount of information collected and the extent of any processing to the absolute minimum to meet this legitimate interest.

A full copy of our data protection statement can be viewed via [www.zurich.co.uk/dataprotection](http://www.zurich.co.uk/dataprotection)

## How you can contact us

If you have any questions or queries about how we use your data, or require a paper copy of the statement, you can contact us via [gbz.general.data.protection@uk.zurich.com](mailto:gbz.general.data.protection@uk.zurich.com) or alternatively contact our Data Protection Officer at Zurich Insurance, Unity Place, 1 Carfax Close, Swindon, SN1 1AP.

# Important notes

## Fraud prevention and detection

In order to prevent and detect fraud we may at any time:

- check your personal data against counter fraud systems
- use your information to search against various publicly available and third party resources
- use industry fraud tools including undertaking credit searches and to review your claims history
- share information about you with other organisations including but not limited to the police, the Insurance Fraud Bureau (IFB), other insurers and other interested parties.

If you provide false or inaccurate information and fraud is identified, the matter will be investigated and appropriate action taken. This may result in your case being referred to the Insurance Fraud Enforcement Department (IFED) or other police forces and fraud prevention agencies. You may face fines or criminal prosecution. In addition, Zurich may register your name on the Insurance Fraud Register, an industry-wide fraud database.

## Claims history

We may pass information relating to claims or potential claims to the Claims and Underwriting Exchange Register (CUE), where the data is controlled by the Motor Insurers' Bureau, and other relevant databases.

We and other insurers may search these databases when you apply for insurance, when claims or potential claims are notified to us or at time of renewal to validate your claims history or that of any other person or property likely to be involved in the policy or claim.

This helps to check information provided and prevent fraudulent claims.

## Employers' Liability Tracing Office (ELTO)

We are members of the Employers' Liability Tracing Office (ELTO), an independent industry body who maintains a centralised database that helps those who have suffered injury or disease in the workplace to identify the relevant Employers' Liability insurer quickly and efficiently.

It is important, for the services of ELTO to be fully effective, that you inform us of your ERN (Employer Reference Number also known as the Employer PAYE reference) and all subsidiary company names and their ERNs if applicable.

As members of ELTO we will forward details of your policy if it contains Employers' Liability cover to ELTO together with details of any ERNs you have supplied to us.

# Our complaints procedure

## **Our commitment to customer service**

We are committed to providing a high level of customer service. If you feel we have not delivered this, we would welcome the opportunity to put things right for you.

## **Who to contact in the first instance**

Many concerns can be resolved straight away. Therefore in the first instance, please get in touch with your usual contact at Zurich or your broker or insurance intermediary, as they will generally be able to provide you with a prompt response to your satisfaction.

Contact details will be provided on correspondence that we or our representatives have sent you.

## **Many complaints can be resolved within a few days of receipt**

If we can resolve your complaint to your satisfaction within the first few days of receipt, we will do so. Otherwise, we will keep you updated with progress and will provide you with our decision as quickly as possible.

## **Next steps if you are still unhappy**

If you are not happy with the outcome of your complaint, you may be able to ask the Financial Ombudsman Service to review your case.

We will let you know if we believe the ombudsman service can consider your complaint when we provide you with our decision. The service they provide is free and impartial, but you would need to contact them within 6 months of the date of our decision.

More information about the ombudsman and the type of complaints they can review is available via their website [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

You can also contact them as follows:

**Post:** Financial Ombudsman Service, Exchange Tower, London, E14 9SR

**Telephone:** 08000 234567 (free on mobile phones and landlines)

**Email:** [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

If the Financial Ombudsman Service is unable to consider your complaint, you may wish to obtain advice from the Citizens Advice Bureau or seek legal advice.

# The Financial Services Compensation Scheme (FSCS)

We are covered by the Financial Services Compensation Scheme (FSCS) which means that you may be entitled to compensation if we are unable to meet our obligations to you. Further information is available on [www.fscs.org.uk](http://www.fscs.org.uk) or by contacting the FSCS directly on 0800 678 1100.

# Helpline Services

The following services are provided by ARAG Legal Expenses Insurance Company Limited. The legal advice service is provided by ARAG Law Limited and/or a preferred law firm on behalf of ARAG Legal Expenses Insurance Company Limited.

## ARAG Helplines, Employment Manual and ARAGbusinesslaw

**You** can contact **our** UK-based call centre 24 hours a day, seven days a week during the **period of insurance**. However, **we** may need to arrange to call **you** back depending on the enquiry. To help **us** check and improve **our** service standards, **we** may record all calls. When phoning, please quote **your** policy number and the name of the insurance provider who sold the policy.

## Meaning of words

The following words have these meanings wherever they appear in this section in **bold**:

### Appointed representative

The **preferred law firm**, law firm, tax consultancy, accountant or other suitably qualified person **we** appoint to act on the **insured person's** behalf.

### ARAG Standard Terms of Appointment

The terms and conditions (including the amount **we** will pay to an **appointed representative**) that apply to the relevant type of claim. Where a law firm is acting on **your** behalf the amount **we** will pay is currently £100 per hour. This amount may vary from time to time.

### Business

The business declared to **us** and covered by the commercial policy to which this section attaches.

### Insured person

- a) **You** and the directors, partners, managers, employees and any other individuals declared to **us** by **you**.
- b) A person contracted to work for **you** who works for **you** on the same basis as **your** employees, and performs that work under **your** supervision and direction.

### Period of insurance

The period for which **we** have agreed to cover the **insured person** and for which **we** have accepted the premium.

### Preferred law firm

A law firm, barrister or tax expert **we** choose to provide legal or other services.

