

PROFESSIONAL INDEMNITY CERTIFICATE FOR ESTATE AND LETTING AGENTS

**The Contract of Insurance**

This **Certificate** is a contract of insurance between **You** and **Us**. In return for the premium shown in the **Schedule** that **You** have paid or agreed to pay **We** agree to insure **You** in accordance with the terms and conditions contained in or endorsed on this **Certificate**.

**You** should take the time to read all its terms, especially the conditions which **You** have to fulfil to ensure that **Your** insurance remains valid and what **You** have to do when making a **Claim**.

**Important**

In deciding to insure **You** and in setting the terms and premium, **We** have relied on the **Proposal**. **You** must ensure that all information provided in the **Proposal** is accurate and complete. **You** must disclose every material circumstance **You** know or ought to know, and provide a fair presentation of the information required to enable **Us** to assess **Your** insurance risk, both at the commencement of the **Period of Insurance** or at the subsequent renewal of this **Certificate**.

It is important that **You**:

- check that the information **You** have given **Us** is accurate and complete
- comply with **Your** duties as set out in this **Certificate**.

If this **Certificate** does not meet **Your** requirements, or if **Your** requirements change, **You** should contact **Your** Broker at **Your** earliest opportunity.

**Renewal**

**MUM** will write to **Your** Broker at least 21 days before the **Period of Insurance** ends with renewal terms or with full details of the information that **MUM** will require in order to offer renewal terms. Please contact **Your** Broker if **You** do not want to renew this **Certificate**. Occasionally, **We** may not be able to offer to renew **Your Certificate**. If this happens, **We** will write to **Your** Broker at least 21 days before the expiry of **Your Certificate** to allow enough time for **You** to make alternative insurance arrangements.

**Interpretation**

- words and expressions appearing in bold type shall bear the meanings given against the word or expression in the section of this **Certificate** headed 'Definitions'.
- headings are for ease of reference only and shall not be taken into account in construing this **Certificate**.
- references to masculine include the feminine and vice versa;
- the singular includes the plural and vice versa;
- reference to any legislation, statute or statutory provision shall include any amendment or replacement;
- references to any position, title or legislation shall include their equivalent in the relevant jurisdiction.

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## INSURING CLAUSES

### What is covered

In return for the premium shown in the **Schedule** that **You** have paid or agreed to pay **We** shall indemnify **You** as follows:

1 **Civil liability**

up to the **Limit of Liability** (save where the limit of cover for any particular section is otherwise expressly provided for in this **Certificate**) for any civil liability for **Loss** in respect of any **Claim** first made against **You** during the **Period of Insurance** (including **Your** liability for claimants' costs and disbursements) arising out of the ordinary conduct of **Your Professional Business**.

2 **Liability for Loss of Documents**

up to the **Limit of Liability** in respect of any **Claim** first made against **You** during the **Period of Insurance** arising from the physical loss of or damage to **Documents** suffered in connection with **Your Professional Business** for the reasonable costs and expenses incurred in replacing or restoring **Documents** either owned by any third party or belonging to a third party but which at the time of loss were **Your** responsibility of or in **Your** custody in the conduct of **Your Business** and were discovered during the **Period of Insurance** to be damaged, lost, destroyed, mislaid or otherwise unobtainable and which, after diligent search, cannot be located.

**We** will not indemnify **You** against any **Claim** arising directly or indirectly from **Documents** which are stored on magnetic or electrical media unless such **Documents** are duplicated on magnetic or electrical media and deposited at a separate location with the intention that in the event of loss or damage the duplicate can be used as the basis for restoring the **Documents** to their original status.

3 **Ombudsman awards**

for any final and binding compensatory awards (including an award of costs) made against **You** by any ombudsman under any recognised scheme applicable to **Your Professional Business**, including the direct additional costs of taking any steps which **You** are directed to take in relation to any complainant, provided that:

3.1 the **Claim** or **Circumstance** giving rise to the award or determination of the ombudsman was first notified to **Us** during the **Period of Insurance** and;

3.2 the **Claim** or **Circumstance** arises out of the conduct of **Your Professional Business**.

**We** will also indemnify **You** for **Defence costs and expenses** in respect of appealing such awards and/or compensation if, in **Our** sole opinion, there is a reasonable prospect of success.

The **Limit of Liability** applying to this Insuring Clause will be £250,000 in the **Aggregate**.

4 **Representation costs**

for any amount up to the **Limit of Liability** in respect of any legal costs incurred with **Our** prior written consent to enable **You** to be represented at any inquiry or other type of proceeding when the outcome of that inquiry or proceeding may, in **Our** sole opinion, be relevant to a claim in respect of which **You** may be entitled to an

indemnity under Insuring Clauses 1 and 3 of this **Certificate**, provided that the inquiry:

- 4.1 was first brought against **You** during the **Period of Insurance** and;
- 4.2 arises from **Your Professional Business**.

## 5 **Defence costs and expenses**

in addition to the **Limit of Liability**, **We** shall pay all **Defence costs and expenses**. However, in the event that:

- 5.1 the amount of any **Loss** paid or payable exceeds the **Limit of Liability**, **Our** liability to pay **Defence costs and expenses** shall not exceed the proportion that the **Limit of Liability** bears to the amount of **Loss** paid or payable;
- 5.2 **We** decide to make a payment to **You** pursuant to Claims Condition 5 below then **We** will have no further obligation to pay any **Defence costs and expenses** on **Your** behalf after the date upon which the payment is made.

