

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

Please pay special attention to the Notification for adjudication section in the grey box at the end of this section.

Special definitions for this section

Business activity	Advice given and services performed in the course of your business arising from the activities shown in the schedule.
Defence costs	Costs incurred with our prior written agreement to investigate, settle or defend a claim against you .
Environmental audit	An investigation which is specifically intended to assess whether there is actual pollution or contamination present in the environment.
You/your	Also includes: <ol style="list-style-type: none">1. 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;2. past or present consultants named in the proposal and shown in the schedule acting for you or on your behalf in the conduct of your business activity;3. any employee of yours including any self-employed person acting for you or on your behalf in the conduct of your business activity.

What is covered

Claims against you including matters referred to an Ombudsman	<p>If during the period of insurance, and as a result of your business activity within the geographical limits for clients, any party brings a claim against you for:</p> <ol style="list-style-type: none">a. 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;b. any matter referred to an Ombudsman, including the Ombudsman for estate agents; <p>or refers a dispute arising directly from your breach of a duty of care to arbitration, including the Surveyors and Valuers Arbitration Scheme 1998, or to adjudication under the Housing Grants Construction and Regeneration Act 1996;</p> <p>we will indemnify you against the sums you have to pay as compensation.</p>
Cyber claims	<p>If during the period of insurance, and as a result of your business activity within the geographical limits for clients transacted via the internet, extranet or your own website, internet site or web address or via the transmission of mail or documents by electronic means, any party brings a claim against you for:</p> <ol style="list-style-type: none">a. negligent advice, negligent misstatement or negligent misrepresentation;b. defamation;c. infringement of intellectual property rights;d. your misuse of any data which is either confidential or subject to statutory restrictions on its use;e. misuse by any employee of yours of your encrypted electronic signature or external email; <p>we will indemnify you against the sums you have to pay as compensation.</p>
Defence costs	<p>We will also pay defence costs. We will not pay costs for any part of a claim not covered by this section or for any claim referred to an Ombudsman.</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</p>

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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

Losses from dishonesty	If, in the performance of your business activity within the geographical limits , you suffer a loss, and inform us of it, during the period of insurance from the dishonesty of your past or present individual partners, directors or employees or self-employed sub-contractors 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 financial gain over and above any salary, bonus or commission, we will indemnify you against your direct financial loss.
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.
Representation costs	We will pay for the cost of representing you at properly constituted hearings, tribunals or proceedings first instituted in respect of any occurrence first discovered during the period of insurance arising out of your business activity which may lead to indemnity under this section.
Breach of statutory obligations	If proceedings are brought against you during the period of insurance under the: <ol style="list-style-type: none"> 1. Property Misdescription Act 1991; 2. Estate Agents Act 1979; 3. Health and Safety at Work etc. Act 1974; 4. Health and Safety at Work (Northern Ireland) Order 1978; 5. Construction (Design and Management) Regulations 1994; or any similar safety legislation, we will pay the reasonable costs incurred with our prior written consent to defend you if, in our opinion, a successful defence may avoid a claim being made against you based on the same facts.
Court attendance compensation	If any person within the definition of you , or any other relevant party chosen by you (except expert witnesses) has to attend court as a witness in connection with a claim against you covered under this section, we will pay you compensation for each day that their attendance is required by our solicitor.