These specialists are chosen as they have the proven expertise to deal with the **insured person's** claim and must comply with **our** agreed service standard levels, which **we** audit regularly. They are appointed according to the **ARAG Standard Terms of Appointment**.

### We, us, our, ARAG

- a) In respect of the legal advice helpline: ARAG Law Limited and/or a **preferred law firm** on behalf of ARAG Legal Expenses Insurance Company Limited.
- b) In respect of the other services: ARAG Legal Expenses Insurance Company Limited.

### You, your

The **business** that has taken out the commercial policy to which this section attaches.

## Legal advice – Call 0344 893 0859

Advice can be provided on any commercial legal problem affecting **your business** under the laws of the United Kingdom of Great Britain and Northern Ireland, any European Union country, the Isle of Man, the Channel Islands, Switzerland and Norway.

Wherever possible the Legal Advice helpline aims to provide immediate advice from a qualified legal adviser. However, if this is not possible they will arrange to call **you** back at a time to suit **you**.

Advice on the laws of England and Wales can be provided 24 hours a day, 365 days a year. Beyond this jurisdiction, or for very specialist legal matters, **we** will refer **you** to one of **our** specialist advisers.

Specialist advice is provided 9am-5pm, Monday to Friday, excluding public and bank holidays. If calls are received outside of these times, **we** will arrange to call **you** back.

## Tax advice – Call 0344 893 0859

Advice can be provided on any tax matters affecting the **business**, under UK law.

**This service is provided 9am-5pm, Monday to Friday, excluding public and bank holidays. If calls are made outside these times, we will arrange to call you back.**

## Counselling service – Call 0344 893 9012

**We** will provide the **insured person** (and any members of their immediate family who permanently live with them) with a confidential counselling service over the phone if they are aged 18 or over (or aged between 16 and 18 and in full-time employment). This includes, where appropriate, onward referral to relevant voluntary and/or professional services. Any costs arising from the use of these referral services will not be paid by **us** or Zurich Insurance Company Ltd.

**The counselling service helpline is open 24 hours a day, seven days a week.**

## Employment Manual – Visit [www.arag.co.uk/customer/business-legal-expenses-insurance/employment-manual](http://www.arag.co.uk/customer/business-legal-expenses-insurance/employment-manual)

The ARAG Employment Manual offers comprehensive, up to date guidance on employment law. To view it, please visit [www.arag.co.uk/customer/business-legal-expenses-insurance/employment-manual](http://www.arag.co.uk/customer/business-legal-expenses-insurance/employment-manual)

If **you**'d like notifications of when updates are made to the Employment Manual, please email **us** at [employmentmanual@arag.co.uk](mailto:employmentmanual@arag.co.uk)

## ARAGbusinesslaw – Visit [www.aragbusinesslaw.co.uk](http://www.aragbusinesslaw.co.uk)

Visit [www.aragbusinesslaw.co.uk](http://www.aragbusinesslaw.co.uk) to access the free online law guide and download legal documents to help **your business**.

Developed by solicitors and tailored by **you** using **our** smart document builders **you** can create ready-to-sign contracts, agreements and letters in minutes. **You** can also buy legal documents from the site, ranging from simple debt recovery letters to employment contracts.

Register using the voucher code **DAS472301** to gain access to a range of free documents.

In using these services **you** acknowledge that all rights and obligations relating to the provision of these services rest with **ARAG** and that **you** will have no recourse to Zurich Insurance Company Ltd in this regard.

**We** will not accept responsibility if the above services are unavailable for reasons **we** cannot control.

## Data protection

To comply with data protection regulations **we** are committed to processing personal information fairly and transparently. Please refer to [www.arag.co.uk/privacy](http://www.arag.co.uk/privacy) for ARAG's privacy notice and details of **your** rights.

# Your Professional Indemnity policy for Accountants

This policy is a contract between **you** and **us**.

This policy and any schedule and endorsement should be read as if they are one document.

**We** will insure **you** during any period of insurance for which **we** have accepted **your** premium. **Our** liability will in no case exceed the limit of indemnity stated in this policy, the schedule or any endorsement to this policy.

Any reference to the singular will include the plural and vice versa.

Any reference to any statute or statutory instrument will include any amendments thereto or re-enactment thereof.

Any heading in this policy is for ease of reference only and does not affect its interpretation.

## **Law applicable to this contract**

This policy will be governed by and construed in accordance with the relevant law of England and Wales, Scotland, Northern Ireland, the Isle of Man or the Channel Islands depending upon **your** address as stated in the schedule. The parties agree to submit to the exclusive jurisdiction of the English courts.

This is a legal document and should be kept in a safe place.

Please read this policy and any schedule and endorsement carefully and if they do not meet **your** needs contact **us** or **your** broker or insurance intermediary.



# Section 1 – Definitions

Certain words in this policy have special meanings. These meanings are given below and apply where the words appear in **bold**.

## Alternate

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

## Business

**Your** activities as an accountant including:

- a) advice given or services performed by any **insured** or any person on **your** behalf to a third party irrespective of whether or not a fee is charged provided always that if a fee is charged it will be taken into account in ascertaining **your** income
- b) any appointment as trustee or personal representative or any similar personal appointment accepted in the course of the **business**
- c) any appointment as Company Secretary, registrar or director but only in relation to services performed or advice given by any **insured** in connection with tax matters, secretarial work, share registration, financial advice given to management, book-keeping, management accounting, financial investigation and reports, negotiation and settlement of financial claims, company formations, investments, insurance and pension schemes
- d) the provision, sale, licence, lease, amendment or adaptation by the **insured** of any computer software, hardware, solution, package or publication.

## Business Partner

Any person in business with **you** under the terms of a partnership agreement whether express or implied under legislation.

