

## Professional indemnity for chartered accountants

### 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.

This **policy** is intended to give **you** cover in accordance with the requirements of Institute of Chartered Accountants' minimum approved policy wording. Please refer to the Institute of Chartered Accountants difference in conditions clause at the end of this section.

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### Special definitions for this section

<b>Advertising or branding</b>	Advertising, branding, including <b>your</b> 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>Authorised work</b>	Shall have the meaning given by the Probate Regulations of the <b>institute</b> , in force at the start of the <b>period of insurance</b> .
<b>Business activity</b>	Any advice given or services provided by <b>you</b> or on <b>your</b> behalf to a third-party, irrespective of whether a fee was charged, including: <ol style="list-style-type: none"> <li>the work of any individual falling within the definition of 'you' who holds any individual personal appointment, including a trustee, a personal representative, company secretary, registrar or director; and</li> <li>the activities stated in the schedule, which <b>you</b> perform in the course of <b>your business</b>.</li> </ol>
<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>creation, handling, entry, modification or maintenance of; or</li> <li>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 hacker or otherwise, designed to: <ol style="list-style-type: none"> <li>gain access to;</li> <li>extract information from;</li> <li>disrupt access to or the operation of; or</li> <li>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><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>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>yours</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> <li>2. data held electronically by <b>you</b> or on <b>your</b> behalf.</li> </ol>
<b>Institute</b>	The Institute of Chartered Accountants in England and Wales, the Institute of Chartered Accountants of Scotland or the Institute of Chartered Accountants in Ireland, as applicable to <b>you</b> .
<b>Insurance mediation work</b>	Shall have the meaning given by the Designated Professional Body (Investment Business) Handbook of the <b>institute</b> , in force at the start of the <b>period of insurance</b> .
<b>Minimum terms</b>	The Institute of Chartered Accountants' minimum approved policy wording in force at the inception of this <b>policy</b> , or if this <b>policy</b> has been continuously in force for longer than 18 months, the Institute of Chartered Accountants' minimum approved policy wording currently in force.
<b>Retroactive date</b>	The date stated as the retroactive date in the schedule.
<b>Packaged software</b>	Any software produced by a third-party that is marketed for general distribution on a wholesale or retail basis.
<b>Personal data</b>	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.
<b>Pollution</b>	Any pollution or contamination, including noise, electromagnetic fields, radiation and radio waves.
<b>Social engineering communication</b>	Any request directed to <b>you</b> or someone on <b>your</b> 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.
<b>You/your</b>	Also includes: <ol style="list-style-type: none"> <li>a. 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;</li> <li>b. any person who the <b>institute</b> declares to be an 'alternate' for the purpose of performing a <b>business activity</b>.</li> </ol>

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<b>What is covered</b>	A.
<b>Claims against you</b>	If during the <b>period of insurance</b> , and as a result of <b>your business activity</b> for a <b>client</b> on or after the <b>retroactive date</b> within the <b>geographical limits</b> for <b>clients</b> , any party brings a claim, including any injunctive proceedings, against <b>you</b> for, or arising from:
Negligence	a. negligence or breach of a duty of care;
Negligent misstatement	b. negligent misstatement or negligent misrepresentation;
Intellectual property infringement	c. infringement of intellectual property rights including copyright, patent, trademark or moral rights or any act of passing-off;
Breach of confidentiality	d. breach of confidence or misuse of any information, which is either confidential or subject to statutory restrictions on its use;
Defamation	e. defamation;

