

## Professional indemnity for insurance brokers and intermediaries

### Policy wording

The General terms and conditions and the following terms and conditions all apply to this section. Cover under this section is given on an each and every claim or loss basis unless otherwise specified.

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### Special definitions for this section

<b>Advertising or branding</b>	Advertising, branding, including your company name, trading name and any web domain name, publicity or promotion in or of those of <b>your</b> products or services that expressly fall within <b>your business activity</b> .
<b>Applicable courts</b>	The courts of competent jurisdiction in those countries stated as the applicable courts in the schedule.
<b>Business activity</b>	The activities stated in the schedule, which <b>you</b> perform in the course of <b>your business</b> .
<b>Client</b>	Any person or entity with whom <b>you</b> have engaged or contracted to provide services or deliverables that expressly fall within <b>your business activity</b> .
<b>Computer or digital technology</b>	Any <b>programs</b> , computer network, hardware, software, operational technology, internet-connected device, network-connected device, electronic device, information technology, communications system, including but not limited to any internet-of-things devices, email system, intranet, extranet, website or cloud computing services.
<b>Computer or digital technology error</b>	Any negligent act, error or omission by anyone in the: <ol style="list-style-type: none"> <li>1. creation, handling, entry, modification or maintenance of; or</li> <li>2. on-going operation, maintenance (including but not limited to installation, upgrading or patching) or development of,</li> </ol> any <b>computer or digital technology</b> .
<b>Cyber attack</b>	Any digital attack or interference, whether by a <b>hacker</b> or otherwise, designed to: <ol style="list-style-type: none"> <li>1. gain access to;</li> <li>2. extract information from;</li> <li>3. disrupt access to or the operation of; or</li> <li>4. cause damage to:</li> </ol> any data or <b>computer or digital technology</b> , including but not limited to any: <ol style="list-style-type: none"> <li>a. <b>programs</b> designed to damage, disrupt, extract data from, or gain access to any data or <b>computer or digital technology</b> including, but not limited to, malware, wipers, worms, trojans, rootkits, spyware, dishonest adware, crimeware, ransomware, crypto-jacking and other malicious software or viruses; or</li> <li>b. denial of service attack or distributed denial of service attack.</li> </ol>
<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>Hacker</b>	Anyone, including an employee of <b>you</b> , who gains unauthorised access to or unauthorised use of any: <ol style="list-style-type: none"> <li>1. <b>computer or digital technology</b>; or</li> </ol>

2. data held electronically by **you** or on **your** behalf.

**Personal data**

Any information about an individually identifiable natural person, including any information that identifies, relates to, describes, is reasonably capable of being associated with, or could reasonably be linked, directly or indirectly, with a particular individual, including but not limited to any information protected by the Data Protection Act 2018, General Data Protection Regulation (EU) 2016/679, or any related, similar or successor legislation or regulation in any jurisdiction.

**Pollution**

Any pollution or contamination, including noise, electromagnetic fields, radiation and radio waves.

**Retroactive date**

The date stated as the retroactive date in the schedule.

**Social engineering communication**

Any request directed to **you** or someone on **your** behalf by a person improperly seeking to obtain possession or the transfer to a third-party of virtual currency, money, securities, data or property that such person or third-party is not entitled to.

**You/your**

Also includes:

- a. any senior person who was, is or during the **period of insurance** becomes **your** partner or director or senior manager in actual control of **your** operations; and
- b. any person who was, is or during the **period of insurance** becomes **your** appointed representative (as defined in the glossary to the Financial Conduct Authority handbook) while acting within the scope of his or her appointment, but such person is included only to the extent that **you** are responsible for his or her conduct under the Financial Conduct Authority's rules.

**What is covered**

A.

**Claims against you**

If during the **period of insurance**, and as a result of **your business activity** for a **client** on or after the **retroactive date** within the **geographical limits** for **clients**, any party:

Civil liability

- a. brings a claim against **you** for any civil liability, including any civil liability for which **you** are responsible arising from the **business activity** of any business **you** acquired before the **period of insurance**; or
- b. refers or threatens to refer any complaint arising directly from **your** breach of a duty of care, to any ombudsman;

unless excluded under **What is not covered** below, **we** will indemnify **you** against the sums **you** have to pay as compensation, including any liability for claimants' legal costs and expenses.

**We** will also pay **defence costs**, including the cost of representing **you** before the Financial Conduct Authority or any other regulatory body for any disciplinary complaint which may lead to a claim against **you**. **We** will not pay costs for any part of a claim not covered by this section and **we** will not pay costs for any claim referred to an ombudsman.

B.