## Circumstance

Incident, occurrence, fact, matter, act or omission that may give rise to a **claim**.

## Claim

- a) Written or oral demand for or an assertion of a right to civil compensation or civil damages or an intimation of an intention to seek such compensation or damages
- b) complaint or reference to any complaint or reference to any Ombudsman appointed pursuant to the provisions of the Financial Services and Markets Act 2000 (as amended) or the Central Bank and Financial Services Authority of Ireland Act 2004.

## Computer System

Any computer, hardware, software, communications system, electronic device (including, but not limited to, smart phone, laptop, tablet, wearable device), server, cloud or microcontroller including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device networking equipment or back up facility.

## Cyber Act

Damage to, or destruction of, computer programs, software or other electronic data stored within a **computer system** caused by an unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, regardless of time and place, or the threat or hoax thereof, involving access to, processing of, use of or operation of any **computer system**.

## Data

Information, facts, concepts, code or any other information of any kind that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a **computer system**.

## Data Protection Law

Any applicable data protection and privacy legislation or regulations in any country, province, state, territory or jurisdiction which govern the use, confidentiality, integrity, security and protection of personal data or any guidance or codes of practice relating to personal data issued by any data protection regulator or governmental authority from time to time (all as amended, updated or re-enacted from time to time).

### Defence Costs

Reasonable costs, disbursements and expenses necessarily incurred by **you** with **our** prior written consent for:

- a) defending any **claim** or any proceedings relating to any **claim**
- b) conducting any proceedings for an indemnity, contribution, damages or other recovery relating to a **claim**
- c) investigating, reducing, avoiding or settling any actual or potential **claim**
- d) investigating any **circumstance** which is notified to **us** in accordance with the terms of this policy.

### Employee

Any natural person who is:

- a) under a contract of service or apprenticeship with **you**
- b) self-employed
- c) under a work experience or similar scheme
- d) hired or borrowed by **you** from another employer

and working for **you** in connection with the **business** while under **your** direct control or supervision.

### Excess

The amount stated in this policy, schedule or any endorsement in respect of each and every **claim** for which **you** will be responsible.

### Extended Policy Period

The period starting from the day immediately following the expiry of this policy and ending with either:

- a) the date **you** obtain a replacement insurance policy that complies with the provisions of the Professional Indemnity Insurance Regulations of any relevant Institute; or
- b) 30 days from receipt by a relevant Institute of written notice from **us** of the commencement of the extended policy period.

### Insured

**You** and **your** predecessors including:

- a) any current or former **business partner**, director, **member** or principal or any person who becomes a **business partner**, director, **member** or principal during the period of insurance
- b) any current or former **employee** or any person who becomes an **employee** during the period of insurance
- c) any person who is or has been under a contract for services with **you** but only in respect of any **claim** arising out of **your business** carried on by that person for **you** or on **your** behalf
- d) the estates and or legal representatives of any person noted under a), b) or c) above in the event of their death, incapacity, insolvency or bankruptcy
- e) any person acting on **your** behalf as an **alternate**
- f) any retired **business partner**, retired director or retired **member** whilst acting as a consultant to the insured.

### Member

A member of **your** limited liability partnership as defined in the Limited Liability Partnerships Act 2000.

### Nuclear Installation

Any installation of such class or description as may be prescribed by regulations made by the relevant Secretary of State from time to time by statutory instrument being an installation designed or adapted for:

- a) the production or use of atomic energy
- b) the carrying out of any process which is preparatory or ancillary to the production or use of atomic energy and which involves or is capable of causing the emission of ionising radiation
- c) the storage, processing or disposal of nuclear fuel or of bulk quantities of other radioactive matter being matter which has been produced or irradiated in the production or use of nuclear fuel.

**Nuclear Reactor**

Any plant including any machinery, equipment or appliance whether affixed to land or not designed or adapted for the production of atomic energy by a fission process in which a controlled chain reaction can be maintained without an additional source of neutrons.

**Pollution or Contamination**

Pollution or contamination of buildings or other structures or of water or land or the atmosphere.

**Qualifying Insurance**

The meaning given by the ICAEW Professional Indemnity Insurance Regulations.

**Relevant First Party Loss**

That part of any costs, disbursements or expenses incurred by the **insured** in investigating, reducing, avoiding or settling any potential **claim** or **circumstance**.

**Territorial Limits**

Worldwide.

**We, Us, Our or Ours**

Zurich Insurance Company Ltd.

**You, Your, Yours or Yourselves**

The person, people (either acting in partnership or on behalf of an unincorporated organisation) or the company stated in the schedule as the policyholder.

## Section 2 – The Cover

**We** will indemnify any **insured** in respect of any **claim** first made against any **insured** and notified to **us** during the period of insurance in respect of any civil liability including liability for claimants' costs and expenses arising out of the conduct of the **business** within the **territorial limits**.

In addition to the limit of indemnity **we** will pay **defence costs**.

**Defence costs** will not be subject to any **excess** unless the **claim** arises from the conduct of **business** which required authorisation by the Financial Conduct Authority.

Where **you** become liable to pay a sum in excess of the amount of indemnity available under this policy **we** will pay only the proportion of any **defence costs** that the amount of indemnity available under this policy bears to the **insured's** total liability.

### 2.1 Costs of Criminal Proceedings

**We** will also indemnify **you** against reasonable legal costs and expenses necessarily incurred with **our** prior consent in the defence of any criminal proceedings first made against **you** and notified to **us** during the period of insurance under:

- a) the Bribery Act 2010
- b) the Construction (Design and Management) Regulations 2015
- c) the Corporate Manslaughter and Corporate Homicide Act 2007
- d) the Health and Safety at Work etc. Act 1974 or the Health and Safety at Work (Northern Ireland) Order 1978
- e) any statutory or secondary legislation implementing the Council Directive 92/57/EEC or similar legislation enacted elsewhere in the world.

