



Professional indemnity insurance for Design and Construct

Your cover in a nutshell:

Professional indemnity insurance covers you for compensation you have to pay to your clients or any other third parties caused by problems with your work, including compensatory damages and claimant's legal costs awarded against you in relation to a covered claim. We will pay for claims which are made against you during the period of insurance, up to the limit shown in the schedule. We will also pay your legal defence costs incurred with our agreement for covered claims. Your policy schedule will state if such costs are included within the limit of indemnity or payable in addition to it.

Your policy may also reimburse you for fees that your client refuses to pay if we believe this is likely to prevent a future claim against you for a greater amount.

The limit of indemnity you select may be on an each and every claim basis or an aggregate basis – your policy schedule will indicate which applies. An 'each and every claim' basis means that each individual claim has its own limit of indemnity though multiple claims arising from the same cause will be treated as a single claim. An 'aggregate' basis means that the limit of indemnity applies to the total of all claims made against you during the period of insurance. On either basis, you will be liable to pay the excess in relation to each claim, which is shown in your policy schedule.

Key benefits: what risks are you protected against?

We will pay claims against you for:

- negligence or breach of duty: if you fail in a duty of care to your client, perhaps giving incorrect advice, making errors in technical specifications, calculations or designs, or making a mistake in other pieces of work;
- infringement of intellectual property rights like copyright or trademark;
- breach of confidence or misuse of information which is confidential or subject to restrictions on its use
- work undertaken on your behalf by sub-contractors or outsourcers. However, we reserve the right to recover losses from your sub-contractors or outsourcers;
- failure to warn that there is a deficiency in any design undertaken by another party;

Significant or unusual exclusions and limitations:

Cover is restricted to the business activities you have told us your business undertakes and that we have agreed to insure, which are carried out within the geographical limits of the policy, as stated in your policy schedule.

We will not make any payment unless you promptly notify us of:

- your first awareness of anything, including any actual or alleged shortcoming or any criticism of your work;
- any claim or threatened claim against you;
- your discovery or suspicion of dishonesty.

We may reduce any payment we make equal to the detriment we have suffered if you admit that you are liable or make any offer without our prior written agreement.

We will not pay for claims or losses arising from:

- contractual terms, which make you responsible for losses you would not be responsible for if the contractual terms did not exist;
- any acts or omissions you deliberately or recklessly commit, condone or ignore;
- patent infringement or the disclosure of a trade secret;
- any investment;
- any work performed by a specialist, designer or consultant working for you as a sub-contractor where you have not taken reasonable steps to ensure that the sub-contractor has and maintains professional indemnity insurance with a reputable insurer;
- defective workmanship or materials carried out or provided by you or your sub-contractors
- breach of your obligations as an employer;
- harassment or discrimination, unless arising directly from your breach of a duty of care in the performance of a business activity;
- loss of data held electronically;
- damage to property, unless arising from your breach of a duty of care;
- the use of land, buildings or vehicles;
- the sale, installation or supply of products;
- 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 the policy started;
- work carried out before the date stated as the retroactive date in the schedule.