## 6 **Protecting your own copyright**

for any amount up to £25,000 in the **Aggregate** for any legal costs incurred with **Our** prior written consent to enable **You** to pursue any claim for infringement of **Your** copyright first discovered and notified to **Us** during the **Period of Insurance**. **Our** consent will only be provided, for the purpose of this Insuring Clause, following receipt of an opinion from a barrister or solicitor specialising in copyright law and which confirms that **You** have a better than 50% prospect of success.

## 7 **Estate agents' and health and safety legislation**

for any amount up to £250,000 in the **Aggregate** for legal costs and expenses incurred with **Our** prior written consent in the defence of any proceedings first brought against **You** during the **Period of Insurance** under:

- 7.1 The Property Misdescriptions Act 1991 and
- 7.2 The Estate Agents Act 1979 and
- 7.3 The Construction (Design and Management) Regulations 2015 and
- 7.4 any prevailing listed building, building regulation or health and safety legislation or regulation and
- 7.5 any similar or successor legislation to that listed above

provided always that:

- a) the alleged act, error or omission giving rise to the proceedings was committed by **You** in the ordinary conduct of **Your Professional Business**; and
- b) **We** shall be entitled, but are not obliged, to appoint solicitors and counsel to act on **Your** behalf; and
- c) **We** shall have no liability to pay any legal costs and expenses in relation to any alleged offence after:
  - (i) **You** plead guilty or a finding of guilt is made against **You**; or
  - (ii) Counsel representing **You** has advised that **You** have no reasonable prospects of successfully defending the proceedings

except for legal costs and expenses incurred solely for the purpose of making a plea in mitigation before sentencing or legal costs and expenses incurred in making an appeal if Counsel shall advise that the prospects of a successful appeal following a finding of guilt are reasonable.

For the avoidance of doubt **We** shall have no liability to indemnify **You** against any fine or penalty imposed upon **You** or any award of legal costs that is made against **You** as a result of such proceedings.

8 **Pollution**

against all sums for which **You** are legally liable as a result of any **Claim** first made against **You** during the **Period of Insurance** involving **Pollution** provided always that the **Pollution** was caused by a breach of duty in the performance of (or failure to perform) **Professional Business**.

The **Limit of Liability** applying to this Insuring Clause shall:

- a) be the lower of the **Limit of Liability** stated in the **Schedule** or £1,000,000 and
- b) be inclusive of **Defence costs and expenses** and
- c) apply in the **Aggregate**.

9 **Asbestos**

against all sums for which **You** are legally liable as a result of any **Claim** first made against **You** during the **Period of Insurance** for breach of duty in the performance of (or failure to perform) **Professional Business** which is in any way related to or a consequence of the presence of asbestos in whatever form or amount.

The **Limit of Liability** applying to this Insuring Clause shall:

- a) be the lower of the **Limit of Liability** stated in the **Schedule** or £250,000 and
- b) be inclusive of **Defence costs and expenses** and
- c) apply in the **Aggregate**.

10 **Attendance expenses**

in the event that **We** require **You** or any **Employee** to attend any court or other judicial tribunal we shall pay **You** compensation at the following rates:

£500 per day for any current partner, member or director of **Your** firm

£250 per day for any other current **Employee**.

The **Limit of Liability** applying to this Insuring Clause shall not exceed £250,000 in the **Aggregate**. No **Excess** is payable in respect of this Insuring Clause.

11 **Hacker Protection**

against all sums for which **You** are legally liable as a result of any **Claim** first made against **You** during the **Period of Insurance** consequent upon a third party's reliance in good faith on a **Hacker's** fraudulent use of **Your** information technology and communication systems where there was a clear intention to cause **You** loss or a personal gain for the **Hacker**.

The **Limit of Liability** applying to this Insuring Clause shall be £250,000 including **Defence costs and expenses** in the **Aggregate**.

12 **Fidelity**

for any amount up to £100,000 in the **Aggregate** in respect of your own direct **Loss** which **You** shall discover during the **Period of Insurance** that **You** have sustained by reason of any dishonesty or fraud of any **Employee** of **Yours** provided that:

- 12.1 such dishonesty or fraud was with the intent to cause loss to **You** or to obtain personal gain either for the **Employee** themselves or others and
- 12.2 **Your** accounts have been prepared or certified by an independent accountant and
- 12.3 any dishonesty or fraud by persons acting together shall be treated as giving rise to one claim.

**We** will not indemnify any person committing or condoning dishonesty or fraud.

Provided always that, in the event that a single claim or a series of claims arising out or in connection with of one originating cause or source should result in **Your** seeking an indemnity from **Us** under more than one of the Insuring Clauses in this **Certificate** then in the event that **We** have already paid the full amount of the **Limit of Liability We** shall not be obliged to provide **You** with any further indemnity in respect of such claim or series of claims.

## EXCLUSIONS

### What is not Covered

These exclusions are applicable to the entire **Certificate** unless otherwise specified.

**We** will not indemnify **You** under this **Certificate** against anything arising directly or indirectly from:

- 1 **Risks that should be insured elsewhere**
  - 1.1 **Employers' liability**
    - 1.1.1 any actual or alleged breach of any duty that **You** may have to any **Employee** as an employer, or for any **Bodily Injury** suffered by any **Employee** or any person applying to **You** for employment;
    - 1.1.2 any breach of any obligation owed by **You** as employer to an **Employee**;
  - 1.2 **Bodily injury**

any **Bodily Injury** unless it was caused by a breach of any duty owed by **You** arising from negligent advice, design, specification or formula or other breach of professional duty in the conduct of **Your Professional Business**;
  - 1.3 **Property damage**

the damage to or destruction of any property unless it was caused by a breach of any duty owed by **You** arising from negligent advice, design, specification or formula or other breach of professional duty in the conduct of **Your Professional Business**;
  - 1.4 **Property/vehicles**

