

Accountants

This is a 'claims made' insurance

This insurance covers only claims or losses notified to the Company during the Period of Insurance

Professional Indemnity Insurance

- 1 The Company will indemnify the Insured against claims first made against the Insured and notified to the Company during the Period of Insurance in respect of any civil liability (including liability for claimant's costs and expenses) incurred in connection with the conduct of any Accountancy Practice carried on by or on behalf of the Insured or the Predecessors
- 2 The Company will indemnify the Insured against any loss caused by any dishonest or fraudulent act or omission of any former or current partner director or Employee in connection with the Accountancy Practice and discovered and notified during any Period of Insurance
- 3 **Loss of or damage to Documents**
The Company will in the event of loss of or damage to Documents occurring in the conduct of any Accountancy Practice and advised to the Company during any Period of Insurance indemnify the Insured in respect of all costs and expenses reasonably incurred by the Insured in replacing or restoring Documents

Provided that

- (A) such loss or damage is sustained while the Documents are either in transit or in the custody of the Insured or of any person to whom the Insured has entrusted them
- (B) where Documents are in electronic format the Insured can demonstrate to the reasonable satisfaction of the Company that the Insured had in place sufficient and proper procedures for the security and the daily back-up of Documents

Limit of Indemnity applying to Insurance Clauses 1-3

The liability of the Company shall not exceed the Limit of Indemnity specified in the Schedule

Provided that where the Company is liable to indemnify more than one person firm company or body the total amount of indemnity payable under this insurance shall not exceed the Limit of Indemnity

All claims attributable to the same act error or omission or series of acts errors or omissions consequent upon or attributable to the same original cause or source will be regarded as one claim

- 4 **Compensation for court attendance**
In the event of the legal advisers acting on behalf of the Insured with the consent of the Company requiring any of the Insured to attend court as a witness in connection with a claim made against the Insured and notified under this insurance the Company will provide compensation at the following rates for each day on which attendance is required
 - (A) Any principal partner or director of the Insured £200
 - (B) Any Employee £100

Other costs

The Company will in addition pay all other costs and expenses (other than costs incurred in accordance with Condition 4(C)) which are incurred by the Company or by the Insured with the Company's written consent in connection with any claim made against the Insured and notified under this insurance

Provided that if the amount of such claim exceeds the amount available under this insurance the liability of the Company for other costs and expenses shall be only that proportion which the amount available bears to the total amount payable to dispose of such claim

The Insured's Contribution shall not apply to Other costs

Exclusions

The Company shall not be liable in respect of

- 1 the Insured's Contribution
- 2 any liability arising out of death or bodily injury
- 3 any claim for loss of or damage to property except
 - (A) as provided for in Insurance Clauses 2 or 3
 - (B) in connection with any civil liability incurred in respect of loss of or damage to Documents
- 4 any claim arising out of or in connection with any trading losses or liabilities or any debts incurred by any business managed by or carried on by the Insured
- 5 the consequence of any circumstance
 - (A) notified under any insurance which was in force prior to the inception of this insuranceor
 - (B) known to the Insured at the inception of this insurance which might reasonably be expected to produce a claim
- 6 any claim incurred by the giving of any express or implied warranty or guarantee relating to the financial return of any investment or portfolio of investments
- 7
 - (A) 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 any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from
 - (1) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - (2) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
 - (B) loss destruction or damage directly occasioned by pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds
- 8 any claim arising from an agreement by the Insured to pay penalties or liquidated damages in so far as liability under such agreement exceeds the amount of the Insured's liability in the absence of such agreement