Provided always that:

- i) the criminal proceedings arise out of the conduct of the **business**; and
- ii) the circumstances giving rise to such criminal proceedings may otherwise give rise to an indemnity under this policy; and
- iii) in **our** reasonable belief the defence of such criminal proceedings would assist in the defence of any **claim** against any **insured**.

Any subsequent or concurrent civil action arising out of criminal proceedings notified hereunder will be deemed to be notified in accordance with condition 4.

For the purpose of this clause the **excess** will be £2,500 or the **excess** stated in the schedule whichever is the lesser.

**Our** liability will not exceed £1,000,000 in the aggregate or the limit of indemnity in the aggregate stated in the schedule whichever is the lesser during the period of insurance and this limit will form part of and not be in addition to the limit of indemnity stated in the schedule.

### 2.2 Court Attendance Costs

**We** will also pay **you** the daily rates stated below if any of these people are required to attend court as a witness at **our** request:

- a) any **business partner**, director, **member**, **principal** or **alternate** £500
- b) any **employee** £250

**Our** liability will not exceed £25,000 in the aggregate during the period of insurance and this limit will be in addition to the limit of indemnity stated in the schedule.

### 2.3 Criminal or Fraudulent Acts

**We** will also indemnify **you** for **your** own losses which during the period of insurance **you** first discover **you** have sustained by reason of any criminal or fraudulent act or omission of any **employee** during the period of insurance. For the purposes of this clause **employee** does not include any **business partner**, director, **member** or principal of the **insured**.

This clause does not cover any loss where **you** are unable to demonstrate that **you** were operating the minimum standards of control specified below:

- a) all cheques, fund transfers, instructions for disbursements of assets or fund investments for more than £10,000 will require two independent signatories or authorisers

- b) no cheque fund transfer instruction for disbursement of assets or fund investment will be authorised until at least one signatory or authoriser with appropriate authority and independent of the individual requisitioning such transfer disbursement or investment has examined and approved the supporting documentation
- c) any electronically initiated transactions must be controlled by unique passwords held by each individual related to the user authorisation and the appropriate authorities integrated into any computer program or system used for such transaction
- d) cash and cheques received will be remitted to the bank in full on the day of receipt or next banking day
- e) bank statements, cash, cheques, stock and securities held will require a physical check against supporting documents by someone other than those persons responsible at least quarterly
- f) all requests to create and alter third party bank details (including those of any supplier or client) must be received in writing and independently verified by telephone with a known contact at the organisation making the request before any transaction takes place.

**Our** liability will not exceed £250,000 in the aggregate during the period of insurance and this limit will be in addition to the limit of indemnity stated in the schedule.

## 2.4 First Party Copyright Infringement

**We** will also pay any reasonable costs and expenses necessarily incurred in the issue of any proceedings notified to **us** during the period of insurance for any injunction or for damages for infringement of any copyright vested in **you** provided always that **we** will not be required to incur any obligation to meet such costs where **your** cause of action is not one that is reasonable to pursue. In the event of any dispute arising between **you** and **us** as to the reasonableness of pursuing any such cause of action the opinion of a King's Counsel the appointment of whom will be mutually agreed between **you** and **us** will be obtained and their decision will be binding.

If **you** and **we** cannot agree on the appointment of a King's Counsel the chairman of the Bar Council will appoint one.

**Our** liability will not exceed £25,000 in the aggregate during the period of insurance and this limit will form part of and not be in addition to the limit of indemnity stated in the schedule.

## 2.5 Loss of Documents

**We** will also pay reasonable costs necessarily incurred by **you** with **our** prior consent for the restoration or replacement of records associated with the **business** including computer systems records which have been accidentally lost or damaged. Provided always that any computer systems records are backed up no less frequently than once every 7 days or as otherwise agreed by **us** and such backed up records are held at a separate location. This clause does not apply to any negotiable instruments of whatsoever nature.

**Our** liability will not exceed £250,000 in the aggregate or the limit of indemnity in the aggregate stated in the schedule whichever is the lesser during the period of insurance and this limit will form part of and not be in addition to the limit of indemnity stated in the schedule.

## 2.6 Ombudsman Awards

**We** will also indemnify **you** in respect of:

- a) any amount paid or payable
- b) the cost of taking any steps which **you** are directed to take

in accordance with any final and binding award or determination of any ombudsman appointed in respect of any case accepted by the ombudsman for review under any recognised scheme applicable to **your business** and which may otherwise be the subject of indemnity under this policy. Provided always that **you** give written notice to **us** as soon as reasonably possible after becoming aware that a case directly affecting **you** is being reviewed by an Ombudsman.

Any subsequent or concurrent civil action arising out of any complaint made to the ombudsman hereunder will be deemed to be notified in accordance with condition 4.

## 2.7 Representation Costs

**We** will also pay reasonable costs and expenses necessarily incurred by **you** with **our** written consent for representation at any official examination, inquiry, investigation or other proceedings ordered or commissioned by a body legally empowered to investigate **your** affairs that is first instigated against **you** and notified to **us** during the period of insurance and which may give rise to a **claim** under this policy.

**Our** liability will not exceed £25,000 in the aggregate during the period of insurance and this limit will form part of and not be in addition to the limit of indemnity stated in the schedule.