**Your** ownership, occupation or use of any land, building, or of any vehicle, craft or vessel for use on land, water or in the air and whether mechanically propelled or otherwise;
  - 1.5 **Directors, officers or trustees**

or brought against **You** in the capacity of

    - 1.5.1 a director or officer of **Your** firm or of any other company;
    - 1.5.2 a trustee of any trust;
    - 1.5.3 a director, officer or trustee of any pension fund or employee benefit scheme, whether for the benefit of **Your Employees** or any other entity;
  - 1.6 **Cyber Liability**

except as provided for in Insuring Clause 11

    - 1.6.1 the use or operation by **You** or by any third party, as a means for inflicting harm, of any computer, computer system, **Virus** or process or any other electronic system;
    - 1.6.2 the costs of notification of any data breach to any party affected by such data breach;
    - 1.6.3 or caused by any **Virus**
- 2 **Sale of goods, manufacture & construction**
  - 2.1 the manufacture, repair, alteration, installation, sale, supply or maintenance of any product or other item of goods whether by **You** or by any **Connected Person** or by any sub-contractor of **Yours**;

- 2.2 the manufacture, construction, erection, installation, repair, alteration or demolition of any building or other physical structure where **You** or any **Connected Person** or sub-contractor of **Yours** has entered into a contract to manufacture, construct, erect, install, repair, alter, or demolish any building or other physical structure;
- 3 **Environmental**
- 3.1 **Pollution**  
or which is in any way related to or a consequence of any kind of seepage, **Pollution** or contamination except as provided for under Insuring Clause 8;
- 3.2 **Asbestos**  
or which is in any way related to or a consequence of the presence of asbestos in whatever form or amount except as provided for under Insuring Clause 9;
- 3.3 **Fungi**  
or which is in any way related to or a consequence of any fungus or mycota including mildew, mycotoxins, spores, yeast or any biogenic aerosols;
- 4 **Radiation, War or Terrorism**
- 4.1 **Radiation**
- 4.1.1 loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss, or
- 4.1.2 any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:
- a. ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel, or
- b. the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.
- 4.2 **War**  
or happening through or in consequence of war, 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 or destruction of or damage to property by or under the order of any government or public or local authority;
- 4.3 **Terrorism**  
or otherwise as a consequence of any act or acts of force or violence undertaken, for whatever reason, with the aim of influencing or overthrowing of any government or public authority or with the aim of making the public fearful;
- 5 **The Excess**  
or for an amount not exceeding the **Excess**;
- 6 **Retroactive date**  
an act or omission or other cause that occurred, or which is alleged to have occurred, before the **Retroactive Date** stated in the **Schedule**;
- 7 **Known Claims or Circumstances**

any **Claim** made or **Circumstance** known to **You** (or of which **You** ought to have been aware) before the date of commencement of the **Period of Insurance**;

8 **Notified after Period of Insurance**

any **Claim** or **Circumstance** notified to **Us** more than 7 days after the end of the **Period of Insurance**;

9 **Other insurance**

in respect of which **You** are entitled to claim an indemnity under any other policy of insurance provided that if the **Limit of Liability** exceeds the amount of cover available under any other insurance then this exclusion will not apply save to the extent of the cover available under the other insurance;

10 **Conduct matters**

10.1 **Deliberate or reckless acts**

any deliberate or reckless act or omission committed or condoned by **You**;

10.2 **Known defamation**

malicious falsehood or for libel or slander where **You** knew or ought reasonably to have known that the words spoken or the material published were defamatory;

10.3 **Obscenity**

any actual or alleged act, or the creation, publication or dissemination of any material, that is alleged to be obscene, pornographic or blasphemous;

10.4 **Loss of right of recovery**

or in respect of which, as a consequence of any agreement that **You** may have entered into with a third party, **Your** rights of recovery against that third party have been restricted in any way;

10.5 **Money laundering**

money laundering and/or market abuse as defined in Part VIII of the Financial Services and Markets Act 2000;

10.6 **Tax**

the payment of any kind of tax or arising directly or indirectly from the breach of any taxation legislation or regulation except that this exclusion shall not apply to any **Claim** which arises from any actual or alleged breach of duty in the performance of (or failure to perform) **Professional Business**;

10.7 **Competition law**

any actual or alleged breach of any law, rule or regulation relating to competition, anti-trust or restraint of trade;

10.8 **Negotiable instruments**

the possession, loss, damage or destruction of or any dealing with any form of bearer bond, coupons, bank or currency notes, share certificates, stamps or other negotiable paper or security;

10.9 **Incoming employees' breach of prior employment restrictions**

any obligation (however arising) owed by **You** or any person who is intended to become an **Employee** to any current or former employer of an **Employee** or person who is intended to become an **Employee**;

11 **Dishonesty, failure to account for monies**

11.1 **Dishonesty**

11.1.1 any malicious, dishonest or fraudulent act or failure to act by any present or past partner, director, member, principal or **Employee** occurring after such time as **You** had reasonable cause for suspicion