- 9 any claim arising from any breach of any obligation owed by the Insured as employer to any Employee or former employee
- 10 any claim under Insurance Clause 2 in the event of the Insured's failure to comply with the system declared in the original proposal for the insurance or any subsequent renewal declaration relating to fidelity
- 11
 - (A) damages or other monetary awards judgements or negotiated settlements claimant's costs and expenses and other costs and expenses connected with or arising out of any claim made or suit brought against the Insured before any arbitrator tribunal or Court in the United States of America its territories and possessions or Canada
 - (B) the enforcement upholding or registration against the Insured by any arbitrator tribunal or Court outside the United States of America its territories and possessions or Canada of any damages or other monetary awards judgements or negotiated settlements claimant's costs and expenses and other costs and expenses connected with or arising out of any claim made or suit brought against the Insured before any arbitrator tribunal or Court of the United States of America its territories and possessions or Canada
- 12 any costs or expenses in respect of loss of or damage to Documents arising directly or indirectly from
 - (A) the transmission or impact of any Virus
 - (B) unauthorised access to a System
- 13 any claim arising directly or indirectly out of War Risks or Terrorism
- 14 The Company shall not be liable to indemnify the Insured against any claim or claims based upon or arising out of or relating directly or indirectly to or in consequence of or in any way involving seepage pollution or contamination of any kind

Interpretations

For the purposes of Professional Indemnity Insurance

- 1 **The Insured**
the Insured as named in the Schedule The following will be indemnified in like manner to the Insured in respect of claims arising out of the conduct of the Accountancy Practice or that of the Predecessors provided that each shall as though the Insured observe and be subject to the terms of this insurance so far as they can apply
 - (A) any current partner or former partner of the Insured or if deceased incapacitated Insolvent or bankrupt the legal representatives thereof in respect of civil liability incurred by such current partner or former partner
 - (B) at the Insured's request any Employee or if deceased incapacitated insolvent or bankrupt the legal representatives thereof in respect of civil liability incurred by such Employee
- 2 **Accountancy Practice**
the provision of advice and services by or on behalf of the Insured including those activities authorised by the Association of Accounting Technicians
- 3 **Predecessors**
any person practice or other firm to which the Insured has succeeded

- 4 Employee**
any person including any trainee or consultant under a contract of service with the Insured or the Predecessors at the time of any act or omission giving rise to a claim against the Insured
- 5 Documents**
all
(A) documents (excluding bearer bonds coupons bank or currency notes or other negotiable instruments)
(B) computer systems records
the property of the Insured or for which the Insured is responsible
- 6 Insured's Contribution**
the amount for which the Insured is responsible under Insurance Clauses 1 and 2 of this insurance in respect of any one claim (other than any claim for libel or slander)
All claims attributable to the same act error or omission or series of acts errors or omissions consequent upon or attributable to the same original cause or source will be regarded as one claim
- 7 System**
includes computers other computing and electronic equipment linked to computer hardware electronic data processing equipment Microchips and anything which relies on a Microchip for any part of its operation and includes for the avoidance of doubt any computer installation
- 9 Microchip**
means a unit of packaged computer circuitry manufactured in small scale and made for program logic and/or computer memory purposes and expressly including integrated circuits and microcontrollers
- 10 Virus**
means programming code or series of instructions designed to achieve an unexpected unauthorised and/or undesirable effect or operation when loaded onto a System transmitted between Systems by transfer between computer systems via networks extranets internet or electronic mail or attachments thereto or via floppy diskettes or CD-ROMs or otherwise and whether involving self replication or not
- 11 War Risks**
shall mean war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power
- 12 Terrorism**
shall mean an act of any person acting on behalf of or in connection with any individual or organisation which carries out activities directed towards the overthrowing or influencing by force or violence of Her Majesty's government in the United Kingdom or any government de jure or de facto

Renewal Procedure

Prior to Renewal Date each year the Company will request the Insured to complete a renewal declaration form

The renewal premium (and if applicable any adjustment of premium for the past year) will be calculated on the information provided by the Insured

Renewal will not be invited unless a satisfactory declaration is received by the Company prior to Renewal Date Failure to submit a renewal declaration form prior to renewal will cause this insurance to be lapsed from the Renewal Date

Special Benefits

- 1 In the event of the Company being entitled to avoid this insurance from inception or from the time of any variation in cover (including at renewal) the Company may at its discretion maintain this insurance in full force but exclude the consequences of any matter which ought to have been disclosed at inception or at the time of any variation in cover (including at renewal)

