

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

Special definitions for this section

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

What is covered

Claims against you	<p>If during the period of insurance, and as a result of your business activity or advertising on or after the retroactive date within the geographical limits, any party brings a claim against you for:</p> <ol style="list-style-type: none">negligence or breach of a duty of care;negligent misstatement or negligent misrepresentation;infringement of intellectual property rights including copyright, trademark or moral rights or any act of passing-off;breach of confidence or misuse of any information, which is either confidential or subject to statutory restrictions on its use;defamation;dishonesty of your individual partners, directors or employees, or sub-contractors or outsourcers directly contracted to you and under your supervision;negligence or breach of a duty of care in connection with the transmission of a computer virus or a denial of service attack;any other civil liability unless excluded under What is not covered below; <p>we will indemnify you against the sums you have to pay as compensation.</p> <p>We will also pay defence costs but we will not pay costs for any part of a claim not covered by this section.</p>
Sub-contractors or outsourcers	<p>We will indemnify you against any claim falling within the scope of What is covered, Claims against you, which is brought as a result of business activity undertaken on your behalf by any sub-contractor or outsourcer.</p>
Avoiding a potential claim against you	<p>If your client has reasonable grounds for being dissatisfied with the work you have done or which has been done on your behalf, refuses to pay for any or all of it, including amounts you legally owe to sub-contractors or outsourcers at the date of the refusal, and threatens to bring a claim against you for more than the amount owed, it may be possible to settle the dispute with the client by your agreeing not to press for the disputed amount. If so, we will pay you the amount owed to you at that time if we believe that this will avoid a legitimate claim for a greater amount and we have given our 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 we still believe that by not pressing for the disputed amount you will avoid a legitimate claim or counterclaim for a greater amount, we will pay the amount owed to you at that time. If a claim is still brought, we will deal with it but our total payment, including what we have already paid you or on your behalf, will not exceed the applicable limit of indemnity shown in the schedule. You must return the amount we have paid if you eventually recover the debt less your reasonable expenses.</p>

Once **we** agree to make this payment **you** will assign to **us** such rights as **you** have in relation to the amounts owed to **you**.

We will not make any payment for any part of a claim not covered by this section.

Your own losses

Dishonesty of your employees, sub-contractors and outsourcers

If during the **period of insurance**, and in the performance of **your business activity** within the **geographical limits**, **you** discover a loss from the dishonesty of **your** employees, or sub-contractors or outsourcers directly contracted to **you** and under **your** supervision, where there was a clear intention to cause **you** loss or damage and to obtain a personal financial gain over and above any salary, bonus or commission, **we** will indemnify **you** against **your** direct financial loss provided that the loss was suffered on or after the **retroactive date**.

Loss of documents

If during the **period of insurance** any document, information or data of **yours** which is necessary for the performance of **your business activity** is lost, damaged or destroyed while in **your** possession, **we** will pay the reasonable expenses **you** incur with **our** prior written consent in restoring or replacing it. The most **we** will pay for the total of all such expenses is the relevant amount stated in the schedule.

Infringement of your copyright

If **you** discover during the **period of insurance** that someone has infringed any copyright **you** own in work **you** have created in the performance of **your business activity**, **we** will pay **your** legal costs incurred with **our** prior written consent in pursuing a claim for the infringement, provided that **we** are satisfied that **your** claim has a reasonable chance of success and **you** do not settle the claim without **our** approval.

If the claim is settled or finally determined on the basis that **you** are entitled to:

- a. payment of **your** own costs; and/or
- b. payment of any damages or compensation or ongoing royalties or licence fees; and/or
- c. any injunction, undertaking or non-financial relief;

we will be entitled to reimbursement of any legal costs **we** have paid on **your** behalf from any payment **you** receive from the opponent.