Advertising claims

If during the **period of insurance**, and as a result of **your advertising or branding** on or after the **retroactive date** within the **geographical limits**, any party brings a claim, including any injunctive proceedings, against **you** for:

1. infringement of copyright or moral rights; or
2. defamation,

unless excluded under **What is not covered** below, **we** will indemnify **you** against the sums **you** have to pay as compensation, including any liability for claimants' legal costs and expenses.

**We** will also pay **defence costs** but **we** will not pay costs for any part of a claim not covered by this section.

**Your own losses**

Loss of documents      If during the **period of insurance** any tangible document of **yours** which is necessary for the performance of **your business activity** is physically lost, damaged or destroyed while in **your** possession, **we** will pay the reasonable expenses **you** incur with **our** prior written agreement 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.

## Additional cover

Court attendance compensation      If any person within the definition of **you** or any employee of **yours**, other than any person who was, is or during the **period of insurance** becomes **your** appointed representative, has to attend court as a witness in connection with a claim against **you** covered under this section, **we** will pay **you** the amount stated 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 stated in the schedule.

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## What is not covered

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| Pollution                              | A. <b>We</b> will not make any payment for any claim or part of a claim or loss directly or indirectly due to:  |
| Cyber incident                         | 1. <b>pollution.</b>  |
| Discrimination and harassment          | 2.    or contributed to by, resulting from or in connection with any: <ul style="list-style-type: none"> <li>a.    <b>cyber attack;</b></li> <li>b.    <b>hacker;</b></li> <li>c.    <b>social engineering communication;</b></li> <li>d.    any fear or threat of 2.a. to 2.c. above; or</li> <li>e.    any action taken in controlling, preventing, suppressing, responding or in any way relating to 2.a. to 2.d. above.</li> </ul>    |
| Injury                                 | 3.    any discrimination, harassment or unfair treatment.   |
| Land, animals and vehicles             | 4.    the death of or any bodily or mental injury or disease suffered by anyone, unless arising directly from <b>your</b> breach of a duty of care in the performance of a <b>business activity</b> .   |
| Property damage                        | 5. <b>your</b> ownership, possession or use of any land or building, any animal, any aircraft, any watercraft or any motor vehicle.   |
| Negotiable instruments                 | 6.    the loss, damage or destruction of any tangible property unless arising directly from <b>your</b> breach of a duty of care in the performance of a <b>business activity</b> . This clause does not apply to <b>your</b> own loss under the Loss of documents cover in <b>What is covered</b> .  |
| Computer or digital technology error   | 7. <b>your</b> loss, damage or destruction of any bearer bonds, coupons, share certificates, stamps, money or other negotiable paper.   |
| Directors and officers' liability      | 8.    or contributed to by, resulting from or in connection with any <b>computer or digital technology error</b> .  |
| Product liability                      | 9.    any personal liability incurred by a director or officer of <b>yours</b> when acting in that capacity or managing <b>your business</b> , or <b>your</b> breach of any fiduciary duty, other than when performing a <b>business activity</b> for a <b>client</b> , or any statement, representation or information concerning <b>you</b> or <b>your business</b> contained in <b>your</b> accounts, reports or financial statements. |
| Defamatory statements                  | 10. <b>your</b> supply, manufacture, sale, installation or maintenance of any product.  |
| Deliberate, reckless or dishonest acts | 11. any statement <b>you</b> knew, or ought reasonably to have known, was defamatory at the time of publication.  |
|  | 12. any dishonest, fraudulent or malicious act, breach, omission or infringement committed,   |

condoned or ignored by **you**.

