

Professional Indemnity for Accountants

Introduction

Welcome to Aviva. We are committed to providing a first-class service. Aviva is the UK's largest insurer with over 200 years' experience in the insurance industry.

This is your insurance policy which sets out your insurance protection in detail.

Your premium has been calculated on the basis of the extent of cover you have selected which is specified in the schedule, the information you have provided and the declaration you have made. Please read the policy and the schedule carefully to ensure that the cover meets your requirements.

Please contact your insurance adviser if you have any questions or if you wish to make adjustments. Your insurance adviser's details are:

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This policy consists of individual sections. You should read this policy in conjunction with the schedule which confirms the sections you are insured under and gives precise details of the extent of your insurance protection.

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Contact details for claims and help

Services

As an Aviva customer, you can access additional services to help you keep your business running smoothly. For our joint protection telephone calls may be recorded and/or monitored.

Claims Service

Telephone: 0845 302 8408

Fax: 0845 302 8409

E-Mail: prclms@aviva.co.uk

Postal Address:

Professional Indemnity Claims
Corporate & Speciality Risk
Aviva
Dixon House, 3rd Floor
1 Lloyd's Avenue
London EC3N 3DH

Legal and Tax Helpline

0845 300 1899

Call this helpline anytime, day or night, for advice on legal or tax matters in the United Kingdom. Given in confidence, the advice is free and you pay for just the cost of the call.

Risk Solutions Helpline

0845 366 6666

Call for advice on safety, fire, security and other issues that can affect your business. Most enquiries can be dealt with over the telephone, but if we can't give you an immediate answer, we will deal with your enquiry within one working day. This service is available during office hours with an answering service outside these times.

Counselling Service Helpline

0117 934 0105

This is a confidential service available to your staff to help deal with personal issues such as bereavement, divorce, the threat of violence in the workplace and bullying at work.

Website

www.cutredtape.co.uk

This is Aviva's free website offering many tools and resources to help you manage your business effectively. You'll get access to

- over 700 legal and business guides across HR, sales and marketing, finance, technology, law and risk management
- easy to use templates to build legal documents including employee contracts, health and safety policies, dismissal letters
- discounts on Legal Services
- email alerts on changes in law, legislation and regulation.

To register, please visit www.cutredtape.co.uk and use the voucher code CRTAVIVA for exclusive discounts on a range of legal documents and services.

Complaints Procedure

Our promise of service

Our goal is to give excellent service to all our customers but we recognise that things do go wrong occasionally. We take all complaints we receive seriously and aim to resolve all our customers' problems promptly. To ensure that we provide the kind of service you expect, we welcome your feedback. We will record and analyse your comments to make sure we continually improve the service we offer.

What will happen if you complain

We will acknowledge your complaint promptly.

We aim to resolve all complaints as quickly as possible.

Most of our customers' concerns can be resolved quickly but occasionally more detailed enquiries are needed. If this is likely, we will contact you with an update within 10 working days of receipt and give you an expected date of response.

What to do if you are unhappy

If you are unhappy with any aspect of the handling of your insurance we would encourage you, in the first instance, to seek resolution by contacting your insurance adviser or usual Aviva point of contact by writing to Aviva Insurance, Professional Indemnity, Pitheavlis, Perth PH2 0NH and ask your contact to review the problem.

If you are unhappy with the outcome of your complaint you may refer the matter to the Financial Ombudsman Service at:

The Financial Ombudsman Service

South Quay Plaza

183 Marsh Wall

London

E14 9SR

Telephone:

0800 023 4567 (free from landlines) or

0300 123 9123 (free from most mobile phones)

Or simply log on to their website at www.financial-ombudsman.org.uk

Whilst we are bound by the decision of the Financial Ombudsman Service, you are not.

Following the complaints procedure does not affect your right to take legal action.

Important Information

Choice of Law

The appropriate law as set out below will apply unless you and the insurer agree otherwise.