- that such present or past partner, director, member, principal or **Employee** was engaged in or was contemplating engaging in any malicious, dishonest or fraudulent act or failure to act;
- 11.1.2 any loss suffered by or liability of any person who committed or condoned any malicious, dishonest or fraudulent act or failure to act;
- 11.2 **Failure to account for monies**  
the failure by **You** to account for monies in the event of **Your** insolvency receivership liquidation or bankruptcy;
- 12 **Penalties, fines**  
any penalty, fine, exemplary, liquidated or other form of punitive or non-compensatory damages except in claims brought for defamation to the extent that such claims are otherwise covered by this **Certificate**;
- 13 **Connected person**  
or brought by any **Connected Person** whether alone or jointly with any other person or party except where the claim is brought against the **Connected Person** by an unconnected third party and where the claim would otherwise fall to be covered by this **Certificate**;
- 14 **Indemnified person**  
or brought by any person who is entitled to be indemnified under this **Certificate** whether alone or jointly with any other person or party;
- 15 **Onerous contracts or contractual liabilities**  
15.1 any breach or alleged breach of contract and in respect of which it is claimed  
15.1.1 that **Your** duty is more onerous than would be implied by common law or statute; or  
15.1.2 that **You** are liable for liquidated damages, penalties or for an amount due pursuant to any kind of guarantee or otherwise for damages that are greater than would be implied by common law or statute;  
provided that this exclusion shall not apply in respect of any **Claim** in respect of obligations assumed by **You** under any collateral warranty, duty of care agreement or similar agreement (even if assigned to a tenant, purchaser, funder or other third party) provided always that:  
(a) the benefit of such warranty or agreement is no greater or longer lasting than that provided to **Your** client; and  
(b) no indemnity will be provided for  
(i) any guarantee or warranty of fitness for purpose, satisfaction of performance specification or the period for completion of any work; or  
(ii) any financial penalty or liquidated damages.
- 15.2 any novation or undertaking given by **You** except where such liability would have attached in the absence of such novation or undertaking;
- 15.3 any liability assumed by **You** under any express warranty or guarantee unless such liability would have attached to **You** notwithstanding such express warranty or guarantee;
- 16 **Trading matters**  
16.1 **Trading losses**  
16.1.1 any trading liability or trading loss incurred by **You** or by any **Connected Person**;

- 16.1.2 **Your** lost profit, mark-up or liability for Value Added Tax or its equivalent;
  - 16.2 **Repayment of fees**  
any allegation that **You** have over-charged any client or for the return, reduction or repayment of any fees paid or payable to **You**;
  - 16.3 **Geographical limits**  
work carried out by **You** outside the **Geographical Limits** specified in the **Schedule**;
  - 16.4 **Jurisdiction**  
or brought against **You**:
    - 16.4.1 other than within the **Jurisdiction** specified in the **Schedule**;
    - 16.4.2 to enforce a judgment or finding of a court or other judicial tribunal based outside the **Jurisdiction** specified in the **Schedule**;
    - 16.4.3 in which it is claimed that the law that applies is other than that of the **Jurisdiction** specified in the **Schedule**;
  - 16.5 **Arbitrator**  
any matter which is to be determined by an arbitrator unless the arbitrator is independent of the parties to the claim and the arbitration is to be conducted in the United Kingdom of Great Britain and Northern Ireland;
  - 16.6 **Adjudication**  
any matter which is to be determined by an adjudicator unless:
    - 16.6.1 **You** give written notice to **Us** within 2 working days of
      - 16.6.1.1 receipt of a notice that a dispute involving **You** is to be referred to an adjudicator; or
      - 16.6.1.2 **Your** first becoming aware that another party intends to refer such a dispute to an adjudicator; and
    - 16.6.2 the adjudicator is independent of the parties to the claim; and
    - 16.6.3 the adjudication is to be conducted in the United Kingdom of Great Britain and Northern Ireland; and
    - 16.6.4 the procedural timetable following the reference of the dispute to an adjudicator is no more onerous to **You** than that contained in the Scheme for Construction Contracts referred to in the Housing Grants Construction and Regeneration Act 1996.
  - 16.7 **Partnerships**  
any partnership agreement or arrangement to which **You** may be party other than a **Joint Venture**;
  - 16.8 **Joint Ventures**
    - 16.8.1 any **Joint Venture** other than in respect of **Claims** arising from the conduct of **Your Business**;
    - 16.8.2 or made by a party within a **Joint Venture** unless such **Claim** emanates from an independent third party;
  - 16.9 **Takeovers etc.**  
any act, error or omission committed after the date of any takeover or merger involving **You** unless agreed by **Us** in writing;
  - 16.10 **Your insolvency**  
**Your** insolvency;
- 17 **Intellectual property and confidentiality**  
the actual or alleged infringement:
- 17.1 of any patent or **Trade Secret**;

17.2 of any other form of intellectual property or breach of any duty of confidentiality unless **You** can demonstrate, to **Our** reasonable satisfaction, that the infringement or breach was unintentional;

18 **Sanctions**

or to the extent that to do so would expose **Us** or **MUM** 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 or any other economic or financial sanctions and embargos legislation applicable to **Us** or **MUM**. Sanctions, prohibitions or restrictions of the United States of America shall only apply provided that they do not violate current European and / or any other law applicable to **Us** or **MUM**.

19 **Financial advice**

**Your** providing, or failing to provide, investment or financial advice or arrangements of any kind;

20 **Valuations and surveys**

any survey and / or valuation report;

21 **Market Fluctuations**

the financial return, depreciation or loss of any investment where the financial return, depreciation or loss occurred because of market fluctuations in any financial, stock, commodity or other markets and which are outside **Your** influence and control.

## CLAIMS AND HOW TO MAKE A CLAIM

If **You** need to notify us of a **Claim, Loss** or **Circumstance** then please contact **MUM**. It will assist if **You** have details of **Your Certificate** and cover available.

### Claims Conditions

If **You** fail to comply strictly with any of the Claims Conditions below in relation to a particular **Claim** or **Circumstance** then **We** may be entitled to reduce the amount that **We** pay.