# Section 3 – Exclusions

This policy does not cover:

## 1. Bodily Injury and Property Damage

liability for:

- a) death, bodily injury, mental injury, sickness, disease, mental anguish or shock sustained by any person other than emotional distress arising from libel or slander
- b) loss of or damage to property other than as provided by sections 2.3 and 2.5

unless arising out of a breach of professional duty due to any negligent act, error or omission committed or alleged to have been committed by any **insured**

## 2. Contractual Liability

liability arising from any express warranty, guarantee, indemnity, waiver, express agreement given by **you** or any express acceptance by **you** of liability for liquidated damages unless **you** would have been liable even if there had not been any such express warranty, guarantee, indemnity, waiver, express agreement or express acceptance by **you** of liability for liquidated damages

## 3. Courts Jurisdiction

- a) any **claim** arising from the conduct of the **business** carried out from any of **your** offices situated in the United States of America or Canada or territories under their jurisdiction
- b) any **claim** which is the subject of proceedings brought in any court of the United States of America or Canada arising from **business** carried out from any of **your** offices situated outside of the United States of America or Canada or territories under their jurisdiction. Provided always that this exclusion will not apply if there was no reasonable basis for **you** to believe or suspect there was any prospect of such proceedings arising from the conduct of the **business**. Where there is cover available under this policy because the proviso has disapplied this Exclusion 3b), then (but only to the extent of such cover) the terms of this insurance will be modified as follows:
  - i) **our** liability will not exceed the limit of indemnity in the aggregate during the period of insurance and this limit will form part of and not be in addition to the limit of indemnity stated in the schedule
  - ii) the limit of indemnity will include **defence costs**

In addition, this policy does not cover any liability arising from:

- i) any **pollution or contamination** of any kind
- ii) any actual or alleged violation of any responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974 or any amendment thereof
- iii) any actual or alleged violation of any provision of the Securities Act of 1933, the Securities Exchange Act of 1934 or any similar federal or state law or any common law relating thereto
- iv) any actual or alleged violation of the Racketeer Influenced and Corrupt Organisation Act 18 USC Section 1961 ET SEQ and any amendments thereto or any Rules or Regulations announced thereunder

## 4. Criminal Acts

liability arising out of any dishonest or fraudulent act or omission committed or condoned by the **insured**

Provided always that:

- a) in the event of a loss being sustained as a result of any dishonest or fraudulent act or omission the amount of indemnity under this policy will be reduced by an amount equal to the sum of any:
  - i) monies owed by **you** to any person committing, condoning or contributing to the dishonest or fraudulent act or omission; and/or
  - ii) any **defence costs** already paid to the **insured**
- b) no dishonest or fraudulent act or omission will be imputed to a body corporate unless it was committed or condoned by, in the case of a company, all directors of that company, or, in the case of a Limited Liability Partnership, all **members** of that Limited Liability Partnership or to a partnership unless it was committed or condoned by all of the **business partners**
- c) this exclusion will not apply until such **insured** admits to **us** that they did commit or condone such dishonest or fraudulent act or omission or a final and unappealable judgment or adjudication establishes that such **insured** committed or condoned such dishonest or fraudulent act or omission

## 5. Cyber, Infrastructure and Data Protection Law

a) **relevant first party loss** caused by, resulting from, or arising out of:

- i) a **cyber act**; or
- ii) any partial or total unavailability or failure of any **computer system**

Provided the **computer system** is owned or controlled by the **insured** or any other party acting on behalf of the **insured** in either case; or

- iii) the receipt or transmission of malware, malicious code or similar by the **insured** or any other party acting on behalf of the **insured**

b) any **claim** directly or indirectly caused by, directly or indirectly resulting from or directly or indirectly arising out of any failure or interruption of service provided:

- i) to the **insured** or any other party acting on behalf of the **insured** by an internet service provider, telecommunications provider or cloud provider but not including the hosting of hardware and software owned by the **insured**
- ii) by any utility provider, but only where such failure or interruption of service impacts a **computer system** owned or controlled by the **insured** or any other party acting on behalf of the **insured**

provided that this exclusion will not apply to any **claim** for loss or damage which arises from any actual or alleged breach of duty in the performance of (or failure to perform) the **business**

c) **relevant first party loss** for breach of **data protection law** in respect of **data** by the **insured** or any other party acting on behalf of the **insured**

## 6. Directors' and Officers' and Trustee Liability

liability while any **insured** is carrying out the duties of:

- a) a director or officer of **you** or any other body corporate
- b) a trustee of any pension fund or any other employee benefit scheme

except in respect of the performance of the **business**

## 7. Employment

liability arising out of:

- a) death, bodily injury, mental injury, sickness, disease, mental anguish or shock of any **business partner**, director, **member**, principal or **employee** while in the course of their employment with **you**
- b) any obligation owed by **you** as an employer or potential employer to any director or **employee** or applicant for employment
- c) any express or implied terms of a partnership agreement or membership agreement

## 8. Financial Return of Investments

liability arising out of the giving of any express or implied warranty or guarantee relating to the financial return of any investment

## 9. Goods and Services

liability arising from any contract or arrangement for the supply to or use by **you** of goods or services

## 10. Insured versus Insured

any **claim** by one **insured** against another **insured**

## 11. Nuclear and War Risks, Government or Public Authority Order and Sonic Bangs

death, injury, disablement or loss or damage to any property or any loss or expense resulting or arising therefrom or any consequential loss or any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:

- a) ionising radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
- b) the radioactive, toxic, explosive or other hazardous or contaminating properties of any **nuclear installation**, **nuclear reactor** or other nuclear assembly or nuclear component thereof
- c) any weapon employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter



- d) the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter but this exclusion d) will not apply to radioactive isotopes other than nuclear fuel when such isotopes are being prepared, carried, stored or used for commercial, agricultural, medical, scientific or other peaceful purposes
- e)
  - i) war, invasion, act of foreign enemy, hostilities whether war be declared or not, civil war, rebellion, revolution, insurrection, military or usurped power
  - ii) nationalisation, confiscation, requisition, seizure or destruction by any government or public authority
- f) pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds

## 12. Pollution or Contamination

liability arising directly or indirectly out of **pollution or contamination** other than where liability arises from any actual or alleged breach of professional duty in the performance of or failure to perform the **business**

## 13. Prior Circumstances and Claims

liability arising from:

- a) any **circumstance** that was notified by **you** under any other insurance policy prior to inception of this policy.  
 Provided always that in the event that any **circumstance** is notified to **us** and **you** had knowledge prior to the period of insurance stated in the schedule of such **circumstance** and **you** should have notified it under any previous policy **we** will not seek to exclude any **claim** arising out of such **circumstance** but the indemnity provided under this policy will be limited to the indemnity which would have been provided under the earliest such previous policy if such policy had been properly notified
- b) any **claim** that has been notified by **you** under any other insurance policy prior to inception of this policy

## 14. Products

liability arising out of any defect in, lack of fitness of or failure to conform with description of goods sold or supplied by any **insured** or subcontractor.

Provided always that this exclusion will not apply to any activities undertaken in respect of the provision, sale, licence, lease, amendment or adaptation by the **insured** of any computer software, hardware, solution, package or publication

## 15. Property and Transport

liability arising out of the ownership, possession or use by **you** or on **your** behalf of any land, building, aircraft, watercraft, mechanically propelled vehicle or trailer

## 16. Punitive Damages or Fines

any amount in respect of:

- a) penalties or fines
- b) punitive or exemplary damages

Provided always that this exclusion will not apply to:

- i) any **claim** relating to any actual or alleged defamation arising out of the conduct of the **business**
- ii) indemnity provided under section 2.6

## 17. Terrorism

loss, damage, consequential loss, cost or expense directly or indirectly caused by, contributed to by, resulting from or arising out of or in connection with:

- a) any act or preparation in respect of action or threat of action designed to influence the government de jure or de facto of any nation or any political division thereof or in pursuit of political, religious, ideological or similar purposes to intimidate the public or a section of the public of any nation by any person or group whether acting alone or on behalf of or in connection with any organisation or government de jure or de facto and which:
  - i) involves violence against one or more persons
  - ii) involves damage to property
  - iii) endangers life other than that of the person committing the action
  - iv) creates a risk to health or safety of the public or a section of the public
  - v) is designed to interfere with or to disrupt an electronic system



- b) any action in controlling, preventing, suppressing, retaliating against or responding to any act or preparation in respect of action or threat of action described in a) above

In any action or suit or other proceedings where **we** allege that by reason of this exclusion cover is not provided under this policy the burden of proving that cover is provided under this policy will be upon **you**

#### **18. Trading Losses**

liability arising out of any trading loss or liability incurred by **you** or any business **you** manage provided always that this exclusion will not apply to any **claim** made against **you** for negligence in the normal course of **your** conduct of any receivership or procedures under the Insolvency Act 1986 or the Insolvency (Northern Ireland) Order 1989 or in the Republic of Ireland any receivership or insolvency procedures under the Companies Acts 1963 to 2005 or the Bankruptcy Act 1988.

# Section 4 – Provisions

## 1. Contracts (Rights of Third Parties) Act 1999

For the purposes of the Contracts (Rights of Third Parties) Act 1999 or any equivalent legislation in the Republic of Ireland this policy is not enforceable by any third party.

## 2. Discharge of Liability

**We** may at any time pay in connection with any **claim** the maximum amount payable under this policy after deduction of any sum already paid in respect of such **claim** or any lower amount for which the **claim** can be settled and then relinquish the conduct and control and be under no further liability in respect of the **claim** except for the payment of **defence costs** incurred with **our** written consent prior to the date of such payment.

## 3. Extended Policy Period

This policy will be extended by the **extended policy period** where **you** have not prior to the expiry of this policy obtained **qualifying insurance** incepting on and with effect from the day immediately following the expiry of this policy.

## 4. Joint Liabilities

If the **insured** comprises more than one party **we** will indemnify each party as though a separate policy had been issued to each of them provided always that the total amount of indemnity to all such parties will not exceed the amount payable if the **insured** comprised only one party and in any event will not exceed the limit of indemnity stated in the schedule.

## 5. King's Counsel

**You** will not be required to contest any legal proceedings unless a King's Counsel or in the Republic of Ireland a Senior Counsel or similar authority agreed upon by **you** and **us** or failing agreement to be appointed by the President of the Institute of Chartered Accountants in England and Wales, Scotland or Ireland as applicable advises that taking due account of **your** and **our** interests such proceedings should be contested.

## 6. Limit of Indemnity

The limit of indemnity stated in the schedule is **our** monetary limit and applies to any one **claim**.

All **claims** against any one or more of the **insured** arising from:

- a) one act or omission
- b) one series of related acts or omissions
- c) the same act or omission in a series of related matters or transactions
- d) similar acts or omissions in a series of related matters or transactions
- e) one matter or transaction

will be regarded as one **claim**. All such **claims** will be considered first made on the date upon which the earliest **claim** is first made.

## 7. Run-Off Cover

If **you** cease during or on expiry of this policy or if applicable the **extended policy period** **we** will provide run-off cover in accordance with the Professional Indemnity Insurance Regulations for a minimum of 2 years from the date of cessation. The provision of run-off cover may be conditional on payment of an additional premium by a specified date. In the event that run-off cover does not incept for reasons of non-payment **we** will give notice to the relevant Institute within 7 days and **you** will be deemed to consent to such notification being made.

