

The General terms and conditions and the following terms and conditions all apply to this section.

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**Special definitions for this section**

<b>Business activity</b>	The activities shown in the schedule, which <b>you</b> perform in the course of <b>your business</b> .
<b>Defence costs</b>	Costs incurred with <b>our</b> prior written agreement to investigate, settle or defend a claim against <b>you</b> .
<b>You / your</b>	Also includes any person who was, is or during the <b>period of insurance</b> becomes <b>your</b> partner or director or senior manager in actual control of <b>your</b> operations.

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**What is covered**

Claims against you	<p>If during the <b>period of insurance</b>, and as a result of <b>your business activity</b> within the <b>geographical limits</b> for clients, any party brings a claim against <b>you</b> for:</p> <ol style="list-style-type: none"><li>negligence or breach of a duty of care,</li><li>negligent misstatement or negligent misrepresentation,</li><li>infringement of intellectual property rights including copyright, patent, trademark or moral rights or any act of passing-off,</li><li>defamation,</li><li>dishonesty of <b>your</b> individual partners, directors, employees or self-employed freelancers directly contracted to <b>you</b> and under <b>your</b> supervision,</li></ol> <p><b>we</b> will indemnify <b>you</b> against the sums <b>you</b> have to pay as compensation.</p> <p><b>We</b> will pay <b>defence costs</b> but <b>we</b> will not pay costs for any part of a claim not covered by this section.</p>
Avoiding a potential claim against you	<p>If <b>your</b> client has reasonable grounds for being dissatisfied with the work <b>you</b> have done, refuses to pay for any or all of it, including amounts <b>you</b> legally owe to sub-contractors at the date of the refusal, and threatens to bring a claim against <b>you</b> for more than the amount owed, it may be possible to settle the dispute with the client by <b>your</b> agreeing not to press for the disputed amount. If so, <b>we</b> will pay <b>you</b> the amount owed to <b>you</b> at that time if <b>we</b> believe that this will avoid a legitimate claim for a greater amount and <b>we</b> have given <b>our</b> prior written approval to settling in this way and for this amount.</p> <p>Alternatively, if it is not possible to reach agreement with the client on this basis but <b>we</b> still believe that by not pressing for the disputed amount <b>you</b> will avoid a legitimate claim or counterclaim for a greater amount, <b>we</b> will pay the amount owed to <b>you</b> at that time. If a claim is still brought, <b>we</b> will deal with it but <b>our</b> total payment, including what <b>we</b> have already paid <b>you</b> or on <b>your</b> behalf, will not exceed the applicable limit of indemnity shown in the schedule. <b>You</b> must return the amount <b>we</b> have paid if <b>you</b> eventually recover the debt less <b>your</b> reasonable expenses.</p> <p>Once <b>we</b> agree to make this payment <b>you</b> will assign to <b>us</b> such rights as <b>you</b> have in relation to the amounts owed to <b>you</b>.</p> <p><b>We</b> will not make any payment for any part of a claim not covered by this section.</p>
<b>Your own losses</b>	
Loss of documents	<p>If during the <b>period of insurance</b> any document, information or data of <b>yours</b> which is necessary for the performance of <b>your business activity</b> is lost, damaged or destroyed while in <b>your</b> possession, <b>we</b> will cover <b>you</b> against the cost of restoring or replacing it.</p>

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**What is not covered**

Matters specific to your business	<p>A. <b>We</b> will not make any payment for any claim or loss directly or indirectly due to:</p> <ol style="list-style-type: none"><li>any investment of, or direct advice on the investment of, client funds.</li><li>any survey or valuation of physical property or any construction or erection work, other than heating, lighting, electrical, venting and other work normally undertaken by a building services engineer.</li></ol>
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## Professional indemnity