#### 1 Notification

##### 1.1 When and what to notify

**You** must notify **MUM** as soon as reasonably possible if **You** receive, discover or become aware of:

1.1.1 any **Claim** made against **You**;

1.1.2 any indication that someone intends to make a **Claim** against **You** or

1.1.3 a **Circumstance**.

Notification under this clause must be made irrespective of **Your** view on liability or the validity of the **Claim** or potential **Claim**.

##### 1.2 What must be included

The notification must include full particulars, including without limitation the identity of the claimant or potential claimant, details of the allegations and potential allegations against **You**, identification of the services giving rise to the **Claim** or **Circumstance** and, if known, the potential amount of the **Claim** or **Circumstance**.

If **You** give **MUM** notice under paragraphs 1.1.2 and 1.1.3 above then any **Claim** made subsequently and arising from the notification will be deemed to have been notified to **Us** during the **Period of Insurance**.

#### 2 No admissions

**You** must not make any offer, promise, admit liability for, or settle in part or in full, any **Claim** in respect of which **We** might otherwise be obliged to indemnify **You** under this **Certificate** without **Our** prior written consent. **We** will not pay or be responsible for any **Defence costs and expenses** incurred, in relation to any **Claim** or **Circumstance**, without **Our** prior written consent.

#### 3 Information and assistance

Following notification under Claims Condition 1 above **You** must promptly provide **Us** and all those appointed to act on **Our** behalf with all documents and information that **We** may request and promptly provide all assistance and co-operation that may be required for the investigation of the **Claim** or **Loss** and the defence or settlement of the **Claim**.

#### 4 Conduct

Following notification under Claims Condition 1, **We** shall be entitled to take over the conduct of any **Claim** and, at **Our** own expense, to defend or settle the **Claim** as **We**, in **Our** sole discretion, think fit. However, **We** cannot require **You** to continue to contest any **Claim** unless a Queen's Counsel (to be agreed upon between **Us** and **You**) advises that the **Claim** should be contested. The costs of such reference to

Queen's Counsel are to be borne equally by **Us** and **You**.

5 **Payment of Limit of Liability**

At any time:

5.1 **We** may pay to **You** an amount equal to the **Limit of Liability**; or

5.2 if **We** reasonably consider that a **Claim** may be settled for less than the **Limit of Liability** then we may pay to **You** that lesser amount.

If **We** make such a payment it will be in full and final settlement of any liability **We** may have to indemnify **You** under this **Certificate**. **We** will then relinquish conduct and control of the **Claim** and have no further liability in respect of it. For the avoidance of doubt this means that **We** will not be liable for any **Defence costs and expenses** that may be incurred after the date upon which any such payment is made by **Us**.

6 **Late notification**

**We** will not exercise any right to decline to indemnify **You** on the basis of any failure to comply with Claims Condition 1.1 of this **Certificate** provided always that in the event that **We**, in **Our** sole opinion, believe that **You** have prejudiced the handling or settlement of any claim then the amount payable by **Us** (including **Defence costs and expenses**) in respect of that claim will be reduced by such an amount as **We** think would have been payable in the absence of such prejudice.

7 **Fraud**

If **You** make any claim under this **Certificate** (or have made a claim under any previous insurance policy) which **You** know or ought to know to be false or fraudulent in any way, this **Certificate** shall become void and all of **Your** rights under this **Certificate** shall be forfeited.

## GENERAL CONDITIONS

These are the conditions of the **Certificate** that **You** or **We** need to meet or that govern how it will operate. **We** may need to reject a claim or a claim payment could be reduced if **You** do not meet these conditions. **Your Certificate** may not be valid in some circumstances.

### 1 **Waiver of right to avoid**

**We** will not exercise any right to avoid this **Certificate** or to decline to indemnify for non-disclosure or misrepresentation on the basis of any untrue statement of facts or misrepresentation made in the **Proposal** or any supplementary information or statement given provided always that:

- 1.1 **You** can establish to **Our** satisfaction that such non-disclosure or misrepresentation was innocent and free of any fraudulent conduct or intent to deceive; and
- 1.2 the premium and terms and conditions of this **Certificate** shall be adjusted at **Our** sole discretion to those that would have applied had full and accurate disclosure been provided to **Us** at the relevant time.

If such non-disclosure or misrepresentation consists of or includes a failure to inform **Us** of any **Claim** or **Circumstance** then Exclusion 7 shall not apply provided always that:

- 1.3 there was a valid insurance in place immediately preceding the date of commencement of the **Period of Insurance** and at the time that **You** should have notified the matter; and
- 1.4 If the **Claim** or **Circumstance** should have been notified under such preceding insurance then, where this **Certificate** affords greater or wider cover than that to which **You** would have been entitled under the preceding insurance, **We** shall only be liable to indemnify **You** to the extent that you would have been entitled under the preceding insurance.

Where **We** waive any right to avoid or to decline to indemnify (however arising) then in the event that **We** in **Our** sole opinion reasonably believe that **You** have prejudiced the handling or settlement of any **Claim** then the amount payable by **Us** (including **Defence costs and expenses**) in respect of that **Claim** will be reduced by such an amount as **We** fairly and reasonably think would have been payable in the absence of such prejudice.

### 2 **Mitigation**

**You** must take all reasonable steps to avoid or reduce any **Loss** that might arise from any **Claim** or **Circumstance**.

### 3 **Subrogation**

**You** must promptly provide **Us** with all documents and information that **We** may request and provide **Us** with all assistance and co-operation that **We** may require in order to try to obtain reimbursement from any third party of any **Loss** or **Defence costs and expenses** that **We** may have to pay in relation to any **Claim** made against **You**. **We** shall be entitled to undertake in **Your** name or on **Your** behalf such steps to enforce rights against any third party as may be necessary, before or after **We** make payment under the **Certificate**.

