

**PROFESSIONAL INDEMNITY INSURANCE**

**INSURANCE BROKERS/INTERMEDIARIES**

***“THIS POLICY IS ON A CLAIMS MADE  
AND CIRCUMSTANCE NOTIFIED BASIS”***

The Policy, Schedule and any Endorsements should be read as if they were one document and if they do not meet your needs please return them to Square Mile Underwriting.

**POLICY NUMBER: 20-PI-SMU,00**

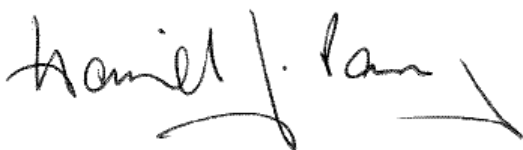
This is to certify that, in consideration of the payment of the premium in the schedule, insurers are bound to insure in accordance with the terms and conditions contained or endorsed, in the policy.

If the insured makes any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this policy will become void and any claim will be forfeited.

This policy has been signed for and on behalf of the Insurer.

**Please read this Policy carefully**

**Authorised Signatory**



.....  
**David Parry/David Fogarty/Jack Baker**  
**For and on behalf of Square Mile Underwriting**

**Written for and on behalf of:**  
**Syndicates 1225 and 1414 at Lloyd's,**  
**Under Binding Contract No: B1309LM2017536537**

**Date: 29 May 2020**

All enquiries should be addressed to:  
Square Mile Underwriting 6 Lloyd's Avenue London EC3N 3AX

**SCHEDULE**

**Policy Number:** 20-PI-SMU,00

**1) Insured:**

**Principal Address:**

**2) Business Description:**

**3) Period of insurance:** **From:**  
**To:**

Both days inclusive, local standard time, at the address of the Insured

**4) Limit of Indemnity:** £ Any One Claim, Costs & Expenses in Addition

**5) Excess:** £ Each and Every Claim, applying to Costs & Expenses

**6) Premium:** £  
**Plus 12% IPT:** £

**Total Premium:** £

**7) Area of Activities:** Worldwide excluding USA/Canada/UK; ROI: C.Isles; IOM; EU

**8) Jurisdiction:** Worldwide excluding USA/Canada/UK; ROI: C.Isles; IOM; EU

**9) Retroactive Date:**

**10) Proposal Form Dated:**

**11) Declaration Dated:**

**12) Conditions: Policy Terms and Conditions plus**

Endorsement No: 1 - Premium Payment Warranty

Endorsement No: 2 – Insurance Ombudsman Awards Clause

**13) Claims Notifications to:** Square Mile Underwriting  
6 Lloyd's Avenue  
London  
EC3N 3AX  
claims@smu.uk.com  
Telephone: 020 7265 7490  
Fax: 020 7265 7491

**Attaching to and forming part of Policy No: 20-PI-SMU,00**

**In the name of**

**Endorsement No: 1**

**PREMIUM PAYMENT WARRANTY**

The premium in respect of this risk is to be paid to the placing broker within fourteen (14) days of the inception date of the insurance contract. For this purpose alone the placing broker will be deemed to be insurers' agent.

In the event that payment is not made within this period, all cover under this insurance will automatically be cancelled ab initio and be deemed to have never been in effect.

Upon cancellation of this insurance, the insured will deliver immediately to the placing broker any policy of insurance or other policy document or evidence confirming the existence of this insurance, for onward transmission to insurers and will advise to any person who had been notified of its existence, of the cancellation of this insurance.

**Endorsement No: 2**

**INSURANCE OMBUDSMAN AWARDS**

Notwithstanding anything contained in this insurance to the contrary, Insuring Agreement 1.3 is amended to read:

**1.3 Ombudsman Award**

any award by an ombudsman in accordance with any final and binding award or determination of any ombudsman appointed in accordance with the provisions of the Financial Services and Markets Act 2000 or the Central Bank and Financial Services Authority of Ireland Act 2004, or subsequent re-enactment or legislation, where the claim:

- 1.3.1 is first made against the insured, and/or
- 1.3.2 arises out of any circumstances, which the insured will first notify during the policy period, together with all legal costs and expenses, incurred with the prior written consent of insurers (such consent not to be unreasonably withheld, delayed or withdrawn) in the investigation of such circumstances and the investigation, conduct and settlement of such claim.