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: <ol style="list-style-type: none"> 1. any survey, inspection or valuation of real or leasehold property not carried out by a fellow or associate of the Royal Institution of Chartered Surveyors, the Incorporated Society of Valuers and Auctioneers, the Faculty of Architects and Surveyors, the Royal Institute of British Architects, the Royal Incorporation of Architects in Scotland, or by any person with more than five years' experience, or by any other person you nominate to do the work as part of their training under the supervision of someone who is a fellow or associate of one of the above professional associations. 2. any pollution or contamination, including noise, electromagnetic fields, radiation and radio waves, unless your liability arises from your negligent structural design or specification or your failure to report any defect in the structure of any property, in which case we will indemnify your liability for the cost of remedying, re-specifying or rectifying a structure but not the cost of remedying or rectifying loss or damage to any land or the environment or any loss of value.
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3. transmission of a computer **virus**.
 4. overcharging of fees or commission by **you**.
 5. any **environmental audit**.
- Collateral warranties
6. **your** agreement to take on any legal liability under any express agreement, warranty, indemnity, waiver or guarantee, unless:
 - a. **you** would be liable even if **you** had not given any such agreement, warranty, indemnity, waiver or guarantee; or
 - b. the liability arises from a Collateral Warranty or Duty of Care agreement, in which case **we** will not indemnify **you** for any liability arising from:
 - i. any fitness for purpose guarantee;
 - ii. any greater or longer lasting benefit than that given to the party with whom **you** originally contracted;
 - iii. any express guarantee, contractual penalty or liquidated damages;
 - iv. any assignment of the warranty or agreement to any purchaser or tenant after the first two assignments;
 - v. **your** agreement to exercise a standard of care greater than would normally be expected in **your** profession.
- Undeclared partners previous business
7. any work carried out by any partner of **yours** while they were a partner of another firm, which has not been declared to and expressly accepted by **us**.
- Disputes referred to arbitration
8. any dispute referred to arbitration under the Surveyors and Valuers Arbitration Scheme 1998 unless the law applied by the arbitrator is that of England and Wales, Scotland or Northern Ireland.
- Matters insurable elsewhere
9. 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**.
 10. 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.
 11. **your** ownership, possession or use of any land or building, any animal, any aircraft, watercraft or any motor vehicle.
 12. 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**.
 13. the loss, damage or destruction of any bearer bonds, coupons, share certificates, stamps, money or other negotiable paper.
 14. any personal liability incurred by a director or officer of **yours** when acting in that capacity or as a trustee or while managing **your** business, other than when performing a **business activity** for a client.
 15. **your** supply, manufacture, sale, installation or maintenance of any product.
- Deliberate, reckless or dishonest acts
16. any act, breach, omission or infringement **you** deliberately, spitefully, dishonestly or recklessly commit, condone or ignore.

This does not apply to:

 - a. any claim arising from dishonesty, other than claims under the cyber claims cover in **What is covered**;
 - b. **your** own loss under the dishonesty cover in **What is covered**.

We will not in any event provide cover to any party who actually commits, condones or ignores any dishonesty.

Pre-existing problems	17. 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 institution conditions.
Date recognition	18. date recognition .
War, terrorism and nuclear	19. war, terrorism or nuclear risks .
Asbestos	20. asbestos risks .
Claims brought by a related party	B. We will not make any payment for: <ol style="list-style-type: none"> 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.
Adjudication costs	2. a claim referred to adjudication under the Housing Grants Construction and Regeneration Act 1996 where your contract with your client failed to provide that: <ol style="list-style-type: none"> a. the adjudicator is independent of the parties to the dispute; b. the decision of the adjudicator is not the final determination of the dispute; c. the adjudicator cannot reach a decision on commercial considerations as opposed to the legal liabilities and obligations of the parties in dispute.
Restricted recovery rights	3. that part of any claim where your right of recovery is restricted by any contract.
Computer data	4. the loss or distortion of any data held electronically unless the data has been duplicated on magnetic or electrical media which is intended to be used as a basis for restoring such data.
Consequential loss	5. your lost profit, mark-up or liability for VAT or its equivalent. 6. any trading loss or trading liability including those arising from the loss of any client, account or business.
Non-compensatory payments	7. fines and contractual penalties, liquidated, 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 or damages of a similar nature imposed by the law of any country other than England and Wales.
Claims outside the applicable courts	8. 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.
Related business in North America	9. any claims 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. 10. any business activity 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.

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 all claims which arise from a single appointment **you** have with a client or where more than one insured or claimant is involved. It includes such claims and losses arising after, as well as during, the **period of insurance**.

Special limits

Losses from dishonesty	<p>1. For claims and your own losses arising from dishonesty, the most we will pay for the total of all such claims, their defence costs and your own losses is the relevant amount shown in the schedule. You must pay the relevant excess shown in the schedule.</p> <p>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, or recover from, the perpetrator. As part of each loss we will pay up to the amount shown in the schedule for accountants' fees you incur in investigating your loss.</p>
Cyber claims	<p>2. For cyber claims, the most we will pay for the total of all such claims is the relevant amount shown in the schedule. You must pay the relevant excess shown in the schedule.</p>
Lost, damaged or destroyed documents	<p>3. 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. The most we will pay for the total of all such expenses is the relevant amount shown in the schedule. You must pay the relevant excess shown in the schedule.</p>
Hearing, tribunal or proceedings costs	<p>4. We will pay 80% of the cost:</p> <ul style="list-style-type: none"> a. to represent you at hearings, tribunals or proceedings; b. to defend proceedings relating to your breach of any statutory obligation. <p>We will not pay more than the relevant amount shown in the schedule for each such hearing, tribunal or proceeding.</p>
Ombudsman's awards	<p>5. We will pay up to the amount shown in the schedule for each Ombudsman's award provided that the Ombudsman has operated within any terms of reference or rules applicable to their appointment. You must pay the relevant excess shown in the schedule.</p>
Court attendance	<p>6. For court attendances, we will pay the amount shown in the schedule for each day or part of a day. The most we will pay for the total of all Court attendances is the amount shown in the schedule.</p>
Paying out the limit of indemnity	<p>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.</p>

