

**This section includes cover for your liability for the acts or omissions of anyone supplied by you to a client under contract.**

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

### Special definitions for this section

<b>Advertising</b>	Advertising, publicity, or promotion in or of <b>your</b> products or services.
<b>Business activity</b>	The activities shown in the schedule, which <b>you</b> perform in the course of <b>your business</b> .
<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>Employee</b>	<ul style="list-style-type: none"> <li>a. Any person under a contract of service with <b>you</b>;</li> <li>b. any independent person seconded to you;</li> <li>c. any person supplied by <b>you</b> to a client under contract.</li> </ul>
<b>Employment claim</b>	Any claim by any current, former or prospective <b>employee</b> or any candidate or applicant for employment for actual or alleged wrongful, unfair or constructive dismissal, discharge or termination of employment, breach of written or implied contract, employment related misrepresentation, wrongful deprivation of a career opportunity, failure to grant tenure, negligent employee evaluation, harassment, unlawful discrimination, failure to provide adequate employee procedures and policies, retaliation, defamation, invasion of privacy or any other claim arising solely as a result of the employment or non-employment by <b>you</b> .
<b>Retroactive date</b>	The date stated as the retroactive date in the schedule.
<b>You/your</b>	Also includes 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.

### What is covered

Claims against you	<p>If during the <b>period of insurance</b>, and as a result of <b>your business activity</b> or <b>advertising</b> on or after the <b>retroactive date</b> within the <b>geographical limits</b>, any party brings a claim against <b>you</b> for:</p> <ul style="list-style-type: none"> <li>a. negligence or breach of a duty of care;</li> <li>b. negligent misstatement or negligent misrepresentation;</li> <li>c. infringement of intellectual property rights including copyright, trademark or moral rights or any act of passing-off;</li> <li>d. breach of confidence or misuse of any information, which is either confidential or subject to statutory restrictions on its use;</li> <li>e. defamation;</li> <li>f. dishonesty of <b>your</b> individual partners, directors or <b>employees</b>, other than anyone carrying out services for and under the supervision of a client of <b>yours</b>;</li> <li>g. negligence or breach of a duty of care in connection with the transmission of a computer <b>virus</b> or a denial of service attack;</li> <li>h. any other civil liability unless excluded under <b>What is not covered</b> below;</li> </ul> <p><b>we</b> will indemnify <b>you</b> against the sums <b>you</b> have to pay as compensation.</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>
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Avoiding a potential claim against you

If **you** client has reasonable grounds for being dissatisfied with the work **you** have done, or the work anyone supplied by **you** to a client under contract has 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 **you** 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.

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.

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 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**, other than anyone carrying out services for and under the supervision of a client of **yours**, 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 shown in the schedule.

### Additional cover

Court attendance compensation If any person within the definition of **you** or any **employee** of **yours**, other than anyone supplied by **you** to a client under contract, 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 survey or valuation of physical property or any construction or erection work.
  3. 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 any breach of any legislation or regulation related to these activities.
  4. any liability for any breach of any taxation, competition, restraint of trade or anti-trust legislation or regulation.
  5. any pollution or contamination, including noise, electromagnetic fields, radiation and radio waves.
  6. any computer **virus** that was not specifically targeted to **your** system.
  7. any liability under any contract which is greater than the liability **you** would have at law without the contract, other than liability **you** have assumed under any contract with **your** client for acts or omissions of anyone supplied by **you** to the client under the contract.

## Professional indemnity for recruitment consultants

### Policy wording

	8.	any infringement, use, or disclosure of a patent, or any use, disclosure or misappropriation of a trade secret.
Matters insurable elsewhere	9.	the death of or any bodily or mental injury or disease suffered by anyone, unless caused directly by a breach of a duty of care in supplying anyone to a client under contract.
	10.	any <b>employment claim</b> .
	11.	the ownership, possession or use of any land or building, any animal, any aircraft, any watercraft or any motor vehicle.
	12.	the loss, damage or destruction of any tangible property: <ul style="list-style-type: none"> <li>a. other than documents in <b>your</b> care, custody or control in connection with a <b>business activity</b> for a client; or</li> <li>b. unless arising directly from <b>your</b> breach of a duty of care in the performance of a <b>business activity</b>.</li> </ul> <p>This clause does not apply to <b>your</b> own loss under the Loss of documents cover in <b>What is covered</b>.</p>
	13.	the loss or distortion of any data held electronically by <b>you</b> .
	14.	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 client, 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.
	15.	any supply, manufacture, sale, installation or maintenance of any product.
Deliberate, reckless or dishonest acts	16.	any statement <b>you</b> knew, or ought reasonably to have known, was defamatory at the time of publication.
	17.	any act, breach, omission or infringement <b>you</b> deliberately, spitefully, dishonestly or recklessly commit, condone or ignore. This does not apply to any claim under the dishonesty cover in <b>What is covered</b> , Claims against you, but <b>we</b> will not in any event provide cover to any party who actually commits, condones or ignores any dishonesty.
	18.	the dishonesty of anyone carrying out services for and under the supervision of a client of <b>yours</b> , unless <b>you</b> have breached a duty of care in supplying them.
Pre-existing problems	19.	any shortcoming in <b>your</b> work or <b>your</b> own loss which <b>you</b> knew about, or ought reasonably to have known about, before <b>we</b> agreed to insure <b>you</b> .
Date recognition	20.	<b>date recognition</b> .
War, terrorism and nuclear	21.	<b>war, terrorism or nuclear risks</b> .
Asbestos	22.	<b>asbestos risks</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> .
Restricted recovery rights	2.	that part of any claim where <b>your</b> right of recovery is restricted by any contract.
Lost profit and VAT	3.	<b>your</b> 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.	finest and contractual penalties, tax liabilities or debts, aggravated, punitive or exemplary damages.
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

**We** will pay up to the overall limit of indemnity for this section shown 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** shown in the schedule.

When **we** settle a loss under **Your own losses**, Dishonesty of your employees, **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

Aggregate limit for dishonesty, physical damage and injury

For **your** own losses arising from the dishonesty of **your employees** and for claims brought against **you** arising from the dishonesty of **your** partners, directors or **employees** 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 outsourcees 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

**We** will not make any payment under this section:

1. 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 a shortcoming in **your** work for a client or any work carried out for a client by anyone supplied by **you** under contract which is likely to lead to a claim against **you**. This includes any criticism of **your** work or the work of anyone supplied by **you** under contract 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 or **employee** has acted dishonestly.
2. if, when dealing with **your** client or a third party, **you** admit that **you** are liable for what has happened or make any offer, deal or payment, unless **you** have **our** prior written agreement. **You** must also not reveal the amount of cover available under this insurance, unless **you** had to give these details in negotiating a contract with **your** client or have **our** prior written agreement.

### 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.