Insurers' limit for all losses, under this insuring clause, in respect of any award by the Financial Ombudsman Service, during the policy period, will be £350,000, whether or not the claim or loss also arises under any other insuring clause.

For avoidance of doubt, this amendment only applies to complaints about acts or omissions by firms which took place on or after 1 April 2019.

For complaints about acts or omissions by firms which took place before 1 April 2019 and which are referred to the ombudsman service on or after 1 April 2019 awards will not exceed £160,000.

Furthermore, for any complaints referred to the ombudsman service before 1 April 2019, the limit will remain at £150,000.

All Other Terms and Conditions Remain Unaltered

In consideration of the insured having paid the premium shown in the schedule, coverage provided by this insurance is subject to the following terms, conditions, exclusions and definitions, and is based on information contained in a written proposal, bearing the date stated in the schedule, together with any other details provided, insurers:-

**1.1 Breach of Professional Duty**

agree to indemnify the insured, for the amount of any claim including claimant's costs and expenses up to the indemnity limit, first made against the insured and notified to insurers during the policy period in respect of any breach of professional duty, occasioned by negligence or defamation on the part of the insured, whenever and wherever the same was or may have been committed or alleged to have been committed, in the conduct of the business by the insured and/or by others acting on behalf of the insured.

**1.2 Defence Costs**

will also indemnify the insured for defence costs, where such costs have been incurred with insurers written consent. Such defence costs are in addition to the indemnity limit.

In the event that a settlement is made with any party in excess of the amount of the indemnity limit, insurers' liability on respect of defence costs will be in the same proportion that the indemnity limit bears to the total sum payable.

**1.3 Ombudsman Award**

any award by an ombudsman in accordance with any final and binding award or determination of any ombudsman appointed in accordance with the provisions of the Financial Services and Markets Act 2000 or the Central Bank and Financial Services Authority of Ireland Act 2004, or subsequent re-enactment or legislation, where the claim:

1.3.1 is first made against the insured, and/or

1.3.2 arises out of any circumstances, which the insured will first notify during the policy period, together with all legal costs and expenses, incurred with the prior written consent of insurers (such consent not to be unreasonably withheld, delayed or withdrawn) in the investigation of such circumstances and the investigation, conduct and settlement of such claim.

Insurers' limit for all losses, under this insuring clause, in respect of any award by the Financial Ombudsman Service, during the policy period, will be £150,000, whether or not the claim or loss also arises under any other insuring clause.

## **EXTENSIONS**

The following extensions are granted as part of this insurance and are subject to observance of the conditions, exclusions and definitions together with any other endorsed terms:-

### **2.1 Joint Appointments**

Where working arrangements have been made with other firms or individuals or where there is a joint appointment held with another professional firm, this insurance is automatically extended to include any liability arising out of such a relationship but subject to rights of subrogation against all parties being maintained and the turnover/fees of the joint appointment (not just the insured's proportion) is to be declared to insurers.

### **2.2 Indemnity to Employees, Former Employees and/or Consultants**

Employees or former employees of the insured are indemnified in respect of any claim made against them during the policy period, which arises out of the exercise and conduct of the business.

Former partners, former directors or former employees of the insured, who have continued as consultants to the insured and such persons who were formerly consultants to the insured, are indemnified in respect of any claim made against them during the policy period, which arises out of the exercise and conduct of the business.

### **2.3 Self-employed Persons**

The insured is indemnified for the liability devolving upon them arising out of the use of self-employed or contract hire persons in connection with the business. The use of individual persons need not be disclosed to insurers, but details of payments to such persons, must be declared to insurers at renewal of this insurance. For the purpose of this insurance such persons are deemed to be employees of the insured.

### **2.4 Appointed Representatives**

Appointed Representatives that have been approved by the Financial Conduct Authority are indemnified in respect of any claim made against them during the policy period, which arises out of the exercise and conduct of the business.

### **2.5 Breach of Confidentiality**

The insured is indemnified for reasonable professional or legal costs and expenses incurred with insurers' prior written consent (not to be unreasonably withheld), in the defence of any injunction and/or proceedings, arising from an unintentional breach of confidential information.