Dishonesty	f. dishonesty of <b>your</b> individual partners, directors, members or employees, or sub-contractors or outsourcers directly contracted to <b>you</b> and under <b>your</b> supervision;
Authorised work	g. <b>authorised work</b> ;
Insurance mediation work	h. <b>insurance mediation work</b> ;
Ombudsman	i. any amounts that an ombudsman requires to be paid by <b>you</b> in respect of a complaint made to the ombudsman;
Other civil liability	<p>j. any other civil liability;</p> <p>unless excluded under <b>What is not covered</b> below, <b>we</b> will indemnify <b>you</b> against the sums <b>you</b> have to pay as compensation, including any liability for claimants' legal costs and expenses.</p> <p><b>We</b> will also 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:</p> <ol style="list-style-type: none"> <li><b>your client</b> has reasonable grounds for being dissatisfied with the work <b>you</b> have done or which has been done on <b>your</b> behalf and refuses to pay for any or all of it, including amounts <b>you</b> legally owe to sub-contractors or outsourcers at the date of the refusal;</li> <li><b>your client</b> threatens to bring a claim against <b>you</b> for more than the amount owed and <b>we</b> are satisfied that the threatened claim has reasonable prospects of success; and</li> <li><b>we</b> believe that it may be possible to settle the dispute with the <b>client</b> by <b>your</b> agreeing not to press for the disputed amount;</li> </ol> <p><b>we</b> may, in <b>our</b> discretion, pay <b>you</b> the amount owed to <b>you</b> over and above the <b>excess</b>. If <b>we</b> do <b>you</b> must agree not to press <b>your client</b> for the disputed amount.</p> <p>Alternatively, if it is not possible to reach agreement with the <b>client</b> 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> may pay the amount owed to <b>you</b> at that time, over and above the <b>excess</b>.</p> <p>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 stated 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 any payment above, <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 money owed to <b>you</b> if the claim or threatened claim, or part of the claim or threatened claim, is not covered by this section.</p> <p>B.</p>
Advertising claims	<p>If during the <b>period of insurance</b>, and as a result of <b>your advertising or branding</b> on or after the <b>retroactive date</b> within the <b>geographical limits</b>, any party brings a claim, including any injunctive proceedings, against <b>you</b> for:</p> <ol style="list-style-type: none"> <li>1. infringement of copyright or moral rights; or</li> <li>2. defamation;</li> </ol> <p>unless excluded under <b>What is not covered</b> below, <b>we</b> will indemnify <b>you</b> against the sums <b>you</b> have to pay as compensation, including any liability for claimants' legal costs and expenses.</p> <p><b>We</b> will also 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>
<b>Your own losses</b>	
Loss of documents	<p>If during the <b>period of insurance</b> any tangible document of <b>yours</b> which is necessary for the performance of <b>your business activity</b> is physically lost, damaged or destroyed while in <b>your</b> possession, <b>we</b> will pay the reasonable expenses <b>you</b> incur with <b>our</b> prior written agreement in restoring or replacing it. The most <b>we</b> will pay for the total of all such expenses is the relevant amount stated in the schedule.</p>

## 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 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.

## What is not covered

### Investments

A. **We** will not make any payment for any claim or part of a claim or loss directly or indirectly due to:

### Pollution

1. any express or implied warranty or guarantee relating to the financial return of any investment or portfolio of investments.

2. **pollution**, unless arising directly from **your** breach of a duty of care in the performance of a **business activity**.

### Cyber incident

3. or contributed to by, resulting from or in connection with any:

- a. **cyber attack**;
- b. **hacker**;
- c. **social engineering communication**;
- d. any fear or threat of 3.a. to 3.c. above; or
- e. any action taken in controlling, preventing, suppressing, responding or in any way relating to 3.a. to 3.d. above.

However this exclusion does not apply to any claim arising directly from **your** actual or alleged breach of a duty of care in the performance of a **business activity**.

### Packaged software

4. any **packaged software**. This does not apply to any amendments made to **packaged software** by **you** or on **your** behalf.

### Injury

5. the death of or any bodily or mental injury or disease suffered by anyone, unless arising directly from **your** actual or alleged breach of a duty of care in the performance of a **business activity**.

### Land, buildings and vehicles

6. the ownership, possession or use of any land or building, any aircraft, any watercraft or any motor vehicle.

### Property damage

7. the physical loss, damage or destruction of any property unless arising directly from **your** actual or alleged 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**.

### Computer or digital technology error

8. or contributed to by, resulting from or in connection with any **computer or digital technology error**.

However this exclusion does not apply to any claim arising directly from **your** actual or alleged breach of a duty of care in the performance of a **business activity**.