## 8. Sanctions

Notwithstanding any other terms of this policy **we** will be deemed not to provide cover nor will **we** make payment or provide any service or benefit to **you** or any other party to the extent that such cover, payment, service, benefit and/or any business or activity of **yours** would violate any applicable trade or economic sanctions law or regulation.

# Section 5 – Conditions

Compliance by **you** with any rules, requirements, directions or guidance of any Ombudsman appointed under the provisions of the Financial Services and Markets Act 2000 or the Central Bank and Financial Services Authority of Ireland Act 2004 will not constitute a breach of any condition of this policy.

## 1. Arbitration

Any dispute between **you** and **us** arising out of and in connection with this policy will be referred to a sole arbitrator who will be agreed between **you** and **us** or failing such agreement will be selected at the request of either **you** or **us** by the President for the time being of The Institute of Chartered Accountants in England and Wales, The Institute of Chartered Accountants of Scotland or the Institute of Chartered Accountants in Ireland as applicable. The arbitrator's decision will be final and binding on **you** and **us**.

Alternatively such dispute may at **your** request be subject to the exclusive jurisdiction of the courts of the country of The Institute of Chartered Accountants in England and Wales, The Institute of Chartered Accountants of Scotland or the Institute of Chartered Accountants in Ireland as applicable. In no event will **you** be entitled to exercise this option more than 21 days after **we** have served a notice of arbitration.

In the event of any dispute in respect of **our** liability to indemnify **you** including but not limited to a dispute as to the policy year under which any **circumstance or claim** should fall to be dealt with between **us** and any other insurer subscribing to a policy corresponding to this policy in a previous period of insurance **we** will indemnify **you** pending resolution of such dispute in respect of:

- a) all sums which **you** become legally liable to pay as damages and claimant's costs and expenses and **defence costs** in respect of a **claim** arising out of the conduct of the **business** within the **territorial limits** in respect of **your** civil liability; and
- b) section 2.6 of this policy.

In the event that any of the provisions in condition 1 may fail and/or for the purpose of any application under the Arbitration Act 1996, the courts of the country of The Institute of Chartered Accountants in England and Wales, The Institute of Chartered Accountants of Scotland or the Institute of Chartered Accountants in Ireland as applicable will have exclusive jurisdiction.

## 2. Cancellation

This policy may not be cancelled except if **you** and **us** agree in writing.

In the event of such agreement **we** will within 7 days of the date upon which such agreement is reached write to:

- a) **you** at the address stated in the schedule notifying **you** that the policy will be cancelled with effect from a date not less than 30 days after the date of such agreement
- b) the relevant Institute being The Institute of Chartered Accountants in England and Wales, The Institute of Chartered Accountants of Scotland or The Institute of Chartered Accountants in Ireland notifying it of the agreement, **your** name and the effective date of cancellation.

## 3. Change in Circumstances

**You** must notify **us** as soon as possible during the period of insurance if there is any change in circumstances which materially increases the risk of accident, injury, loss, damage or liability.

Upon notification of any such change **we** will be entitled to vary the premium and terms for the rest of the period of insurance. If the changes make the risk unacceptable to **us** then **we** may no longer be able to provide **you** with cover.

If **you** do not notify **us** of any such change this policy may be affected in one or more of the following ways depending on what **we** would have done had **we** known about the change in circumstances:

- a) if **we** would not have continued to provide **you** with any cover **we** may treat this policy as if it did not exist from the date of the change in circumstances; or
- b) if **we** would have applied different terms to the cover **we** may treat this policy as if those different terms applied from the date of the change in circumstances; and/or
- c) if **we** would have charged **you** a higher premium for providing the cover **we** will charge **you** the additional premium which **you** must pay in full.

#### 4. Claims Procedures

##### a) Your Responsibilities

It is agreed that:

- i) **you** will give notice to **us** in writing as soon as reasonably possible:
  - 1) when a loss is incurred under section 2.3 of this policy or on receiving verbal or written notice of any **claim**
  - 2) the discovery of or reasonable cause for suspicion of dishonesty or fraud by any former or present **business partner**, director, **member**, **employee**, consultant, sub-contractor or **alternate** of the **insured** during the period of insurance whether giving rise to a **claim** under this policy or not
- ii) when **you** first become aware of any **circumstance** **you** will give notice to **us** in writing as soon as is reasonably possible and in any event not later than the last day of the period of insurance
- iii) **you** will provide full particulars including all material facts, dates and persons involved and in the case of notification of a **circumstance** the reasons for anticipating that it is a **circumstance** as defined in this policy
- iv) at **your** own expense and as soon as reasonably possible supply full details of the **claim** in writing to **us** together with any evidence and information that may be reasonably required by **us** for the purpose of investigating or verifying the **claim** and keep **us** up to date with any future evidence and information received by **you** or reasonably required by **us**
- v) no settlement, admission of liability, denial of liability, payment or promise of payment will be made to a third party without **our** written consent
- vi) following liability or loss arising out of any criminal or fraudulent act, error or omission if **we** so request **you** will take all reasonable steps to effect recovery from any person committing or condoning or knowingly participating in such criminal or fraudulent act or omission or from their personal representatives.

##### b) Your Rights

**You** will be entitled to any and all information or documentation regarding the defence, investigation or settlement of any **claim** or the investigation into any **circumstance** as **you** may reasonably request from **us**.

##### c) Our Rights

**We** will:

- i) be entitled to take over and conduct the defence or settlement including the appointment of legal counsel of any **claim** made against **any insured** and they will give all assistance as may be reasonably required by **us**; and
- ii) be entitled to take the benefit of any rights of any **insured** against any other party before or after any **insured** has received indemnification under this policy and they will give all assistance as may be reasonably required by **us**  
  
Provided always that **we** will not exercise such right of subrogation in **your** name against **any insured** except against a person who is included under section 1 definition **Employee** b) and d) where such person has not been notified to **us**; and
- iii) treat any **circumstance** notified during the period of insurance which subsequently gives rise to a **claim** after the period of insurance as a **claim** first made during the period of insurance.