This extension is subject to an excess of £1,000 each and every claim, unless the excess shown in the schedule is greater than £1,000 each and every claim, in which event the excess shown in the schedule will apply to this extension.

Any amount payable under this extension will be part of and not in addition to the indemnity limit specified in the schedule.

### **2.6 Loss of or Damage to Documents or Data**

In the event of physical loss of or damage to documents or the loss of or damage to electronic data, discovered to be lost, damaged or destroyed during the policy period, the insured is indemnified for any claim or reasonable and necessary costs and expenses incurred in replacing, restoring or reconstituting any documents or data, which are the property of the insured or in the insured's care, custody or control.

This extension is subject to an indemnity limit of £50,000 in the aggregate for all losses under this extension, and to an excess of £1,000 each and every claim. However, where the excess shown in the schedule is less than £1,000 each and every claim then the excess shown in the schedule will apply to this extension.

**2.7 Defamation, Libel and Slander**

The insured is indemnified for all sums which they may become legally liable to pay in respect of claims made upon them during the policy period, in direct consequence of any defamation, libel, or slander uttered by the insured in the exercise and conduct of the business.

**2.8 Dishonesty of Employees**

The insured is indemnified for any claim brought about, or contributed to, by the fraudulent, criminal or malicious act or omission of any person at any time employed by the insured provided that:-

- 2.8.1 no person committing such fraudulent, criminal or malicious act or omission will be entitled to indemnity
- 2.8.2 the insured will not be entitled to indemnity where any claim or circumstance arising from any fraudulent, criminal or malicious act or omission is committed by any director of the insured or by any person after the discovery in relation to that person of cause for suspicion of fraud or dishonesty
- 2.8.3 any monies which but for such fraudulent, criminal or malicious act or omission would be due from the insured to the person committing such act, or any monies held by the insured and belonging to such person, will be deducted from any amount payable under this insurance.

## **EXCLUSIONS**

This insurance will not indemnify the insured in respect of the following:-

### **3.1 Excess**

The amount of the excess shown in the schedule, or in any extension as applicable. Defence costs referred to in clause 1.2 will not be the subject of any excess.

### **3.2 Liability involving Transport or Property owned by the Insured**

Any claim against the insured arising solely and directly out of the ownership, possession or use by or on behalf of the insured of any:-

3.2.1 aircraft, watercraft, hovercraft, motor vehicle or trailer, or

3.2.2 buildings, structures, premises or land or that part of any building leased, occupied or rented by the insured, or

3.2.3 other property of the insured.

### **3.3 Liability arising out of Employment**

Any claim arising out of:-

3.3.1 injury, disease, illness (including mental stress) or death of any employee under a contract of service with the insured, or

3.3.2 any dispute between the insured and any present or former employee or any person who has been offered employment with the insured, being brought under or relating to the Employment Protection Act 1975 or equivalent legislation in countries other than England, or subsequent re-enactment or legislation.

### **3.4 Bodily Injury**

Any claim arising out of injury, disease, illness (including mental stress) or death of any person, unless arising from breach of duty occasioned by negligence.

### **3.5 Supply of Goods**

Any claim or loss arising out of the manufacture, construction, alteration, repair, servicing or treating of any goods or products sold, distributed or supplied including the sale and/or supply of hardware and/or software by the insured, unless such claim arises directly out of negligent advice, design or specification by the insured in the course of their professional services.

### **3.6 Investment Advice**

Any claim arising solely out of the depreciation or loss of investments, when such depreciation or loss is the result of normal or abnormal fluctuations in any financial, stock, commodity or other markets, which are outside the influence or control of the insured.

In addition, no cover will be provided in connection with any investment advice given or services performed which have not been authorised, where such authorisation is required under any statutory regulation by an appropriate statutory authority, it being understood that for the purposes of this exclusion, authorisation will mean compliance with the provisions of the Financial Services and Markets Act 2000 and/or the Financial Services Act 1986 or the Central Bank and Financial Services Authority of Ireland Act 2004, or subsequent re-enactment or legislation.