- (1) The law applying in that part of the United Kingdom, Channel Islands or Isle of Man in which you, the policyholder, normally live or (if applicable) the first named policyholder normally lives
or
- (2) In the case of a business, the law applying in that part of the United Kingdom, Channel Islands or Isle of Man where it has its principal place of business
or
- (3) Should neither of the above be applicable, the law of England and Wales will apply.

Financial Services Compensation Scheme

We are members of the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from this scheme if we cannot meet our obligations, depending on the type of insurance and the circumstances of your claim.

Further information about the scheme is available from the FSCS website

www.fscs.org.uk, or write to

Financial Services Compensation Scheme
10th Floor, Beaufort House
15 St Botolph Street
London
EC3A 7QU.

Use of Language

Unless otherwise agreed, the contractual terms and conditions and other information relating to this contract will be in English.

Customers with Disabilities

This policy and associated documentation are available in large print, audio and braille. If you require any of these formats, please contact your insurance adviser.

The Contract of Insurance

The policy, the information You have provided and/or the application form, the declaration made by You and the Schedule should be read together and form the contract of insurance between You, The Policyholder and Us, Aviva.

In return for You having paid or agreed to pay the premium for the Period of Insurance, We will indemnify You to the extent of and subject to the terms contained in or endorsed on the policy.

Important

This policy is a legal contract. You must tell Us about any facts or changes which affect Your insurance and which have occurred either since the policy started or since the last renewal date.

If You are not sure whether certain facts are relevant, please ask Your insurance adviser or local Aviva office or contact Aviva Insurance, Professional Indemnity, Pitheavlis, Perth PH2 0NH. If You do not tell Us about relevant changes, Your policy may not be valid or the policy may not cover You fully.

You should keep a written record (including copies of letters) of any information You give Us or Your insurance adviser when You renew this policy.



Aviva Insurance Limited.

Registered in Scotland No 2116.

Registered Office Pitheavlis Perth Scotland PH2 0NH.

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Professional Indemnity for Accountants

Definitions	Each time We use one of the words or phrases listed below, it will have the same meaning wherever it appears in Your policy unless We state otherwise. In this policy the singular includes the plural and vice versa. A defined word or phrase will start with a capital letter each time it appears in the policy, except for headings and titles.
Alternate	Any individual practitioner, partnership, limited liability partnership or company who is acting in connection with arrangements to cover the incapacity or death of a sole practitioner.
Bodily Injury	Any injury including death, illness, disease, sickness, psychological injury, emotional distress or nervous shock.
Business	<ol style="list-style-type: none">(1) The provision of professional advice or professional services of whatsoever nature by You or on Your behalf to a third party including those activities authorised by the Professional Bodies in accordance with the provisions of the Financial Services and Markets Act 2000 or any subsequent amendment or re-enactment thereof.(2) Any individual personal appointment (other than as company secretary or registrar or director) held by You but only in respect of professional advice or professional services shown in (1) above.(3) Any individual personal appointment as company secretary or registrar or director but only in relation to the performance of Services defined herein.
Claim	Demand made against You consisting of or arising from any <ol style="list-style-type: none">(1) demand, whether oral or in writing, for damages or compensation(2) notice of intention, whether oral or in writing, to commence legal proceedings(3) communication invoking any pre action protocols(4) notification of arbitration, ombudsman or adjudication proceedings.
Computer system	Any <ol style="list-style-type: none">(1) computer, data processing equipment, media or part thereof(2) electronic system of data storage and retrieval, or electronic communications system, network, protocol or part thereof(3) electronic storage device, microchip integrated circuit, real time clock system or similar device(4) computer software (including but not restricted to application software, operating systems, runtime environments or compilers), firmware or microcode(5) electronic documents utilised in the ownership, security and management of Your electronic communication system, worldwide web site, internet site, intranet site, extranet site, or web address.
Documents	Any <ol style="list-style-type: none">(1) project models or displays(2) deeds, wills or agreements(3) maps, plans, records, photographs, negatives, calculations or drawings(4) written or printed books, letters, certificates, documents or forms of any nature whatsoever(5) computer software, files, documents and systems records, digitised data, information recorded or stored in a format for use with a computer which are Your property, are under Your custody or control, or for which You are responsible. This definition does not include bearer bonds, evidence of share ownership (whether in electronic or other form), coupons, bank or currency notes and other negotiable paper.