- 4 **Waiver of subrogation against employees**  
**We** will not exercise any subrogation rights against an **Employee** of **Yours** unless the claim under this **Certificate** has been brought about or contributed to by the dishonest criminal or malicious act or omission of the **Employee** or where the **Employee** either conspired to commit or condoned a dishonest criminal or malicious act or omission.
- 5 **Recoveries**  
All money recovered from third parties, following any payment made by **Us** under this **Certificate**, shall be applied in the following order:
- 5.1 first, in reimbursement of all costs and expenses incurred by **Us** in obtaining such recovery;
  - 5.2 secondly, in reimbursement of all **Loss** borne by **You** in the event that **Your** legal liability exceeds the **Limit of Liability**;
  - 5.3 thirdly, in reimbursement of all sums paid by **Us** under this **Certificate**; and
  - 5.4 fourthly, in reimbursement of the **Excess** paid by **You**.
- 6 **Dishonesty**  
In the event that any **Claim** or **Circumstance** notified to **Us** arises directly or indirectly from any malicious, dishonest or fraudulent act or omission then **You** must take all reasonable steps to:
- 6.1 prevent any further **Loss** being incurred as a result of such malicious, dishonest or fraudulent act or omission; and
  - 6.2 recover any **Loss** (and provide **Us** with all assistance required to do so) from any person or persons who committed or condoned such malicious, dishonest or fraudulent act or omission.
- If **You** hold money that, but for the malicious, dishonest or fraudulent act or omission, would be due to any person involved then **We** shall be entitled to reduce the amount payable under this **Certificate** by an amount equal to the amount that **You** hold.
- 7 **Premium payment**  
**You** agree to pay the premium in full to **Us** within 60 days of inception of the **Period of Insurance** and that if the premium has not been so paid **We** shall have the right to cancel this **Certificate** by giving **You** 14 days' notice in writing. If **We** exercise this right then the premium payable by **You** shall be due to **Us** pro-rata for the period during which **We** have been on risk during the **Period of Insurance** unless any notification has been made in accordance with Claims Condition 1 prior to the expiry of the notice period in which case the full premium shall be due and payable.
- We** agree that if the premium due is paid in full to **Us** before the notice period expires, **Our** notice of cancellation shall be withdrawn automatically.
- 8 **Third party rights**  
**You** and **We** are the only parties to this contract and no other person or party has any rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any rights under this **Certificate**, but this does not affect the ability of any third party to enforce any other right or remedy they may have.
- 9 **Assignment**  
Assignment of interest under this **Certificate** will not bind **Us** unless and until **Our** written consent is endorsed hereon.

- 10 **Document management**  
**We** may hold documents relating to this insurance and any **Claims** under it 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.
- 11 **Invalidity**  
If any provision of this **Certificate** is found to be invalid by any competent court or administrative body this will not affect the validity of any other provision in this **Certificate**.
- 12 **Governing law**  
This **Certificate** is governed by English law unless, at the commencement of the **Period of Insurance**, **You** are either:  
i) a resident of; or  
ii) a business with its registered office or principal place of business situated in Scotland, Northern Ireland, the Channel Islands or the Isle of Man, in which case the laws of that country, crown protectorate or dependency will apply.
- In the event of any dispute between us as to the meaning, effect or validity of this **Certificate** then the dispute should be referred to a sole arbitrator who shall have exclusive jurisdiction to determine the dispute. In the event that the parties fail to agree on the appointment of a particular arbitrator then an arbitrator shall be appointed by the President for the time being of the Chartered Insurance Institute.
- 13 **Indemnity to Principals**  
At **Your** request and subject always to all of the other terms and conditions of this **Certificate**, **We** will indemnify any principal with whom **You** have entered into an agreement so far as is necessary to meet the requirements of such agreement but only in respect of a claim brought against such principal by an unconnected third party and where the claim arose directly from services performed by **You**.
- 14 **Language**  
The language of **Your Certificate** and any communication throughout the duration of the **Period of Insurance** will be English.
- 15 **Notices**  
Any notice to be given under this **Certificate** must be sent by pre-paid first class post and shall be deemed to have been received:  
15.1 by **You** if it is sent to **Your** last known address or to **Your** broker; and  
15.2 by **Us** if sent to **MUM**.
- 16 **Several liability notice**  
The subscribing insurers' obligations under contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.
- 17 **Manchester Underwriting Management**  
Manchester Underwriting Management Limited acts as **Our** agent and not for **You**.

18 **Termination of Certificate for specified events**

This **Certificate** will immediately and automatically be terminated in the event of any of the following:

- 18.1 The presentation of a petition seeking the appointment of a receiver or the making of a winding up order or the appointment of an administrator over **You** or the making of a Court order to that effect;
- 18.2 The passing of a resolution for the appointment of a liquidator, receiver or administrator or on the appointment of a liquidator, receiver or administrator over any of **Your** assets;
- 18.3 the suspension by **You** of a payment of **Your** debts or the entering into a voluntary arrangement or other scheme of composition with **Your** creditors by **You** or any equivalent court application, order, appointment or arrangement in any jurisdiction in which **You** may be domiciled.

19 **Multiple Insureds**

If more than one party is entitled to indemnity under this **Certificate** then the total amount which **We** will pay in respect of any **Claim** will not exceed the amount which **We** would be liable to pay if there were only one party entitled to indemnity.

## COMPLAINTS

If **You** have any questions or concerns about **Your Certificate** or the handling of a claim you should, in the first instance, contact **MUM** or the broker where applicable. In the event that **You** remain dissatisfied and wish to make a complaint, **You** can do so at any time. Making a complaint does not affect any of **Your** legal rights.