### **3.7 War and Terrorism Risks**

Any claim arising out of any of the following:-

- 3.7.1 war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, riot, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority
- 3.7.2 any act or acts of terrorism, force or violence for political, religious or other ends directed towards the overthrowing or influencing of the government, or for the purpose of putting the public in fear, by any person or persons acting alone or on behalf of or in connection with any organisation
- 3.7.3 any action taken in controlling, preventing, suppressing or in any way relating to 3.7.1 and/or 3.7.2 above. The burden of proving that a claim does not fall within this exclusion will be upon the insured.

However, this exclusion does not apply to the negligent failure to place insurances for these events, or any other breach of professional duty by reason of negligent act, negligent error or negligent omission by the insured or any person or firms acting on behalf of the insured.

### **3.8 Controlling Interest**

Any claim made against the insured by either:-

- 3.8.1 an entity in which the insured exercises a controlling interest by virtue of official position or shareholding, or
- 3.8.2 an entity exercising a controlling interest over the insured by virtue of it having a financial or executive interest in the operation of the insured

Unless such claim is made against the insured for an indemnity or contribution in respect of a claim made by an independent party against the said entities detailed in 3.8.1 or 3.8.2 and arises out of the exercise and conduct of the business.

### **3.9 Nuclear Risks**

Loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising, or any consequential loss or any legal liability of whatsoever nature, directly or indirectly caused by or contributed to, by or arising from:-

- 3.9.1 ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- 3.9.2 the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or of any of its nuclear components.

### **3.10 Asbestos & Toxic Mould**

Any claim, loss or circumstance whatsoever, arising directly or indirectly out of or resulting from or in consequence of, or in any way involving:-

- 3.10.1 asbestos, or any materials containing asbestos in whatever form or quantity, or
- 3.10.2 the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of any fungi, moulds, spores or mycotoxins of any kind, or
- 3.10.3 any action taken by any party in response to the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of fungi, moulds, spores or mycotoxins of any kind; such action to include investigating, testing for, detection of, monitoring of, treating, remediating or removing such fungi, moulds, spores or mycotoxins, or
- 3.10.4 any governmental or regulatory order, requirement, directive, mandate or decree that any party take action in response to the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of fungi, moulds, spores or mycotoxins of any kind; such action to include investigating, testing for, detection of, monitoring of, treating, remediating or removing such fungi, moulds, spores or mycotoxins.

- 3.11 Area of Activities**  
Any claim or loss arising out of work or activities undertaken by the insured outside the geographical limits stated in the schedule.
- 3.12 Jurisdiction**  
Any claim brought (or the enforcement of any judgement found against the insured) in the courts of the United States of America and/or Canada or their dominions or protectorates.
- 3.13 Fines, Penalties, Punitive, Multiple or Exemplary Damages**  
Civil or criminal fines, penalties, forfeitures, taxes, punitive, multiple or exemplary damages (other than in respect of defamation, libel or slander), or other monetary awards deemed uninsurable under applicable law, where such have been identified separately within an award of a court.
- 3.14 Loss of Documents - Magnetic or Electrical Media**  
Loss of or damage to documents which are stored on magnetic or electrical media, unless such documents are duplicated on magnetic or electrical media with the intention that in the event of loss or damage the duplicate can be used as the basis for restoring the documents to their original status.
- 3.15 Directors' and Officers' Liability**  
Any claim made from those liabilities arising from being a director, officer or trustee of the insured (as opposed to those duties and functions carried out in furtherance of the business) or from the acceptance of any directorship or trusteeship in any other company not forming part of the insured.
- 3.16 Other Insurance**  
Any claim where the insured are entitled to indemnity under any other insurance, except in respect of anything beyond the amount which would have been payable under such insurance, had it not been effected.
- 3.17 Previous Claims**  
Any claim or circumstance that may give rise to a claim, which has been notified to and accepted by insurers in respect of any other insurance attaching prior to the inception of this insurance or as disclosed as material facts to insurers, which formed the basis of this contract or any claim or circumstance the insured was or should have been aware of prior to the inception of this insurance.

### **3.18 Pollution**

Any claim arising from pollution. However, if such claim arises directly from negligent advice, error or omission by the insured and/or by others acting on behalf of the insured, in the exercise and conduct of the business defined in this insurance, this exclusion will not apply.