### Policy wording

3. **your** operation or administration of any pension or employee benefit scheme or trust fund, or the sale or purchase of or dealing in any stocks, shares or securities or the misuse of any information relating to them, or **your** breach of any legislation or regulation related to these activities.
  4. **your** liability for any breach of any taxation, competition, restraint of trade or anti-trust legislation or regulation.
  5. any pollution or contamination, including noise, electromagnetic fields, radiation and radio waves.
  6. breach of confidence or misuse of any information or infringement of any right to privacy.
  7. the work of any personnel supplied by **you** to a client, unless **you** have breached a duty of care in supplying them.
  8. transmission of a computer **virus**.
  9. **your** liability under any contract which is greater than the liability **you** would have at law without the contract.
- Matters insurable elsewhere
10. the death or any bodily or mental injury or disease suffered by anyone.
  11. anyone's employment with or work for **you**, or any breach of an obligation owed by **you** as an employer or any kind of discrimination, harassment or unfair treatment.
  12. the ownership, possession or use of any land or building, any animal, any aircraft, watercraft or any motor vehicle.
  13. the loss, damage or destruction of any tangible property other than documents in **your** care, custody or control in connection with a **business activity** for a client. This clause does not apply to **your** own loss under the Loss of documents cover in **What is covered**.
  14. the loss, damage or destruction of any bearer bonds, coupons, share certificates, stamps, money or other negotiable paper.
  15. the loss or distortion of any data of **yours** held electronically.
  16. any personal liability incurred by a director or officer of **yours** when acting in that capacity or managing **your** business, or **your** breach of any fiduciary duty, or any statement, representation or information concerning **you** or **your** business contained in **your** accounts, reports or financial statements.
  17. **your** supply, manufacture, sale, installation or maintenance of any product.
- Deliberate, reckless or dishonest acts
18. any statement **you** knew, or ought reasonably to have known, was defamatory at the time of publication.
  19. any act, breach, omission or infringement **you** deliberately, spitefully, dishonestly or recklessly commit, condone or ignore. This does not apply to any claim under the dishonesty cover in **What is covered**, but **we** will not in any event provide cover to any party who actually commits, condones or ignores any dishonesty.
- Pre-existing problems
20. any shortcoming, or alleged shortcoming, in **your** work which **you** knew about, or ought reasonably to have known about, before **we** agreed to insure **you**.
- Date recognition
21. **date recognition**.
- War, terrorism and nuclear
22. **war, terrorism or nuclear risks**.
- Asbestos
23. **asbestos risks**.
- B. **We** will not make any payment for:
1. any claim brought by an insured within the definition of **you** or any party with a financial, executive or managerial interest in **you**, including any parent company or any party in which **you** have a financial, executive or managerial interest, including any subsidiary company. This does not apply to a claim based on a liability to an independent third party directly arising out of the performance of **your business activity**.

Restricted recovery rights	2. that part of any claim where <b>your</b> right of recovery is restricted by any contract.
Consequential loss	3. <b>your</b> lost profit, mark-up or liability for VAT or its equivalent.
Trading losses	4. any trading loss or trading liability including those arising from the loss of any client, account or business.
Non-compensatory payments	5. fines and contractual penalties, tax liabilities or debts, aggravated, punitive or exemplary damages, and additional damages under section 97(2) of the Copyright, Designs and Patents Act 1988 or any statutory successor to that section.
Claims outside the applicable courts	6. any claim, including arbitration, brought outside the countries set out in the schedule under applicable courts.  This applies to proceedings in the applicable courts to enforce, or which are based on, a judgment or award from outside the applicable courts.

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## How much we will pay

The most **we** will pay for the total of all claims, losses and **defence costs** is the single limit of indemnity shown in the schedule, irrespective of the number of claims. **You** must pay the **excess** shown in the schedule for each claim, including **defence costs**.

For lost, damaged or destroyed documents, information or data, **we** will pay the reasonable expenses **you** incur with **our** prior written consent in restoring or replacing them.

Paying out the limit of indemnity

At any stage of a claim **we** can pay **you** the applicable limit of indemnity or what remains after any earlier payment from that limit. This includes **defence costs** already incurred at the date of **our** payment. **We** will then have no further liability for any claim, loss or costs.

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## Your obligations

If a problem arises

**We** will not make any payment under this section:

1. unless **you** notify **us** promptly of the following within the **period of insurance** or at the latest within 14 days after it expires for any problem **you** first become aware of in the seven days before expiry:
  - a. **your** first awareness of a shortcoming in **your** work for a client which is likely to lead to a claim against **you**. This includes any criticism of **your** work even though regarded by **you** as unjustifiable.  
  
If **we** accept **your** notification **we** will regard any subsequent claim as notified to this insurance.
  - b. any claim or threatened claim against **you**.
  - c. **your** discovery, or the existence of reasonable grounds for **your** suspicion, that any partner, director, employee or self-employed freelancer has acted dishonestly.
  - d. **your** discovery that any document, information or data of **yours** has been lost, damaged or destroyed.
2. if, when dealing with **your** client or a third party, **you** admit that **you** are liable for what has happened or make any offer, deal or payment, unless **you** have **our** prior written agreement. **You** must also not reveal the amount of cover available under this insurance, unless **you** had to give these details in negotiating a contract with **your** client or have **our** prior written agreement.

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## Control of defence

**We** have the right, but not the obligation, to take control of and conduct in **your** name, the investigation, settlement or defence of any claim. If **we** think it necessary **we** will appoint an adjuster, solicitor or any other appropriate person to deal with the claim. **We** may appoint **your** own solicitor but on a similar fee basis as **our** solicitor and only for work done with **our** prior written approval. Proceedings will only be defended if there is a reasonable prospect of success and taking into account the commercial considerations of the costs of defence.