<p>Employee</p>	<p>(1) Any person who is or has been under a contract of service or apprenticeship with You.</p> <p>(2) Any person who is or has been</p> <ul style="list-style-type: none"> (a) self employed (b) a voluntary helper (c) engaged under a work experience or training scheme (d) seasonal or temporary personnel (e) agency staff <p>while working under Your control in connection with the Business.</p>
<p>Excess</p>	<p>The first part of each and every payment in relation to a Claim or loss which is payable by You rather than Us. The amount of the Excess is stated in the Schedule.</p> <p>The Excess does not apply to Other Costs or the Additional Cover section.</p>
<p>Financial Services</p>	<p>The</p> <ul style="list-style-type: none"> (1) buying or selling, subscribing for or underwriting of, or offering to do so, either as principal or agent (2) giving or offering to give advice or information about (3) inducement to invest in (4) managing or offering to manage <p>any savings, investment, insurance or pension product or scheme.</p> <p>This definition does not include</p> <ul style="list-style-type: none"> (1) the provision of advice or information about and the placing or arranging of any general insurance contract (as defined in the Financial Services Authority Handbook) and (2) the provision of advice or information about and the placing or arranging of any loan secured upon residential property by a first legal mortgage unless the borrower enters into any investment or pension product associated with repayment of the loan <p>provided You have permission, under Part IV of the Financial Services and Markets Act 2000, to provide such advice or information or to make such arrangements.</p>
<p>Improper Gain</p>	<p>Improper financial benefit</p> <ul style="list-style-type: none"> (1) to the Employee or (2) to any other person or organisation intended by that Employee to receive such benefit. <p>This definition does not include salaries, commission, fees or other benefits earned or paid in the normal course of employment or service to the extent which the person receiving them is lawfully entitled to such payments or benefits.</p>
<p>Limit of Indemnity</p>	<p>The maximum amount, stated in the Schedule, which We will pay in respect of any one Claim or loss.</p> <p>All Claims arising directly or indirectly from one source or originating cause shall be treated for the purposes of the Limit of Indemnity as a single Claim.</p> <p>All Claims or losses arising from any dishonesty or fraud committed by a person acting alone or in collusion with others shall be treated as one Claim or loss.</p>