Notwithstanding anything contained to the contrary elsewhere in this insurance in respect of any claim or loss arising from this clause (only), the indemnity limit is amended to "each and every claim and in the aggregate" and not as shown in the schedule. However, if the indemnity limit is in excess of £250,000 then any claim arising from this cause will be limited to £250,000 unless the indemnity limit is less than £250,000, in which event, claims arising from this cause will not exceed in the aggregate the indemnity limit shown in the schedule.

Any amount payable under this extension will be part of and not in addition to the indemnity limit specified in the schedule.

Furthermore for the purposes of this clause (only), defence costs as referred to in clause 1.2 will not be in addition to but will be inclusive of the indemnity limit available under this insurance and such defence costs will be subject to the excess shown in the schedule and not as stated in exclusion 3.1.

### **3.19 Web Sites**

Any claim arising out of the content of any web site pages, unless as a result of any wrongful act or negligent misinterpretation of the insured in transcribing information, supplied by a third party.

### **3.20 Trading Losses**

Any claim arising out of any trading losses or trading liabilities incurred by any business managed or carried on by the insured, including loss of any client account or business.

### **3.21 Full time work**

Any claim arising from the insured's full time employment or activities, other than those disclosed as material facts to insurers, if the insured is an individual or practices as a sole trader.

### **3.22 Insolvency**

Any claim by or against the insured, solely, as a consequence of or arising out of or in connection with the insolvency, liquidation and/or any financial failure of the insured or any insurer, building society, bank, financial institution or any other company(ies), firm(s), or person(s) with whom any monies or assets of the insured's clients (and/or monies for which the insured are responsible) have been invested or entrusted. This exclusion will not apply to any claim arising out of the financial failure of any insurer authorised by the Financial Conduct Authority.

### **3.23 Failure to Arrange Finance**

Any claim for consequential loss arising out of the failure of the insured to arrange and/or maintain finance.

### **3.24 Insurance Agents**

Any claim or claims by any insurer, resulting from negligence committed or alleged to have been committed in the conduct of the business by the insured, or directly or indirectly arising out of, or in any way involving any tied agency agreements between the insured and any insurance company, Lloyds Syndicate, building society, bank (or other such financial institution), investment manager, stockbroker, insurance intermediary, investment intermediary, or any other such company.

**3.25 Death, Bankruptcy and Liquidation**

Any claim arising from circumstances which occur after the date of the death or bankruptcy of a sole proprietor or liquidation of a limited company, unless within thirty (30) days of that date, insurers have agreed in writing to extend this insurance to include such claims and then subject to the terms of such an extension.

**3.26 Failure to Account for Monies**

Any claim arising out of the insured's failure to account for monies, except as provided under clause 1.3.

**3.27 Sanctions**

Any claim, or provide any benefit, that would expose insurers, any parent company or any ultimate controlling entity, to any sanction, prohibition or restriction, under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America

**3.28 Electronic Date Conformity**

Any claim, loss, liability or costs and expenses either:-

- 3.28.1 caused by or contributed to, by or arising from or in connection with any computer system, whether or not the property of the insured, not meeting date conformity, or
- 3.28.2 caused by or contributed to or arising from or in connection with any or any attempted correction, conversion, renovation, rewriting or replacement of any computer system, related to not meeting date conformity.

## **CLAIMS CONDITIONS**

The following claims conditions apply to this insurance:-

### **4.1 Conditions precedent to liability**

All conditions contained in this section are deemed to be conditions precedent to liability.

### **4.2 Discovery of a claim or loss or circumstance**

If, during the policy period, the insured:

4.2.1 will receive notice of any claim other than any claim provided for in 4.2.2, the insured will give notice (see 4.3) to insurers as soon as practicable

4.2.2 will receive a letter of claim, the insured will give early notice (see 4.3) to insurers, but in any event within seven (7) working days from receipt of such letter of claim and not later than expiry of the policy period

4.2.3 becomes aware of any circumstance, the insured will give notice (see 4.3) to insurers of such circumstance as soon as practicable.

Insurers agree that any such circumstance notified to them during the policy period and which subsequently gives rise to a claim after expiry of this insurance will be deemed to be a claim first made during the policy period.

### **4.3 Notice**

Notice in writing as soon as practicable to insurers under condition 4.2 will be deemed to have been properly made if received in writing by the persons shown in the schedule.