### Directors and officers' liability

9. any personal liability incurred by any individual when acting in the capacity of a company secretary, registrar or director or a breach of any fiduciary duty, other than when performing activities for a **client** in connection with tax matters, secretarial work, share registration, financial advice to management, book-keeping, management accounting, financial investigation and reports, the negotiation and settlement of financial claims, company formations, investment advice, insurance and pension scheme advice and computer consultancy.

### Product liability

10. any supply, manufacture, sale, installation or maintenance of any product.

### Defamatory statements

11. any statement **you** knew, or ought reasonably to have known, was defamatory at the time of publication, unless arising out of **your** performance of a **business activity**.

Deliberate, reckless or dishonest acts	<p>12. any act, breach, omission or infringement admitted by <b>you</b> or that is found in a final and unappealable judgment or adjudication to have been deliberately, spitefully, dishonestly or recklessly committed, condoned or ignored:</p> <ul style="list-style-type: none"> <li>a. by <b>you</b> if <b>we</b> establish that all of <b>your</b> partners, directors, members or other principals committed, condoned or ignored such act, breach, omission or infringement; or</li> <li>b. by any person after <b>your</b> discovery or reasonable cause for suspicion of fraud or dishonesty on the part of that person.</li> </ul> <p>which is material to the amounts payable by <b>us</b>. However, <b>we</b> will not in any event provide cover to any individual who actually commits, condones or ignores any dishonesty.</p>
Pre-existing problems	<p>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 has been notified under any policy of insurance attaching prior to inception of this policy.</p> <p>However this exclusion does not apply to any claim covered under the special institute conditions below.</p>
War, terrorism and nuclear	<p>14. or contributed to by, resulting from or in connection with any:</p> <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 14.a. to 14.c. above; or</li> <li>e. any action taken in controlling preventing, suppressing, responding or in any way relating to 14.a. to 14.d. above.</li> </ul>
Contractual liability	<p>15. any liability under any contract which is greater than the liability <b>you</b> would have at law without the contract.</p>
Employees	<p>16. anyone's employment with, work for or application to work for <b>you</b>, or any breach of an obligation owed by <b>you</b> as an employer.</p>
Activities other than professional business	<p>17. any activities excluded from the definition 'professional business' under the <b>minimum terms</b>.</p>
Activities in North America	<p>18. any activities <b>you</b> perform in the United States of America or Canada.</p>
Infrastructure failure	<p>19. 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.</p> <p>However this exclusion does not apply to any claim arising directly from <b>your</b> actual or alleged breach of a duty of care in the performance of a <b>business activity</b>.</p>
Trademarks and false advertising	<p>20. any actual or alleged:</p> <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> <p>in relation to <b>your advertising or branding</b>.</p> <p>B. <b>We</b> will not make any payment for:</p>
Claims brought by a related party	<p>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>.</p>
Lost profit and VAT	<p>2. <b>your</b> lost profit, mark-up or liability for VAT or its equivalent.</p>
Trading losses	<p>3. any trading loss or trading liability including those arising from the loss of any <b>client</b>, account or business.</p>

Non-compensatory payments	4. fines and contractual penalties, <b>your</b> tax liabilities or debts, multiple, 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. This clause does not apply to any covered claim under <b>What is covered</b> A.e. or A.i..
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> .
Related business in North America	6. 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.
Personal data claims	7. 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</b> , <b>A. 3. 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.

## 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.

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

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

The most **we** will pay for each item below, unless otherwise stated in the schedule, is a single limit of indemnity, which is an aggregate limit, for the total of all claims (including their **defence costs**) brought against **you** arising from:

Dishonesty	1. the dishonesty of <b>your</b> partners, directors, members, employees, sub-contractors or outsourcers;
Property damage	2. the physical loss or destruction of or damage to tangible property; and
Injury	3. the death, disease or bodily or mental injury of anyone.