Additional cover

Court attendance compensation

If any person within the definition of **you**, or any employee of **yours**, has to attend court as a witness in connection with a claim against **you** covered under this section, **we** will pay **you** the amount shown in the schedule as compensation for each day or part of a day that their attendance is required by **us**. The most **we** will pay for the total of all court attendances is the amount shown in the schedule.

What is not covered

Matters specific to your business

- A. **We** will not make any payment for any claim or part of a claim or loss directly or indirectly due to:
1. any investment of, or direct advice on the investment of, client funds.
 2. any construction or erection work **you** undertake for which **you** are responsible as a building or engineering contractor.
 3. any work **you** undertake as a project manager which results in:
 - a. **you** failing to obtain and or maintain adequate financing; or
 - b. **you** failing to obtain and or maintain adequate insurance; or
 - c. any party involved in the project becoming insolvent; or
 - d. errors and or omissions on **your** part in the provision of cost estimates including where such estimates are exceeded.
 4. any 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.
 5. any liability for any breach of any taxation, competition, restraint of trade or anti-trust legislation or regulation.

Professional indemnity for interior and garden designers

Policy wording

6. any pollution or contamination, including noise, electromagnetic fields, radiation and radio waves.
 7. the work of any personnel supplied by **you** to a client, unless **you** have breached a duty of care in supplying them.
 8. any computer **virus** that was not specifically targeted to **your** system.
 9. any liability under any contract which is greater than the liability **you** would have at law without the contract.
 10. any infringement, use, or disclosure of a patent, or any use, disclosure or misappropriation of a trade secret.
 11.
 - a. **your** or **your** sub-contractor's or outsourcer's defective workmanship; or
 - b. any defective materials **you**, **your** sub-contractor or a third-party have supplied; or
 - c. **your** or **your** sub-contractor's or outsourcer's failure to supervise or inspect the work **you** or **your** sub-contractor or outsourcer have carried out.
 12. any work performed by a specialist, designer or consultant working for **you** as a sub-contractor or outsourcer where:
 - a. **you** have not taken reasonable steps to ensure that the sub-contractor or outsourcer has, and maintains, professional indemnity insurance with a reputable insurer; or
 - b. there is no written contract between **you** and the sub-contractor or outsourcer which is subject to English law, includes an arbitration clause and provides that the sub-contractor or outsourcer will indemnify **you** against any liabilities **you** incur as a result of the sub-contractor's or outsourcer's performance of the contract.
- Matters insurable elsewhere
13. anyone's employment with or work for **you**, or any breach of an obligation owed by **you** as an employer.
 14. any discrimination, harassment or unfair treatment.
 15. the death of or any bodily or mental injury or disease suffered by anyone, unless arising directly from **your** breach of a duty of care in the performance of a **business activity**.
 16. the ownership, possession or use of any land or building, any animal, any aircraft, any watercraft or any motor vehicle.
 17. the loss, damage or destruction of any tangible property:
 - a. other than documents in **your** care, custody or control in connection with a **business activity** for a client; or
 - b. unless arising directly from **your** breach of a duty of care in the performance of a **business activity**.

This clause does not apply to **your** own loss under the Loss of documents cover in **What is covered**.
 18. the loss, damage or destruction of any bearer bonds, coupons, share certificates, stamps, money or other negotiable paper.
 19. the loss or distortion of any data held electronically.
 20. any personal liability incurred by a director or officer of **yours** when acting in that capacity or managing **your** business, or a breach of any fiduciary duty, other than when performing a **business activity** for a client, or any statement, representation or information concerning **you** or **your** business contained in **your** accounts, reports or financial statements.
 21. any supply, manufacture, sale, installation or maintenance of any product unless arising as a direct result of negligent advice in the course of **your business activity**.
- Deliberate, reckless or dishonest acts
22. any statement **you** knew, or ought reasonably to have known, was defamatory at the time of publication.
 23. 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**, Claims against you, but **we** will not in any event provide cover to any party who actually commits, condones or ignores any dishonesty.