Minimum Controls	<p>(1) Unless signed by a principal, all manually prepared cheques with a value over £5,000 will be signed by at least two authorised signatories.</p> <p>(2) Cheques will not be signed until supporting documentation has been examined by each authorised signatory.</p> <p>(3) If cheques are prepared and signed by computer or machine at least one further manual signature will be applied where the value of the cheque exceeds £25,000.</p> <p>(4) All cash book entries will be checked by a principal (or someone independent of the Employees responsible) at least monthly against bank statements, receipts and other supporting documentation and the balance tested against cash and un-presented cheques.</p> <p>(5) All money or cheques received will be banked at least twice every week.</p> <p>(6) The amount of cash balances, floats and petty cash will be laid down and will be the subject of a check against supporting documents by a principal (or someone independent of the Employees responsible) at least monthly.</p>
Other Costs	All costs and expenses incurred in the investigation, defence or settlement of any Claim or loss in so far as those costs and expenses have been incurred with Our written consent.
Period of Insurance	From the effective date until the expiry date shown in the Schedule.
Pollution	<p>Any pollution or contamination by naturally occurring or man-made substances, forces or organisms or any combination of them, whether permanent or transitory and however occurring.</p> <p>This definition does not include pollution or contamination by asbestos.</p>
Proposal	Any signed proposal form, renewal declaration, statement of fact or any additional information supplied to Us by You or on Your behalf.
Schedule	The document which specifies Your details and details of the Business, Excess, Limit of Indemnity, Period of Insurance, other limits and any endorsements applying to this policy.
Services	All services performed or advice given by You in connection with tax matters, secretarial work, share registration, financial advice to management, book-keeping, management accounting, financial investigation and reports, financial claims (including their negotiation and settlement), company formations, investment advice, insurance and pension scheme advice and computer consultancy.
Terrorism	<p>Any act or acts including but not limited to</p> <p>(1) the use or threat of force and/or violence and/or</p> <p>(2) harm or damage to life or to property (or the threat of such harm or damage) including but not limited to harm or damage by nuclear and/or chemical and/or biological and/or radiological means</p> <p>caused or occasioned by any person(s) or group(s) of persons, or so claimed, in whole or in part for political, religious, ideological or similar purposes.</p>
We / Us / Our / Aviva	Aviva Insurance Limited.
You / Your / The Policyholder / The Insured	<p>(1) Any individual, partnership, limited liability partnership, company or limited company named in the Schedule or any predecessor in business of such individual, partnership, limited liability partnership, company or limited company as declared to Us.</p> <p>(2) Any person named in the Proposal as consultant or former consultant of any person or body referred to in (1) above but only in respect of work undertaken for or on behalf of any person or body referred to in (1) above.</p> <p>(3) Any person who is or has been or who becomes a director, partner, member, principal or Employee of any person or body referred to in (1) above but only in respect of work undertaken for or on behalf of any person or body referred to in (1) above.</p> <p>(4) The estate, heirs, executors, legal or personal representatives of any person or body referred to in (1), (2) or (3) above in the event of their death, incapacity, insolvency or bankruptcy.</p> <p>(5) Any person who is acting on Your behalf as an Alternate.</p> <p>(6) Any person who is or has been or becomes an appointed representative (as defined in the FSA Handbook of Rules and Guidance) but only in respect of work undertaken for or on behalf of any person or body referred to in (1) above.</p>

Cover

- (1) We will indemnify You in respect of any Claim (including Other Costs associated with such Claim) arising out of the conduct of Your Business, first made against You during the Period of Insurance and notified to Us in accordance with the Claims Conditions, for any
 - (a) civil liability including claimant's costs and expenses
 - (b) final or binding award or determination of, or the costs of taking any steps You are directed to take in relation to a claimant by, any ombudsman appointed pursuant to the provisions of the Financial Services and Markets Act 2000 or the Central Bank and Financial Services Authority of Ireland Act 2004 (as applicable) or any subsequent amendment or re-enactment thereof
 - (c) loss of or damage to Documents.

In respect of any Claim or loss, We will not provide indemnity to any person committing or conspiring to commit or condoning any dishonest or fraudulent act or omission.

Our total liability under this Cover clause shall not exceed the Limit of Indemnity and Other Costs.

If the amount paid to dispose of a Claim or loss exceeds the Limit of Indemnity, Our liability for Other Costs will only be the proportion which the Limit of Indemnity bears to the total amount paid to dispose of such Claim or loss.

We shall not be liable for the Excess or any lesser amount for which a Claim or loss may be settled.

Exceptions

We will not provide indemnity in respect of

- (1) any Claim or loss arising directly or indirectly from or caused by any dispute between You and any present or former Employee or any person who has applied for or been offered employment with You.
 - (2) any Claim or loss arising directly or indirectly from or caused by
 - (a) any Bodily Injury of any Employee whilst in the course of their employment with You
 - (b) any other Bodily Injury or loss of or damage to property unless arising from an alleged breach of professional duty in the conduct of Your Business.
 - (3) any fines or penalties or any punitive, multiple, aggravated or exemplary damages where such can be identified separately within any award of any court or tribunal.
 - (4) any Claim brought by any entity
 - (a) in which You exercise a controlling interest
 - (b) which exercises a controlling interest over Your Business by virtue of having a financial or executive interest in Youunless such Claim arises from or is caused by a claim made against such entity by an independent third party.
 - (5) any Claim made against You solely in Your capacity as a director, officer or trustee unless arising from an alleged breach of professional duty in the conduct of Your Business.
 - (6) any Claim or loss arising from any plan, programme or scheme established or maintained to provide benefits to You or any Employee.
 - (7) any Claim or loss arising directly or indirectly from or caused by the ownership, possession or use, by You or on Your behalf, of any aircraft, watercraft, hovercraft, motor vehicle or trailer.
 - (8) any Claim or loss arising directly or indirectly from or caused by
 - (a) the ownership, possession or use, by You or on Your behalf, of any buildings, structures, premises or land, or
 - (b) that part of any building leased, occupied or rented by You, or
 - (c) any other property (mobile or immobile) belonging to You.
 - (9) any Claim or loss arising out of or caused by
 - (a) any express or implied warranty or guarantee relating to the financial return of any investment or portfolio of investments, or
 - (b) any other express warranty or guarantee unless such liability would have attached to You in the absence of said express warranty or guarantee.
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Exceptions