If **Your** complaint cannot be resolved within two weeks, or if **You** have not received a response within two weeks, **You** are entitled to refer the matter to Lloyd's. Lloyd's will then conduct a full investigation of **Your** complaint and provide **You** with a written final response.

Lloyd's contact details are:

**Post:** Complaints, Lloyd's, Fidentia House, Walter Burke Way, Chatham Maritime, Chatham, Kent. ME4 4RN.

**Telephone:** +44 (0) 20 7327 5693 Fax: +44 (0) 20 7327 5225

**Email:** [complaints@lloyds.com](mailto:complaints@lloyds.com)

Details of Lloyd's complaints procedures are set out in a leaflet "Your Complaint – How We Can Help" available at [www.lloyds.com/complaints](http://www.lloyds.com/complaints) and are also available from the above address.

If **You** remain dissatisfied after Lloyd's has considered **Your** complaint, or if **You** have not received a written final response within eight weeks from the date that **MUM** received your complaint, **You** may be entitled to refer **Your** complaint to the Financial Ombudsman Service who will independently consider **Your** complaint free of charge. Their contact details are:

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

**Telephone:** (Fixed): 0800 0234567 Tel (Mobile): 0300 1239123 Tel (Outside UK): +44 (0) 20 7964 0500 Fax: +44 (0)20 7964 1001

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

**Website:** [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

Please note:

- **You** must refer **Your** complaint to the Financial Ombudsman Service within six months of the date of the final response
- The Financial Ombudsman Service will normally only consider a complaint from a business that has an annual turnover of less than 2 million Euros and fewer than 10 employees.

## COMPENSATION

### (Financial Services Compensation Scheme)

**We** are covered by the Financial Services Compensation Scheme. **You** may be entitled to compensation from the Scheme if any of **Us** is / are unable to meet **Our** obligations to you under this **Certificate**. If **You** were to be entitled to compensation from the Scheme, the level and extent of the compensation would depend on the nature of this **Certificate**. Further information about the Scheme is available from the Financial Services Compensation Scheme, 10<sup>th</sup> Floor, Beaufort House, 15 St. Botolph Street, London EC3A 7QU and on their website [www.fscs.org.uk](http://www.fscs.org.uk).

## DEFINITIONS

In this **Certificate** where the following words appear in bold type they shall have these meanings:

- Aggregate** shall mean in total for the **Period of Insurance**
- Bodily injury** shall mean any physical injury, sickness, disease, psychological injury or illness, emotional distress, shock or death (but excluding mental injury, mental anguish or shock arising from libel or slander or defamation)
- Certificate** shall mean this document and any accompanying **Schedule** and endorsements to it
- Circumstance** shall mean any circumstance, event or state of affairs which may reasonably be expected to give rise to a **Claim** against **You** or a claim for **Loss** by you of a kind that may be covered under this **Certificate**. Subject to the terms of Claims Condition 1, examples of the types of matters which **You** should notify as a **Circumstance** include but are not limited to the following:
- a. any complaint from a client about work undertaken by **You** and which cannot be resolved immediately;
  - b. any series of complaints from a client about work done by **You**;
  - c. any situation by which **You** become aware of any shortcoming in work carried out for a client (whether this is known to the client or not);
  - d. any situation in which a client, following a complaint, fails to pay monies invoiced by **You**;
  - e. any threat of a **Claim** being brought against **You**;
  - f. the discovery, or reasonable cause for suspicion, of dishonesty or fraud on the part of any current or former partner, director, member or **Employee of Yours**;
  - g. the receipt by **You** of any written demand for compensation or demand for other civil relief including non-pecuniary relief made by a third party against **You**;
  - h. any civil, arbitration or adjudication proceedings, application including any counterclaim or appeal served upon **You**;
  - i. the receipt by **You** of any communication invoking a Pre-Action Protocol
- Claim** shall mean any written or oral demand for monetary damages and/or notice in writing of any intention to commence legal proceedings against **You** and/or other relief including non-pecuniary relief and/or any civil arbitration or adjudication proceedings including counterclaim and appeal made by a third party against **You** in connection with **Your Professional Business**

<b>Connected Person</b>	shall mean <ul style="list-style-type: none"> <li>a. any business owned controlled or managed, directly or indirectly, by <b>You</b>; or</li> <li>b. any person or entity that owns, controls or manages, directly or indirectly, any part or the whole of <b>Your Professional Business</b></li> </ul>
<b>Defence costs and expenses</b>	shall mean reasonable legal costs and expenses incurred by <b>You</b> or on <b>Your</b> behalf with <b>Our</b> prior written consent in connection with the investigation, defence or settlement of any <b>Claim</b> or potential <b>Claim</b> in respect of which <b>You</b> are entitled to an indemnity under this <b>Certificate</b>
<b>Documents</b>	shall mean all: <ul style="list-style-type: none"> <li>a. documents (excluding bearer bonds, coupons, bank or currency notes or other negotiable instruments) that are <b>Your</b> property or for which <b>You</b> are responsible, and</li> <li>b. computer system records</li> </ul>
<b>Employee</b>	shall mean any person who is: <ul style="list-style-type: none"> <li>a. Employed by <b>You</b> under a contract of employment; or</li> <li>b. Employed by <b>You</b> under a training contract or as an apprentice; or</li> <li>c. Working for <b>You</b> as a locum, temporary or seasonal worker including anyone supplied by an agency or contract hire company; or</li> <li>d. working for <b>You</b> as a volunteer, including anyone working on a work experience or intern scheme or placement; or</li> <li>e. self-employed and who is not working as an independent contractor but only while that person is working directly for <b>You</b> and is under <b>Your</b> direct control and supervision</li> </ul>
<b>Excess</b>	shall mean the amount stated in the <b>Schedule</b> which shall be payable by <b>You</b> before <b>We</b> shall make any payment in respect of: <ul style="list-style-type: none"> <li>a. <b>Loss</b> payable in respect of each and every <b>Claim</b> or, in the event that any <b>Claim</b> is brought by more than one claimant, to each claimant; or</li> <li>b. any other loss suffered or cost or liability incurred by <b>You</b> in respect of which <b>You</b> may be entitled to an indemnity under this <b>Certificate's</b> Insuring Clauses; or</li> <li>c. any legal costs incurred with <b>Our</b> consent in accordance with Insuring Clauses 4, 6 or 7.</li> </ul> <p>For the avoidance of doubt the <b>Excess</b> does not apply to <b>Defence costs and expenses</b></p>
<b>Hacker</b>	shall mean any party who specifically and maliciously targets <b>You</b> and gains unauthorised access to <b>Your</b> information technology and communication systems solely by circumventing electronically the security system in place to protect against such unauthorised access
<b>Joint Venture</b>	any association or joint venture conducted with any third party