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| Pre-existing problems                         | 13. anything, including any actual or alleged shortcoming in <b>your</b> work, likely to lead to a claim against <b>you</b> or <b>your</b> own loss, which <b>you</b> knew or ought reasonably to have known about before <b>we</b> agreed to insure <b>you</b> .   |
| Date recognition                              | 14. <b>date recognition</b> .   |
| War, terrorism and nuclear                    | 15. or contributed to by, resulting from or in connection with any: <ul style="list-style-type: none"> <li>a. <b>terrorism</b>;</li> <li>b. <b>war</b>;</li> <li>c. <b>nuclear risks</b>;</li> <li>d. fear or threat of 15.a. to 15.c above; or</li> <li>e. any action taken in controlling preventing, suppressing, responding or in any way relating to 15.a. to 15.d. above.</li> </ul> <p>If there is any dispute between <b>you</b> and <b>us</b> over the application of clause 15.a.above, it will be for <b>you</b> to show that the clause does not apply.</p>           |
| Asbestos                                      | 16. <b>asbestos risks</b> .   |
| Contractual liability                         | 17. <b>your</b> liability under any contract which is greater than the liability <b>you</b> would have at law without the contract.   |
| Employees                                     | 18. anyone's employment with or work for <b>you</b> , or any breach of an obligation owed by <b>you</b> as an employer.   |
| Insolvency or financial difficulties          | 19. the insolvency or financial difficulties of any insurer, bank, building society, unit trust, partnership, firm or company.  |
| Unauthorised insurer or reinsurer             | 20. any business placed with any insurer or reinsurer who is not authorised to transact insurance or reinsurance business in the United Kingdom of Great Britain and Northern Ireland by the Prudential Regulation Authority or any other equivalent European regulatory body, unless <b>you</b> have informed <b>your client</b> of this and of the fact that the policy will not be protected by the Financial Services Compensation Scheme and <b>your client</b> has nevertheless given <b>you</b> written instructions to place the business with that insurer or reinsurer. |
| Market trends                                 | 21. market trends and fluctuations over which <b>you</b> have no control.   |
| Acting as an agent of a financial institution | 22. <b>your</b> acting as agent for an insurer, bank or building society.   |
| Failure to keep clients funds separate        | 23. <b>your</b> , but not <b>your</b> employees', failure to keep <b>client</b> funds in properly designated and separate <b>client</b> accounts.   |
| Completion of a proposal form                 | 24. <b>your</b> completion of a proposal form on behalf of <b>your client</b> , other than on a VDU/computer screen or where the insurer does not require the proposer's signature, unless <b>your client</b> checks the information provided and signs the declaration on the form; or <b>your</b> signing a proposal form on behalf of <b>your client</b> .   |
| Failure to account for money                  | 25. <b>your</b> failure to account for any monies received.   |
| Dishonest investment of client funds          | 26. <b>your</b> , but not <b>your</b> employees', dishonest investment of <b>client</b> funds in any business in which <b>you</b> have a financial or managerial interest.  |
| Related business in North America             | 27. any claims, including arbitration, arising from the business of a parent, subsidiary, associated company or related partnership of <b>yours</b> whose principal place of business is in the United States of America or Canada.   |
|   | 28. any activities <b>you</b> perform in the United States of America or Canada.  |

Infrastructure failure	29. contributed to by, resulting from or in connection with any failure or interruption of service provided by an internet service provider, telecommunications provider, utilities supplier or other infrastructure provider.
Trademarks and false advertising	30. any actual or alleged: <ul style="list-style-type: none"> <li>a. act of passing-off, unauthorised use of another's trademark, name or logo; or</li> <li>b. false or misleading advertising,</li> </ul> in relation to <b>your advertising or branding</b> . B. <b>We</b> will not make any payment for:
Claims brought by a related party	1. any claim brought by an insured within the definition of <b>you</b> or any party with a financial, executive or managerial interest in <b>you</b> , including any parent company or any party in which <b>you</b> 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 <b>your business activity</b> .
Lost profit and VAT	2. <b>your</b> lost profit, mark-up or liability for VAT or its equivalent.
Trading losses	3. any trading loss or trading liability including those arising from the loss of any <b>client</b> , account or business.
Non-compensatory payments	4. 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.
Claims outside the applicable courts	5. any claim, including arbitration, brought outside the <b>applicable courts</b> . This applies to proceedings in the <b>applicable courts</b> to enforce, or which are based on, a judgment or award from outside the <b>applicable courts</b> .
Personal data claims	6. any claim or loss relating to the actual or alleged processing, acquisition, storage, destruction, erasure, loss, alteration, disclosure, use of or access to <b>personal data</b> .  However, this does not apply to any covered claim or part of a covered claim made against <b>you</b> by a <b>client</b> which arises directly from <b>your</b> performance of a <b>business activity</b> for that <b>client</b> and which is not otherwise excluded by <b>What is not covered, A. 6. Cyber incidents</b> above. The most we will pay in relation to any such covered claim(s) is the Special Limit stated in the schedule for personal data claims.

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**How much we will pay**

**We** will pay up to the limit of indemnity for this section stated in the schedule unless limited below or otherwise in the schedule. **We** will also pay for **defence costs**. However, if a payment greater than the applicable 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** stated in the schedule.

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**

Personal data claims

The most **we** will pay for the total of all claims or parts of claims against **you** by a **client** including **defence costs**, which arise directly from **your** performance of a **business activity** for that **client** relating to **personal data** is the relevant amount stated in the schedule, which is included within, and not in addition to, the overall limit of indemnity for this section.