Your obligations

If a problem arises	<p>We will not make any payment under this section:</p> <p>1. we will not make any payment under this section unless you notify us promptly of the following within the period of insurance:</p> <ul style="list-style-type: none"> 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. <p style="padding-left: 40px;">If we accept your notification we will regard any subsequent claim as notified to this insurance;</p> <ul style="list-style-type: none"> b. any claim or threatened claim against you, or any referral to arbitration or any complaint to an Ombudsman; c. your first awareness of any actual or threatened hearing or tribunal; d. your first awareness of any actual or threatened proceedings against you for breach of a statutory obligation; e. your discovery, or the existence of reasonable grounds for your suspicion, that any partner, director, employee or self-employed sub-contractor has acted dishonestly; f. your discovery that any document, information or data of you has been lost, damaged or destroyed. <p>You should make this notification directly to us (and not your insurance advisor, if you have one) as follows, ensuring you quote your policy number:</p>
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Policy wording

by email to: hiscoxMGAliability.claims@hiscox.com

by fax to: 020 7448 6923

by post to: Hiscox MGA Liability Claims, 25 London Road, Sittingbourne ME10 1PE.

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.

Dishonesty

We will not make any payment for claims or losses arising from dishonesty unless:

1. on discovery of any loss, **you** immediately take all reasonable steps to prevent further loss;
2. at **our** request, **you** take all reasonable steps to make a recovery from the perpetrator or from their personal representatives;
3. **you** require and obtain the signatures of at least two properly authorised officers or partners of **yours** as authorisation of any monetary transactions with a value greater than £1,000;
4. **your** annual accounts are prepared and/or certified by an independent and properly qualified accountant or auditor.

We will not make any payment for claims or losses arising from the dishonesty of any person after **you** have discovered any dishonesty by that person or have reasonable cause for suspicion of dishonesty.

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 condition

Mergers or change
in partnership

You must tell **us** promptly if **you** take over or merge with another business or partnership or if any new partner joins **your** firm.

Special institution conditions

Under General condition 1 in the General terms and conditions, all facts and matters which might be relevant to **our** consideration of **your** proposal must be disclosed and all material 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** on the basis of either 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 regarding the application of these Special Institution Conditions it will be referred to the President of the Royal Institution of Chartered Surveyors (or the President's nominee) whose decision will be final.

These special institution conditions will not apply, and **we** will not be liable to make any payment under this section, 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. The special institution conditions will also not apply to any claim which is referred to an Ombudsman or adjudication.

**Royal Institution of
Chartered Surveyors
difference in
conditions**

This **policy** is designed to provide **you** with no less cover than the minimum insurance requirements of the Royal Institute of Chartered Surveyors as per the approved minimum wording.

The cover provided to **you** by this **policy** shall be no less favourable and provide no less protection to **you** than the approved minimum wording.

Any dispute between **you** and **us** as to whether the cover under this **policy** is in any way less favourable or gives **you** less protection than the Approved Minimum Wording would, shall be referred by either party for arbitration in accordance with English law and procedure to any person nominated by the President for the time being of the Royal Institute of Chartered Surveyors, who decision shall be binding on both parties.

Notification for adjudication

In view of the strict timetable relating to an adjudication **you** must notify **us** by fax or electronic mail within two working days of **your** receipt of any notice of an intention to adjudicate, or of **your** intention to serve such a notice which may lead to a claim against **you** being dealt with by adjudication.

You should make this notification directly to **us**, and not through **your** insurance adviser, if **you** have one, as follows:

Claims department
Hiscox MGA Liability Claims
25 London Road
Sittingbourne
Kent ME10 1PE

Fax: 020 7448 6923
Email: hiscoxMGAliability.claims@hiscox.com

We will not indemnify **you** under this insurance unless **you** comply with the above.