#### 5. Compliance with Minimum Terms

The cover provided under this policy will notwithstanding any policy wording to the contrary be in every respect no less favourable than the approved policy wording as defined in the Professional Indemnity Insurance Regulations from time to time issued by the Institute of Chartered Accountants in England and Wales, The Institute of Chartered Accountants of Scotland or The Institute of Chartered Accountants in Ireland as applicable in force at the date of the inception of this policy and on any renewal of this policy.

Where the period of insurance exceeds 18 months the Approved Minimum Wording will be deemed to incorporate any amendments including minimum limits of indemnity or maximum amounts of **excess** made subsequent to the inception of this policy.

#### 6. Contractual Right of Renewal (Tacit)

If **you** pay the premium to **us** using **our** Direct Debit instalment scheme **we** will have the right (which **we** may choose not to exercise) to renew this policy each year and continue to collect premiums using this method. **We** may vary the terms of this policy (including the premium) at renewal. If **you** decide that **you** do not want **us** to renew this policy provided **you** tell **us** or **your** broker or insurance intermediary before the next renewal date **we** will not renew it.

## 7. Fair Presentation of the Risk

- a) At inception and renewal of this policy and also whenever changes are made to it at **your** request **you** must:
- i) disclose to **us** all material facts in a clear and accessible manner; and
  - ii) not misrepresent any material facts.
- b) If **you** do not comply with clause a) of this condition and the non-disclosure or misrepresentation by **you** is proven by **us** to be deliberate or reckless **we** may from the relevant date specified in clause d):
- i) treat this policy as if it had not existed; and
  - ii) not return the premium paid by **you**.
- c) If **you** do not comply with clause a) of this condition and the non-disclosure or misrepresentation is not deliberate or reckless the cover, meaning this policy or the changes made to it, may be affected from the relevant date in clause d) in one or more of the following ways depending on what **we** would have done if **we** had known about the facts which **you** failed to disclose or misrepresented:
- i) if **we** would not have provided **you** with the cover **we** will have the option to treat the cover as if it had not existed and repay the premium paid for such cover; or
  - ii) if **we** would have applied different terms to the cover **we** will have the option to treat this policy as if those different terms apply; and/or
  - iii) if **we** would have charged **you** a higher premium for providing the cover **we** will charge **you** the additional premium which **you** must pay in full.
- d) Clauses b) and c) apply with effect from inception, renewal or the date of the changes, depending on when the non-compliance occurred. **We** may also recover any claims payments which have already been made to the extent that the cover under which such payments were made is being treated as if it did not exist or as if it had been subject to different terms under which the claim would not have been payable.

## 8. Fraudulent Claims

If **you** or anyone acting on **your** behalf:

- a) makes a fraudulent or exaggerated claim under this policy; or
- b) uses fraudulent means or devices including the submission of false or forged documents in support of a claim whether or not the claim is itself genuine; or
- c) makes a false statement in support of a claim whether or not the claim is itself genuine; or
- d) submits a claim under this policy for loss or damage which **you** or anyone acting on **your** behalf or in connivance with **you** deliberately caused; or
- e) realises after submitting what **you** reasonably believed was a genuine claim under this policy and then fails to tell **us** that **you** have not suffered any loss or damage; or
- f) suppresses information which **you** know would otherwise enable **us** to refuse to pay a claim under this policy

**we** will be entitled to refuse to pay the whole of the claim and recover any sums that **we** have already paid in respect of the claim.

**We** may also notify **you** that **we** will be treating this policy as having terminated with effect from the date of any of the acts or omissions set out in clauses a) to f) of this condition.

If **we** terminate this policy under this condition **you** will have no cover under this policy from the date of termination and not be entitled to any refund of premium.

If any fraud is perpetrated by or on behalf of an **insured** and not on behalf of **you** this condition should be read as if it applies only to that **insured's** claim and references to this policy should be read as if they were references to the cover effected for that person alone and not to the policy as a whole.

## 9. Other Insurances

If at the time of any **circumstance or claim** there is any other insurance effected by or on behalf of **any insured** providing an indemnity in respect of such **circumstance or claim** **our** liability will not be reduced or excluded. This condition does not affect **our** right to **claim** contribution from any other insurer which also provides **any insured** with an indemnity in respect of such **claim**.

## 10. Payment by Instalments

Reference to the payment of premium includes payment by monthly instalments. If **you** pay by this method this policy remains an annual contract.

## 11. Prejudice

Where **you** have not complied with any condition of this policy and in **our** reasonable opinion **you** have prejudiced the handling of or the settlement of any **claim** the amount payable in respect of such **claim** including **defence costs** will be reduced to such an amount as in **our** opinion would have been payable in the absence of such prejudice.

## 12. Sole Agent

It is agreed that:

- a) if the **insured** comprises more than one party then **you** will act for **yourself** and be deemed to act as the sole agent for the **insured**. All parties comprising the **insured** are deemed to have consented and agreed that rights of action under this policy are not assignable except with **our** prior written consent
- b) **you** have the sole right to file notice or proof of loss or make a **claim**
- c) **you** have the sole right to bring legal proceedings arising under or in connection with this policy
- d) knowledge possessed or discovery made by any person, company or entity forming part of **you** or by any **business partner**, director, **member**, **principal or alternate** or officer, departmental head or other senior manager or the equivalent thereof will be deemed to constitute knowledge possessed or discovery made by all other persons, companies or other entities forming part of **you**.

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