### **4.4 Admission of Liability**

In the event of a claim or loss or the discovery of any circumstance, the insured will not admit liability and no admission, offer, promise or payment will be made by the insured without insurers' prior written consent.

### **4.5 Conduct of Claims**

Following notification of a claim or of any circumstance, insurers will be entitled if they so desire to take over and conduct in the name of the insured the investigation, defence or settlement of any such matter. The insured will co-operate with and give all such assistance as insurers may reasonably require.

Notwithstanding the provisions of the preceding paragraph, if the insured and insurers cannot agree a common course of action with regard to the contesting of any legal proceedings (whether defence or prosecution), the dispute will be resolved by the operation of condition 5.3.

### **4.6 Several Liability**

Insurers' obligations under insurances to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions. Insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of their obligations.

## **GENERAL CONDITIONS**

The following general conditions apply to this insurance:-

### **5.1 Retroactive Date**

Where a retroactive date is specified in the schedule, this insurance will not indemnify the insured for any claim notified under the terms of this insurance and arising out of the exercise and conduct of the business prior to the said retroactive date.

### **5.2 Subrogation**

If any payment is made under the terms of this insurance, the insured grants to insurers all rights of recovery against any parties from whom a recovery may be made, but the insured will take all reasonable steps to preserve such rights. However, insurers agree to waive any rights of recovery against any employee or former employee of the insured, unless liability has resulted in whole or part from any act or omission on the part of such persons which is dishonest, fraudulent, criminal or malicious.

### **5.3 Law Applicable**

Unless specifically agreed to the contrary this insurance shall be subject to English Law.

### **5.4 Insurance Disputes**

Any dispute or difference between the insured and insurers arising from this insurance will be referred to Queen's Counsel of the English Bar, to be mutually agreed between insurers and the insured, or any other party as may be mutually agreed. In the event of disagreement regarding the appointment, the Chairman of the Bar Council will appoint a suitable party. The findings of the agreed or appointed party will be binding on insurers and the insured and the costs of such an exercise will be allocated by the agreed or appointed party on a fair and equitable basis.

However for insured firms domiciled in the Republic of Ireland this contract will be governed and construed in accordance with the laws of the Republic of Ireland.

Any dispute or difference between the insured and insurers arising from this insurance will be referred to arbitration before a sole arbitrator, to be mutually agreed between insurers and the insured, or any other party as may be mutually agreed. In the event of disagreement regarding the appointment, the Chairman for the time being of the Bar Council of Ireland will appoint a suitable party. The findings of the agreed or appointed party will be binding on insurers and the insured, and the cost of such an exercise will be allocated by the agreed or appointed party on a fair and equitable basis.

### **5.5 Cancellation**

This policy may be cancelled at any time by insurers or the insured, by either party giving the other thirty (30) days notice in writing, to their last known address or registered office (if a company) and the premium will be adjusted on a pro rata basis.

### **5.6 Claim Settlements**

Insurers may at any time pay to the insured in connection with any claims or series of claims under this insurance the indemnity limit (less any sums already paid) or any lesser sum for which such claims can be settled and upon such payment the insurers will not be under any further liability in respect of such claims except for costs and expenses incurred prior to such payments and with insurers' prior written consent.

If a payment exceeding the indemnity limit has to be made to dispose of a claim the liability of insurers to pay all costs fees and expenses in that connection will be limited to such of the said costs and expenses as the indemnity limit bears to the amount paid to dispose of a claim.

### **5.7 Observance of Conditions**

It is a condition precedent to insurers' indemnification of the insured that, without derogation from the particularity of any of the conditions of this insurance, the insured will comply with any request of insurers.

### **5.8 Financial Conduct Authority Code of Practice**

This insurance is designed to provide the minimum coverage specified in the prudential standard requirements of the Financial Conduct Authority handbook. In the event of any dispute in connection with the terms, conditions, exclusions or limitations of this insurance, which directly relates to services provided by the insured under the European Parliament & Council Directive 2002 on insurance mediation, or any subsequent re-enactment or legislation, the minimum insurance cover required by the Financial Conduct Authority, as amended from time to time, will take precedence over any terms, conditions, exclusions or limitations contained in this insurance, which are less favourable to the insured. Additionally, this insurance will be amended to comply with any other applicable regulatory requirements.