(continued)

- (10) any Claim or loss arising from any defamation unless You can show that it was committed by You in good faith.
- (11) any Claim or loss arising from any trading losses or trading liabilities incurred by any business managed by or carried on by You.
This exception does not apply to any Claims for negligence in the course of any receivership or procedures under the Insolvency Act 1986 or the Insolvency (Northern Ireland) Order 1989 or, in the Republic of Ireland, any receivership or insolvency procedures under the Companies Acts 1963 to 2005 or the Bankruptcy Act 1988 or any subsequent amendment or re-enactment thereof.
- (12) any Claim or loss arising from or caused by You acting as company secretary or registrar or director other than where the Claim or loss arises from the performance of Services.
- (13) any Claim or loss arising from any of Your Business carried out from any office or other premises of Yours situated in the United States of America its territories and possessions or Canada.
- (14) any Claim or loss arising from or caused by Pollution.
This exception shall not apply where any Claim or loss arises from any actual or alleged breach of professional duty in the performance of Your Business.
- (15) any Claim or circumstance that might give rise to a Claim which
- (a) has been notified under any other insurance attaching prior to the inception of this policy
 - (b) save where the Special Conditions apply, You were or should, after reasonable enquiry, have been aware of prior to the inception of this policy.
- (16) any Claim
- (a) instituted or pursued in the United States of America, its territories and possessions and/or Canada (including without limitation the enforcement of a judgement or finding of a court or tribunal of another jurisdiction or otherwise)
 - (b) in which it is contended that the laws of the United States of America, its territories and/or possessions or Canada should or do apply
 - (c) which involves the enforcement or attempted enforcement of a judgement or finding of a court or tribunal of the United States of America, its territories and/or possessions or Canada.
- (17) any Claim or loss arising directly or indirectly from or caused by the transmission or receipt of any computer virus or any other computer program or code designed to produce unexpected, unauthorised or undesirable effects or operations.
- (18) any liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from
- (a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - (b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.
- (19) any Claim, loss or consequence whatsoever resulting directly or indirectly from or in connection with any of the following regardless of any other contributory cause or event
- (a) war, invasion, act of foreign enemy, hostilities or a warlike operation or operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of, or amounting to, an uprising, military or usurped power
 - (b) Terrorism
 - (c) any action taken in controlling preventing suppressing or in any way relating to (a) and/or (b) above
- provided that exception 6(b) shall not apply to any Claim or Other Costs arising from any actual or alleged breach of duty in the carrying out of or failure to carry out Your Business.
In any action, suit or other proceedings, where We allege that any Claim or loss falls within (a) or (b) above, regardless of any other contributory cause or event, We shall not be required to prove the operation of the relevant exception. The burden of proving that the relevant exception does not apply shall be upon You.
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(1) Payment for Court Attendance

We will compensate You, if We require You to attend court as a witness in connection with a Claim for which You are entitled to indemnity under this policy.

Our total liability under this clause shall not exceed £500 per person per day subject to a maximum of £15,000 in any one Period of Insurance.

