

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

Special definitions for this section

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: <ul style="list-style-type: none">a. 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;b. any person who the Institute of Chartered Accountants declares to be an 'alternate' for the purpose of performing a business activity.

What is covered

Claims against you	<p>If during the period of insurance, and as a result of your business activity on or after the retroactive date within the geographical limits for clients, any party brings a claim against you for:</p> <ul style="list-style-type: none">a. negligence or breach of a duty of care;b. negligent misstatement or negligent misrepresentation;c. infringement of intellectual property rights including copyright, patent, trademark or moral rights or any act of passing-off;d. breach of confidence or misuse of any information, which is either confidential or subject to statutory restrictions on its use;e. Defamation;f. dishonesty of your individual partners, directors, employees or self-employed freelancers directly contracted to you and under your supervision;g. 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>
Avoiding a potential claim against you	<p>If your client has reasonable grounds for being dissatisfied with the work you have done, refuses to pay for any or all of it, including amounts you legally owe to sub-contractors 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> <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.</p> <p>We will not make any payment for any part of a claim not covered by this section.</p>

Your own losses

Losses from dishonesty

If during the **period of insurance**, and in the performance of **your business activity** within the **geographical limits**, **you** suffer a loss from the dishonesty of **your** employees or self-employed freelancers 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 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 cover **you** against the cost of restoring or replacing it.

What is not covered

Matters specific to your business

- A. **We** will not make any payment for any claim or loss directly or indirectly due to:
1. any investment of, or direct advice on the investment of, client funds.
 2. any activities excluded from the definition of Investment Business as issued by the Institute of Chartered Accountants in their Investment Business Regulations 1st July 1997 or any successor to those regulations.
 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 relating to these activities.
 4. **your** breach of any taxation, competition, restraint of trade or anti-trust legislation or regulation relative to **your** own business.
 5. any pollution or contamination, including noise, electromagnetic fields, radiation and radio waves.
 6. transmission of a computer **virus**.
 7. **your** liability under any contract which is greater than the liability **you** would have at law without the contract.

Matters insurable elsewhere

8. the death 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**.
9. 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.
10. the ownership, possession or use of any land or building, any animal, any aircraft, watercraft or any motor vehicle.
11. 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**.

12. the loss, damage or destruction of any bearer bonds, coupons, share certificates, stamps, money or other negotiable paper.
13. the loss or distortion of any data held electronically.
14. 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, 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.
15. **your** supply, manufacture, sale, installation or maintenance of any product.
16. any statement **you** knew, or ought reasonably to have known, was defamatory at the time of publication.

Deliberate, reckless or dishonest acts

Professional indemnity for chartered accountants

Policy wording

Pre-existing problems	17. any act, breach, omission or infringement you deliberately, spitefully, dishonestly or recklessly commit, condone or ignore. This does not apply to any claim or your own loss 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.
Date recognition	18. 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 , and which does not fall within the terms of the special institute conditions.
War and nuclear	19. date recognition .
Claims brought by a related party	20. war or nuclear risks .
Restricted recovery rights	B. We will not make any payment for:
Other losses	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 .
Non-compensatory payments	2. that part of any claim where your right of recovery is restricted by any contract.
Claims outside the applicable courts	3. your lost profit, mark-up or liability for VAT or its equivalent.
Related business in North America	4. any trading loss or trading liability including those arising from the loss of any client, account or business.
Special limits	5. fines and contractual penalties, 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.
How much we will pay	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.
Special limits	7. any claims, including arbitration, arising from the business of a parent, subsidiary, associated company or related partnership of yours whose principal place of business is in the United States of America or Canada.
Special limits	8. any activities you perform in the United States of America or Canada.

How much we will pay

We will pay up to the limit of indemnity shown in the schedule unless limited below. **We** will also pay for **defence costs**. However, if a payment greater than the limit of indemnity has to be made for a claim **our** liability for **defence costs** will be limited to the same proportion that the limit of indemnity bears to the amount paid. **You** must pay the relevant **excess** shown in the schedule.

When **we** settle **your** own losses from dishonesty, **we** will deduct any sums **you** owe or the value of any property **you** hold belonging to the perpetrator.

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.

All claims and losses which arise from the same original cause, a single source or a repeated or continuing shortcoming in **your** work will be regarded as one claim. This includes such claims and losses arising after, as well as during, the **period of insurance**.

Special limits

For claims and **your** own losses arising from dishonesty 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 claims, their **defence costs** and **your** own losses. **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 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. 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 section by an amount equal to the detriment **we** have suffered as a result.

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.

Special institute conditions

General condition 1, Basis of insurance, of the General terms and conditions states that all facts and matters which might be relevant to **our** consideration of **your** proposal must be disclosed and all representations made to **us** must be true, otherwise **we** are entitled to treat this insurance as if it had never existed.

We will not do this if **you** satisfy **us** that the alleged misrepresentation or failure to disclose was innocent and not intended to mislead **us**.

Where the material matter is a claim or shortcoming in **your** work or a loss which should have been notified under an earlier insurance, **we** will cover **you** either on the basis of this insurance or that in force when the matter should have been notified, whichever gives the more restrictive cover.

If **you** have breached any of **your** obligations to **us** and as a result **you** have prejudiced the handling, settlement or investigation of any claim or loss, **we** will only pay as much as **we** would have paid under this insurance had the prejudice not taken place.

If there is any dispute between **you** and **us** about these Special Institute conditions it will be referred to the President of the Institute of Chartered Accountants (or the President's nominee) whose decision will be final.

These Special Institute conditions will not apply and **we** will not be liable to make any payment under this insurance if someone has taken legal control of **your** business or affairs on **your** death, incapacity, insolvency or financial difficulty and has breached any of **your** obligations under this insurance and the breach is either intentional or shows a deliberate or reckless disregard for **our** interests.



Professional indemnity for chartered accountants

Policy wording

Institute of Chartered Accountants difference in conditions

If the cover given by this insurance is less favourable to **you** than the Institute of Chartered Accountants' approved wording in force at the inception of this **policy**, **we** will cover **you** on the same basis as the approved wording. This does not apply to the **excess** or to the premium.