<b>Limit of Liability</b>	<p>shall mean the amount stated in the <b>Schedule</b> and which shall be the maximum amount of <b>Our</b> liability to pay:-</p> <ol style="list-style-type: none"> <li>any <b>Loss</b>; and</li> <li>any other loss suffered or cost or liability incurred by <b>You</b> in respect of which <b>You</b> may be entitled to an indemnity under this <b>Certificate's</b> Insuring Clauses</li> </ol> <p>in respect of any one claim or series of claims arising out of one originating cause or source or directly or indirectly arising from or in connection with fraud or dishonesty. In the event that a single claim or a series of claims arising out of one originating cause or source should result in <b>You</b> seeking an indemnity from <b>Us</b> under more than one of the Insuring Clauses in this <b>Certificate</b> then the <b>Limit of Liability</b> shall be reduced by an amount equal to the sum of any payments made by <b>Us</b> pursuant to all the Insuring Clauses other than Insuring Clause 5.</p>
<b>Loss</b>	shall mean in the context of any <b>Claim</b> against <b>You</b> for which <b>You</b> may be entitled to an indemnity, any amount that <b>You</b> are liable to pay as a result of any <b>Claim</b> made against <b>You</b>
<b>MUM</b>	Shall mean Manchester Underwriting Management Limited whose address is Link House, St. Mary's Way, Chesham, Buckinghamshire HP5 1HR, who act as <b>Our</b> agent
<b>Period of Insurance</b>	shall mean the period stated in the <b>Schedule</b>
<b>Personal Appointments</b>	shall mean any individual appointment of a personal nature and which arises out of <b>Your Professional Business</b> including any appointment as a director, Company Secretary or officer of a company (but only in relation to the performance of <b>Your Professional Business</b> ) or as a trustee or personal representative
<b>Pollution</b>	shall mean <ol style="list-style-type: none"> <li>all pollution or contamination of buildings or land or structures or of water or the atmosphere, and</li> <li>all <b>Loss</b> damage or <b>Bodily Injury</b> directly or indirectly caused by or arising from such pollution or contamination</li> </ol>
<b>Professional Business</b>	shall mean the professional business of the kind ordinarily expected of a firm of the type specified in the <b>Schedule</b> and the <b>Proposal</b> together with any <b>Personal Appointments</b>
<b>Proposal</b>	shall mean all information supplied by <b>You</b> to <b>Us</b> by written, electronic or any other means
<b>Retroactive Date</b>	shall be the date referred to in the <b>Schedule</b>
<b>Schedule</b>	shall mean the schedule attached to this <b>Certificate</b>

<b>Trade Secret</b>	shall mean any information that derives any independent economic value whether actual or potential from not being generally known and not being readily ascertainable through proper means by other persons who can obtain economic benefit from its use or disclosure
<b>Us/Our/We</b>	the Insurer or Insurers stated in the Schedule of Insurers
<b>Virus</b>	shall mean any software or executable code that replicates itself through a computer or computer network whether called a virus, logic bomb, Trojan Horse, worm or given any other name or term
<b>You/Your</b>	shall mean the Insured named in the <b>Schedule</b> together with, individually and collectively, each of <b>Your</b> partners, members or directors including all former partners, members or directors, and all who may become partners, members or directors in <b>Your</b> firm during the <b>Period of Insurance</b> and any <b>Employee</b> .

## PRIVACY NOTICE

**Your** information will be processed by **Us** and by **MUM** in compliance with the provisions of the Data Protection Act 1998 and will be used by **Us**, and **Our** associated companies, **MUM** and its associated companies, by reinsurers for the purposes of providing reinsurance, and by all parties for the purposes of claims and complaints handling. It may be disclosed to third parties for these purposes and to regulatory bodies for the purposes of monitoring and/or enforcing the insurer's compliance with any regulatory rules/codes. **Your** information may also be used for and disclosed to third parties in connection with offering renewal, research and statistical purposes and crime prevention. It may be transferred to any country, including countries outside the European Economic Area, for any of these purposes and for systems administration. Where this happens, **We** will ensure that anyone to whom **We** pass **Your** information agrees to treat **Your** information with the same level of protection as if **We** were dealing with it.

For any questions or comments, or requests to see a copy of the information that **We** or **MUM** hold about **You**, please write to **Our** Group Data Protection Controller or to the Group Data Protection Controller at **MUM**, as appropriate.