Pre-existing problems	24. anything, including any actual or alleged shortcoming in your work, likely to lead to a claim against you or your own loss, which you knew or ought reasonably to have known about before we agreed to insure you .
Date recognition	25. date recognition .
War, terrorism and nuclear	26. war, terrorism or nuclear risks .
Asbestos	27. asbestos risks .
Claims brought by a related party	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 your right of recovery is restricted by any contract.
Lost profit and VAT	3. your 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 also 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.

How much we will pay

The most **we** will pay for the total of all claims, their **defence costs**, losses and **your** legal costs is the limit of indemnity shown in the schedule, irrespective of the number of claims or losses, unless limited below or in the schedule. **You** must pay the relevant **excess** shown in the schedule.

When **we** settle a loss under **Your own losses**, Dishonesty of your employees, sub-contractors and outsourcers, **we** will deduct any sums **you** owe or the value of any property **you** hold belonging to the perpetrator.

Special limits

Aggregate limit for dishonesty, physical damage and injury

For **your** own losses arising from the dishonesty of **your** employees, sub-contractors and outsourcers and for claims brought against **you** arising from dishonesty of **your** partners, directors, employees, subcontractors or outsourcers and from the physical loss or destruction of or damage to tangible property and from the death, disease or bodily or mental injury of anyone, the most **we** will pay is a single limit of indemnity for the total of all such losses and claims and their **defence costs**. The most **we** will pay for the total of **your** own losses arising from the dishonesty of **your** employees, sub-contractors and outsourcers is further limited to the amount shown in the schedule, which amount is included within the overall aggregate limit stated in this paragraph and not in addition to it.

You must pay the relevant **excess** shown in the schedule.

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. **We** will pay **defence costs** already incurred at the date of **our** payment. **We** will then have no further liability for that claim or its **defence costs**.

Your obligations

- If a problem arises
1. **We** will not make any payment under this section 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 anything, including any actual or alleged shortcoming in **your** work, 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, sub-contractor or outsourcer has acted dishonestly.
 2. When dealing with **your** client or a third-party, **you** must not admit that **you** are liable for what has happened or make any offer, deal or payment, unless **you** have **our** prior written agreement. If **you** do, **we** may reduce any payment **we** make under this **policy** by an amount equal to the detriment **we** have suffered as a result.

Control of defence

This is a duty to defend section. This means that **we** have the right and duty to defend **you** against any claim or part of a claim brought against **you** which is covered by this section and which **we** consider **you** have reasonable prospects of successfully defending.

If **we** do not consider that **you** have reasonable prospects of defending a claim or part of a claim **we** have the right but not the obligation to take control of and conduct in **your** name, the investigation, settlement or defence of the claim or part of the claim. Proceedings will only be defended taking into account the commercial considerations of the costs of defence. **We** may request that an opinion be obtained from a mutually agreed Queen's Counsel, or equivalent in a different jurisdiction, as to the prospects of **you** successfully defending a claim or part of a claim. Such opinion shall be binding on **you** and **us**. The costs of obtaining such opinion shall be met by **us**.

- Appointment of legal representation
- If a covered or partially covered claim is brought against **you**, then **we** have the right to appoint suitably qualified legal representation to defend **you**. **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.
- Partially covered claims
- If a claim which is only partially covered by this section is brought against **you**, amounts relating to the non-covered parts of the claim will be deducted from **our** final settlement. **We** and **you** agree to use best efforts to determine a fair allocation of covered and non-covered parts of any claim. If **you** and **we** cannot agree on a fair allocation, **you** and **we** agree to refer any such dispute to a single arbitrator in accordance with the Arbitration Act then in force.
- Payment of full limit of indemnity
- We** have no duty to defend **you** against any claim where **we** pay **you** the applicable limit of indemnity as described in **How much we will pay**, Paying out the limit of indemnity.
- Payment of excess
- Our** duty to make any payment under this section arises only after the applicable **excess** is fully paid. The **excess** will only be eroded by the covered parts of a claim.