- 2 In the event of non-disclosure or misrepresentation at any renewal the Company will waive its rights to avoid this insurance provided that
 - (A) the Insured is able to establish to the satisfaction of the Company that such non-disclosure or misrepresentation was innocent and free from any fraudulent conduct or intent to deceive
 - (B) the Premium and terms shall be adjusted at the discretion of the Company to those which would have applied had such circumstances been disclosed
 - (C) where the Insured should have notified during a preceding Period of Insurance either a claim made against the Insured or circumstances which could give rise to a claim and the indemnity or cover to which the Insured would have been entitled was in any way more restricted than that provided at the date of notification the Company shall be liable only to the extent applicable during such preceding Period of Insurance

For the purposes of this Special Benefit this insurance shall be deemed to be a renewal of any immediately preceding Professional Indemnity policy issued by the Company under which the Insured was entitled to indemnity

- 3 The Company shall not avoid any claim on the grounds of the breach of Conditions 1 or 2 of this insurance subject to provision (C) in Special Benefit 2 but where in the opinion of the Company the Insured has prejudiced the handling or settlement of any claim the amount payable in respect of such claim (including costs and expenses) shall be reduced to such sum as in the Company's opinion would have been payable in the absence of such prejudice

Conditions

- 1 The Insured shall not admit liability for or settle any claim or incur any costs or expenses in connection therewith without the written consent of the Company which shall be entitled at its own expense at any time to take over and conduct in the name of the Insured the defence or settlement of any such claim and to receive at all times the full co-operation of the Insured for this purpose Nevertheless neither the Insured nor the Company shall be required to contest any legal proceedings unless a Queen's Counsel (to be mutually agreed upon by the Insured and the Company) shall advise that such proceedings should be contested

- 2 The Insured shall give to the Company notice in writing as soon as practicable of
 - (A) any claim made against the Insured
 - (B) the receipt of notice from any party of an intention to make a claim against the Insured
 - (C) any loss suffered by the Insured which is subject to the provisions of Insurance Clauses 2 or 3
 - (D) the discovery of reasonable cause for suspicion of dishonesty or fraud on the part of any former or current partner director or Employee of the Insured whether giving rise to a loss or claim hereunder or not

- 3 The Insured shall give to the Company notice in writing as soon as practicable of any circumstances of which the Insured shall become aware which might reasonably be expected to give rise to a claim against the Insured or loss irrespective of the Insured's views as to the validity of such claim Any such loss or claim arising from such circumstances shall be deemed to have been made in the Period of Insurance in which such notice has been given

- 4 In respect of any claim made under Insurance Clause 1 or 2 arising out of any dishonest or fraudulent act or omission on the part of any current or former partner or principal of the Insured or any Employee
 - (A) no person committing or condoning such dishonest or fraudulent act or omission shall be entitled to indemnity
 - (B) the Insured must immediately take all reasonable steps to prevent further loss
 - (C) if the Company so requests the Insured shall take all reasonable steps to effect recovery from the person committing or condoning such dishonest or fraudulent act or omission or from the legal representatives of such person
 - (D) the following will be deducted from any amount payable under this insurance
 - (1) any monies which but for such dishonest or fraudulent act or omission would be due from the Insured to the person committing or condoning such act or omission
 - (2) any monies held by the Insured and belonging to such person
 - (3) any monies recovered following action as described in (C) above
 - (E) the Company will not be liable for any claim arising from any dishonest or fraudulent act or omission committed by any person after the discovery in relation to that person of reasonable cause for suspicion of fraud or dishonesty

- 5 If at the time any claim arises under this insurance the Insured is or but for the existence of this insurance would be entitled to indemnity under any other policy or policies the Company shall not be liable except in respect of any excess beyond the amount which would have been payable under such other policy or policies had this insurance not been effected
- 6 In connection with any claim against the Insured the Company may at any time pay to the Insured the Limit of Indemnity (after deduction of any sums already paid as damages or claimant's costs and expenses in respect of such claim) or any less amount for which such claim can be settled and thereupon the Company shall relinquish the control of such claim and be under no further liability in connection therewith except for costs and expenses for which the Company may be responsible under this insurance in respect of matters prior to the date of such payment
- 7 This insurance shall be governed by and construed in accordance with the Laws of England and Wales