(2) Fidelity

We will indemnify You for

- (a) any loss of money or property owned by You (other than Employees' money or property) as a result of any dishonest or fraudulent act committed by any Employee acting alone or in collusion with others, with the intent to cause You to sustain the loss and to obtain Improper Gain, first discovered by You and notified to Us during the Period of Insurance and
- (b) any investigation costs incurred with Our prior written consent to substantiate the amount of such loss including professional fees but not salaries, wages or any similar expenditure.

Our total liability under clause (a) above shall not exceed £250,000 or the amount stated as the Limit of Indemnity, whichever is the lesser, in any one Period of Insurance.

Our total liability under clause (b) above shall not exceed £15,000 in any one Period of Insurance.

We will not provide indemnity

- (i) for any loss caused by any Employee who You do not have the right to supervise or direct
 - (ii) to any person committing or conspiring to commit or condoning any dishonest or fraudulent act causing such loss
 - (iii) for any loss arising from any dishonest or fraudulent act committed by any Employee after the discovery, by You, or where there is reasonable cause for suspicion of, any dishonest or fraudulent act by that Employee
 - (iv) for any loss of a consequential nature including but not limited to, potential income, profit, interest or dividends, not realised by You
 - (v) for any loss of or damage to proprietary information, trade secrets, confidential processing methods, intellectual property or confidential information of any kind
 - (vi) for any costs, fees and expenses incurred by You in establishing either the existence or amount of any loss other than as specifically indemnified under clause (b)
 - (vii) in respect of any loss caused by any Employee or in which any Employee colluded whose normal place of employment or service is outside the United Kingdom (including the Channel Islands and the Isle of Man)
 - (viii) in the event that the Minimum Controls were not followed by You
 - (ix) in respect of the first £500, or any lesser amount for which a loss may be settled under this clause.
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If in relation to any Claim or loss You fail to fulfil or observe the requirements imposed upon You by any of these Claims Conditions You will lose Your right to indemnity or payment for that Claim or loss.

- (1) You shall give written notice to Us as soon as practicable if, during the Period of Insurance and regardless of any Excess, You
 - (a) receive any Claim, or
 - (b) receive any notice of intention to make a Claim, or
 - (c) discover a reasonable cause for suspicion of any dishonesty or fraud on the part of any past or present director, partner, member or Employee of Yours, whether giving rise to a Claim or not.

In the event that it is not possible to give Us such notice before the end of the Period of Insurance then You must do so not later than 10 days after the end of the Period of Insurance.

- (2) It is a condition precedent to Our liability that if You become aware of any circumstance that might give rise to a Claim or loss, You shall give written notice to Us of such circumstances as soon as practicable and in any event not later than the last day of the Period of Insurance.

Any Claim or loss subsequently arising from any circumstance notified to Us shall be deemed to have been made during the Period of Insurance in which the notice of such circumstances was first received by Us.

All written notices should be sent to

Professional Indemnity Claims
Corporate & Speciality Risk
Aviva
Dixon House, 3rd Floor
1 Lloyd's Avenue
London EC3N 3DH
Telephone: 0845 302 8408
Fax: 0845 302 8409
E-Mail:prclms@aviva.co.uk

- (3) In the event of a Claim or loss or the discovery of a circumstance that might give rise to a Claim or loss You must not admit liability for or settle any Claim or incur any related costs or expenses without Our written consent.
- (4) In the event of a Claim or loss or the discovery of a circumstance that might give rise to a Claim or loss, We will be entitled, at Our own expense at any time, to take over and conduct in Your name (but at Our sole discretion) the defence or settlement of any such Claim or loss provided always that, if there is any dispute between You and Us as to whether a Claim should be defended, We cannot require You to continue to defend a Claim unless a Queen's Counsel (whose identity is agreed with Us) advises that the Claim should be defended.

If We do take over and conduct the defence or settlement of any such Claim or loss You shall give Us (and any consultants, agents or advisers who may be appointed by Us) all such information and assistance as We may reasonably require and that is in Your power to provide.