Personal data claims	The most <b>we</b> will pay for the total of all claims or parts of claims against <b>you</b> by a <b>client</b> including <b>defence costs</b> , which arise directly from <b>your</b> performance of a <b>business activity</b> for that <b>client</b> relating to <b>personal data</b> 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. <b>You</b> must pay the relevant <b>excess</b> stated in the schedule.
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## Your obligations

If a problem arises	1. <b>We</b> will not make any payment under this section unless <b>you</b> notify us: <ul style="list-style-type: none"> <li>a. as soon as reasonably practicable, and not later than the last day of the <b>period of insurance</b>, of <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.</li> </ul> <p>If <b>we</b> accept <b>your</b> notification <b>we</b> will regard any subsequent claim as notified to this insurance; and</p>
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- b. as soon as reasonably practicable, and not later than seven days after the end of the **period of insurance**, of:
      - i. any claim or threatened claim against **you**;
      - ii. **your** discovery, or the existence of reasonable grounds for **your** suspicion, that any partner, director, member, employee, sub-contractor or outsourcer has acted dishonestly;
      - iii. **your** discovery that any document 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 **policy** 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 or any part of a claim.

**You** must give **us** the information and co-operation which **we** may reasonably require and take all reasonable steps to defend any claim. **You** should not do anything which may prejudice **our** position.

Appointment of legal representation

**We** have the right, but not the obligation, to select and appoint an adjuster, lawyer or any other appropriate person of **our** choosing to deal with the claim.

Partially covered claims

**We** 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 **you** and any other party who is not covered under this section, then at the outset of the claim, **we** and **you** agree to use best efforts to determine a fair allocation of covered and non-covered parts of any claim or associated costs, including **defence costs** on the basis of the relative legal and financial exposures.

Advancement of defence costs

**We** will pay **defence costs** covered by this section on an ongoing basis prior to the final resolution of any claim. However, **we** will not pay any **defence costs** in connection with any claim or part of a claim which is not covered under this section. **You** must reimburse **us** for any **defence costs** paid where it is determined there is no entitlement under this section.

Payment of full limit of indemnity

**We** have no further duty to indemnify **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.

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 and 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**.

## Special institute conditions

1. General condition 2 allows **us** to avoid this **policy** if **you** fail to comply with **your** duty to make a fair presentation of the risk and **we** establish that **we** would not have entered into the **policy** if **you** had made a fair presentation.

**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.

2. 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 still pay the total amount of any settlement, award or loss, up to the limit of indemnity. However, **we** will be entitled to recover from **you** the amount that **we** reasonably consider would not have been paid under this insurance had the prejudice not taken place.
3. **General condition 6** is amended to read as follows:

**You** must pay the relevant premium stated in the schedule. However, **we** will not reduce any payment to a third-party if **you** do not pay the premium, or any part of the premium, to **us**.
4. If there is any dispute between **you** and **us** about these special institute conditions it will be referred to the President of the **institute** (or the President's nominee) whose decision will be final.
5. **General condition 7** is amended to read as follows:

**We** and **you** can agree in writing to cancel this **policy** by mutual consent at any time. If **we** and **you** agree to cancel the **policy**, **we** will write to **you** within seven days of us reaching an agreement to cancel the **policy**, to confirm that the **policy** will be cancelled with effect from a date not less than 30 days after such agreement. **We** will also write to the relevant **institute** notifying it of the agreement and the effective date of cancellation.

This does not affect our right to terminate the **policy** in the event of a fraudulent claim, in accordance with **our** rights at **General claims condition 3**.
6. **General claims condition 4** is amended to read as follows:

Where this **policy** provides cover for an individual or entity, and such an individual or entity (or anyone on their behalf) tries to deceive **us** by deliberately giving **us** false information or making a fraudulent claim under this **policy**, **our** rights set out in **General claims condition 3** apply only to any individual or entity that gave the false information or made the fraudulent claim.
7. 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.

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## **Institute of Chartered Accountants difference in conditions**

If the cover given by this insurance is less favourable to **you** than the **minimum terms**, **we** will cover **you** on the same basis as the **minimum terms**.

This means that if **you** would get less favourable cover under this **policy** than **you** would under the **minimum terms**, **we** will cover **you** on the same terms as the **minimum terms**. This would apply if, for example, an exclusion in this **policy** is wider than an equivalent exclusion in the **minimum terms**. If that happens, **we** will apply the more favourable exclusion in the **minimum terms**.