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

Ombudsman awards	<b>We</b> will pay up to the amount stated in the schedule for each ombudsman award provided that the ombudsman has operated within any terms of reference or rules applicable to their appointment, but the most <b>we</b> will pay for the total of all ombudsman awards and claims involving <b>your</b> own losses is a single limit of indemnity. <b>You</b> must pay the relevant <b>excess</b> stated in the schedule.
Loss of documents	For lost, damaged or destroyed documents, information, data, artwork or models, <b>we</b> will pay the reasonable expenses <b>you</b> incur with <b>our</b> prior written agreement in restoring or replacing them. The most <b>we</b> will pay for the total of all such expenses is the relevant amount stated in the schedule. <b>You</b> must pay the relevant <b>excess</b> stated in the schedule.
<b>Paying out the limit of indemnity</b>	At any stage of a claim <b>we</b> can pay <b>you</b> the applicable limit of indemnity or what remains after any earlier payment from that limit. <b>We</b> will pay <b>defence costs</b> already incurred at the date of <b>our</b> payment. <b>We</b> will then have no further liability for that claim or its <b>defence costs</b> .

## Your obligations

If a problem arises	<ol style="list-style-type: none"> <li>1. <b>We</b> will not make any payment under this section unless <b>you</b> notify <b>us</b> of the following promptly and within the <b>period of insurance</b>, or at the latest within 14 days after it expires for any problem <b>you</b> first become aware of in the seven days before expiry:             <ol style="list-style-type: none"> <li>a. <b>your</b> first awareness of anything, including any actual or alleged shortcoming in <b>your</b> work, which is likely to lead to a claim against <b>you</b>. This includes any criticism of <b>your</b> work even though regarded by <b>you</b> as unjustifiable.  If <b>we</b> accept <b>your</b> notification <b>we</b> will regard any subsequent claim as notified to this insurance;</li> <li>b. any claim or threatened claim against <b>you</b> or any complaint to an ombudsman or regulatory body;</li> <li>c. <b>your</b> discovery, or the existence of reasonable grounds for <b>your</b> suspicion, that any employee has acted dishonestly.</li> </ol> </li> <li>2. When dealing with <b>your client</b> or a third-party, <b>you</b> must not admit that <b>you</b> are liable for what has happened or make any offer, deal or payment, unless <b>you</b> have <b>our</b> prior written agreement. If <b>you</b> do, <b>we</b> may reduce any payment <b>we</b> make under this <b>policy</b> by an amount equal to the detriment <b>we</b> have suffered as a result.</li> </ol>
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<b>Control of defence</b>	<p><b>We</b> have the right, but not the obligation, to take control of and conduct in <b>your</b> name the investigation, settlement or defence of any or any part of a claim.</p> <p><b>You</b> must give <b>us</b> the information and co-operation which <b>we</b> may reasonably require and take all reasonable steps to defend any claim. <b>You</b> should not do anything which may prejudice <b>our</b> position.</p>
Appointment of legal representation	<b>We</b> have the right, but not the obligation, to select and appoint an adjuster, lawyer or any other appropriate person of <b>our</b> choosing to deal with the claim.
Partially covered claims	<b>We</b> will not pay any part of a claim and its associated costs which is not covered by this section. If a claim is made which is not wholly covered by this section or is brought against <b>you</b> and any other party who is not covered under this section, then at the outset of the claim, <b>we</b> and <b>you</b> agree to use best efforts to determine a fair allocation of covered and non-covered parts of any claim or associated costs, including <b>defence costs</b> on the basis of the relative legal and financial exposures.
Advancement of defence costs	<b>We</b> will pay <b>defence costs</b> covered by this section on an ongoing basis prior to the final resolution of any claim. However, <b>we</b> will not pay any <b>defence costs</b> in connection with any claim or part of a claim which is not covered under this section. <b>You</b> must reimburse <b>us</b> for any <b>defence costs</b> paid where it is determined there is no entitlement under this section.
Payment of full limit of indemnity	<b>We</b> have no further duty to indemnify <b>you</b> against any claim where <b>we</b> pay <b>you</b> the applicable limit of indemnity as described in <b>How much we will pay</b> , 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.

Disputes

For the purposes of **Control of defence** in this section of the **policy**, **General condition 14**, Arbitration, within the **General terms and conditions** is amended to read as follows:

Any dispute as to whether to settle or to continue the defence of a claim or as to the fair allocation of any partially covered claim and its associated costs, will be referred to a single Queen's Counsel (or equivalent in this or any other jurisdiction) to be mutually agreed or in the absence of such agreement to be nominated by the President of the Law Society of England & Wales. The opinion of such Queen's Counsel shall be binding on **you** and **us** in relation to matters referred under this clause. The costs of such opinion shall be met by **us**.

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**Special condition**

General condition 7. Cancellation set out in the **General terms and conditions** does not apply to this section.

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**Regulatory requirements**

This section is designed to provide the insurance cover required by the Financial Conduct Authority (FCA) for professional indemnity for insurance intermediaries. If there is any dispute about the terms of this insurance, the FCA's minimum insurance requirement will take precedence over any terms in this section which are less favourable to **you**.