Without prejudice to the generality of the above, Your duty to assist Us includes

- (a) providing all such information, documents (including access to those held in computerised or electronic format), assistance, signed statements or depositions as may be required to facilitate compliance with any civil procedure rules, practice directions and pre-action protocols as may be issued
- (b) ensuring that all documents and records that might be relevant or otherwise required by Us are preserved (and, in the case of documents or records that are computerised or otherwise held electronically, ensuring that they are retained in a readily-retrievable form)
- (c) allowing Us to present the best possible defence of a Claim within the time constraints available
- (d) ensuring ready access to all and any information that We may require in the defence of a Claim or investigation of a loss
- (e) ensuring the payment, on demand, of the Excess, in conjunction with the terms of any settlement agreed by Us.

- (1) In connection with any Claim, We may at any time pay You the amount of the Limit of Indemnity (after deduction of any sums already paid as damages or claimant's costs and expenses in respect of such Claim) or any lesser amount for which We believe that such Claim can be settled and thereupon We shall relinquish the control of such Claim and be under no further liability in connection therewith except for costs and expenses incurred prior to the date of such payment and for which We may be responsible under this policy.
- (2) The Limit of Indemnity and the Excess apply to all of You jointly. If more than one Insured is named in the Schedule, the total amount We will pay will not exceed the amount We would be liable to pay to any one of You.
- (3) If any payment is made by Us to You under the terms of this policy, You grant to Us all rights of recovery that You would have had against any parties from whom a recovery may be made and You will take all reasonable steps to preserve and not to prejudice such rights.
- (4) If You make any claim for indemnity under this policy knowing the same to be false or fraudulent as regards to the amount or otherwise, this policy shall become void and You shall forfeit all benefit hereunder.
- (5) A person or company who is not a party to this policy has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this policy but this does not affect any right or remedy of a third party which exists or is available apart from that Act.
- (6) This policy, its endorsements and the Schedule shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of the policy, endorsements or the Schedule shall bear the same meaning wherever it may appear unless the contrary is indicated.

In the event that there is any conflict between the terms of this policy and the Schedule, the terms of the Schedule shall prevail.
- (7) Where a Claim or loss involves the dishonest or fraudulent act or omission of any former or present partner, director, member, consultant or Employee of Yours
 - (a) You shall at Our request and expense take all reasonable steps to obtain reimbursement from such person or from their estates or legal or personal representatives
 - (b) any monies which but for the dishonest or fraudulent act or omission would be due to such persons from You or any monies of such persons held by You shall be deducted from any amount payable under this policy
 - (c) no indemnity in respect of such Claim or loss shall be afforded to any person committing or condoning such dishonest or fraudulent act or omission
 - (d) nothing herein shall preclude Us from exercising any right of subrogation against any person committing or condoning such dishonest or fraudulent act or omission.
- (8) You shall not be required to contest any legal proceedings unless a senior barrister (to be mutually agreed upon between You and Us) shall advise that such action has a reasonable prospect of success.
- (9) You must pay the premium and any relevant taxes when due. Failure to do so will entitle Us to cancel the policy in accordance with the Cancellation Condition. If the premium has not been paid on the due date, whether or not We elect to cancel the policy, We will not be liable to indemnify You in respect of any Claims made or pay any losses occurring prior to the date on which the premium is received.
- (10) We will automatically extend this policy to indemnify any entity acquired by You during the Period of Insurance provided that
 - (a) In the 12 month period immediately preceding such acquisition, the revenue of the entity did not exceed 10% of Your annual revenue
 - (b) In the five year period immediately preceding the acquisition, the entity has had no claims or losses in excess of £25,000 in the aggregate and is not aware of any circumstance which may give rise to a claim
 - (c) You have undertaken due diligence prior to the acquisition and are not aware of any potential liability which could result in a Claim under this policy
 - (d) The entity is domiciled in and provides all of its services within the United Kingdom
 - (e) The services performed by the acquired entity are similar to those provided by You.

Any acquisition which does not meet provisos (a) – (e) above will be automatically indemnified by this policy for a period of 30 days following the acquisition or (if earlier) until the expiry of the Period of Insurance for acts committed after the date of acquisition. We are under no obligation to extend cover to the entity beyond that date. We may provide Our written consent to extend cover subject to You complying with any additional terms, conditions, endorsements and paying any additional premium which We, at Our sole discretion, deem appropriate.

If We decide not to extend cover, or Our amended terms, conditions or additional premium are not acceptable to You, We may cancel this policy.

Where We are entitled, because of any misrepresentation or any failure to provide full disclosure, to avoid this insurance from inception or from the time of any variation in cover (including at renewal) We may, at Our discretion, maintain this insurance in full force on the following basis

- (1) in the event that, had You not made any misrepresentation and/or had You provided full disclosure of all material facts and information prior to inception, variation or renewal of this policy, We would have charged a higher premium for this insurance than was in fact charged, then the indemnity provided in respect of each Claim (including Other Costs) shall be proportionately reduced to an amount that equals the proportion that the premium paid bears to the premium that We would reasonably have charged in the absence of any such misrepresentation or failure to disclose material facts or information
and
- (2) where You should have notified, during a preceding policy period, either a Claim or circumstance which could give rise to a Claim and the indemnity or cover to which You would have been entitled was in any way more restricted than that provided at the date of notification, We shall be liable only to the extent applicable during such preceding policy period
and
- (3) in the event that, had You not made any misrepresentation and/or had You provided full disclosure of all material facts and information prior to inception, variation or renewal of this policy, We would have imposed additional terms, conditions, exclusions or endorsements (other than those relating to the premium) on this policy, then
 - (i) the policy shall be treated as if it had contained such additional terms, conditions, exclusions or endorsements as from the date of inception, variation or renewal of the policy (as the case may be)
and
 - (ii) the indemnity provided in respect of any Claim and Other Costs shall be subject to the application of and/or Your compliance with any such additional terms, conditions, exclusions or endorsements.

For the purposes of this Special Condition

- (a) in any case where sub-clause (2) applies then any reduction in the indemnity provided by Us in accordance with sub-clause (1) shall be calculated after first taking into account any restriction(s) in the indemnity or cover brought into effect as a result of sub-clause (2)
and
 - (b) We shall pay all Other Costs in full as they are incurred but shall be entitled to deduct from any payment made by Us in respect of any Claim or loss an amount equal to that proportion of the Other Costs incurred that You are liable to pay in accordance with this Special Condition
and
 - (c) for the purposes of sub-clause (2) above, if We were not the Insurer for the policy period during which the Claim or circumstance ought to have been notified then, unless You provide Us with a copy of the insurance policy that applied during the relevant period, the comparison will be with the standard form of professional indemnity policy that would have been issued by Us, had We been Your insurer, as at the beginning of the relevant policy period.
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Cancellation Condition

- (1) You may cancel this policy at any relevant time after the date We have received the premium, by providing 30 days' notice in writing to Us.
- (2) We may cancel this policy, by providing notice in writing to You at your last known address, if
 - (a) the premium is payable in one lump sum and has not been paid. In such case, Your policy will be void from the inception date
 - or
 - (b) the premium is payable in instalments and there is a default under any relevant instalment agreement. In such case, Your policy will end with effect from the beginning of the period in respect of which the instalment has not been paid.

If Your policy is cancelled under (1) above, at Our discretion, We may refund a proportionate part of the premium for the unexpired period provided that there have been no

- (a) Claims under the policy for which We have made a payment
- (b) Claims under the policy which are still under consideration
- (c) circumstances which might give rise to a Claim reported to Us or which have yet to be reported to Us

during the current Period of Insurance.

- (3) We may also cancel this policy at any time by sending not less than 30 days' notice in writing to Your last known address.

If Your policy is cancelled under (3), at Our discretion, We may refund a proportionate part of the premium for the unexpired period provided that there have been no

- (a) Claims made under the policy for which We have made a payment
- (b) Claims made under the policy which are still under consideration
- (c) circumstances which might give rise to a Claim reported to Us or which have yet to be reported to Us

during the current Period of Insurance.



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