If the insured is regulated by the Financial Conduct Authority and in the event that they become '*deregulated*', the Indemnity under this policy will be limited to acts, errors and omissions prior to date of '*deregulation*'

### **5.9 Contracts (Rights of Third Parties) Act 1999**

Notwithstanding the provisions of the Contracts (Rights of Third Parties) Act 1999 or any equivalent legislation in the Republic of Ireland, and for the avoidance of doubt:

- 5.9.1 this insurance is not intended to confer any enforceable rights upon any third party, whether or not insurers acknowledge an interest of such third party
- 5.9.2 the parties to this insurance will be entitled to rescind or vary such without the consent of any third party, whether or not insurers acknowledge an interest of such third party
- 5.9.3 in the event of proceedings by a third party against insurers for the enforcement of a term of this insurance insurers will have available to them the option of any defence or set off, which would have been available if the proceedings had been brought by the insured.

### **5.10 Consultants**

It is an express requirement that:-

- 5.10.1 all consultants and/or self-employed persons, appointed by the insured, acting on the insured's behalf or for whom the insured are responsible, carry Professional Indemnity insurance for a limit not less than that shown in the schedule, during the period of this insurance, and
- 5.10.2 the insured have satisfied themselves of its existence and extent of cover. Any failure to comply with this condition may entitle insurers to decline to provide indemnity under the terms of this insurance.

### **5.11 Appointed Representatives**

The insured will give prior written notice to insurers before selecting any Appointed Representatives, on their behalf, during the period of this insurance.

## 5.12 Minimum Standards of Control

It is a condition precedent to insurers' liability, under insuring clause 1.3 that:

- 5.12.1 all manually prepared cheques or other bank instruments, drawn for more than £25,000, will require two manually applied signatures, to be added after the amount has been inserted
- 5.12.2 no cheque or instrument will be signed until one signatory has examined and confirmed the correctness of the supporting documentation
- 5.12.3 in respect of computer or machine-prepared cheques or other bank instruments, drawn for more than £25,000, supporting documentation will be examined and authorised before requisition is made and will, also, require the addition of one manually-applied signature, after the cheque or instrument is prepared
- 5.12.4 bank statements, receipts, counterfoils and supporting documents will be checked at least monthly against cash book entries and the balance tested with cash and un-presented cheques independently of the employees responsible
- 5.12.5 employees receiving cash or cheques in the course of their duties will be required to remit all monies received and/or bank in full the week of receipt
- 5.12.6 cash in hand will be checked independently of employees responsible at least monthly and additionally without warning every six months.

## 5.13 Policyholder Complaints

Square Mile Underwriting aim to provide a first class professional service to its customers. Should you have any questions about your policy or the handling of a claim, you should, in the first instance, contact your broker.

Otherwise, if you wish to make a complaint concerning your policy, you may contact:  
The Managing Director, Square Mile Underwriting, 6 Lloyd's Avenue, London EC3N 3AX  
[complaints@smu.uk.com](mailto:complaints@smu.uk.com)  
Telephone: 020 7265 7490  
Fax: 020 7265 7491

To help us deal with correspondence quickly, please advise your policy number and the name of the policyholder:

If you are still not satisfied with the way a complaint has been dealt with, you may ask the Complaints Department at Lloyd's to review your case.

Policyholder and Market Assistance, Lloyd's Market Services, G6/86 One Lime Street, London EC3M 7HA  
Telephone: 0207 327 5693  
Fax: 0207 327 5225  
Email: [complaints@lloyds.com](mailto:complaints@lloyds.com)

Complaints that cannot be resolved may, if you are an eligible complainant, then be referred to:

The Financial Ombudsman Service, Exchange Tower, Harbour Exchange Square, London E14 9SR  
Telephone: 0300 123 9123 or 0800 023 4567  
Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)  
[www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

The Financial Ombudsman Service is an independent service in the UK for settling disputes between consumers and businesses providing financial services

These complaints procedures do not affect your rights of recourse to legal action or to any other remedy available to you.



## **DEFINITIONS AND INTERPRETATIONS**

Various words and phrases have a standard meaning within this insurance and such definitions and interpretations are set out below. Headings and notes are for information purposes only and are not to be construed as part of this insurance. The following words and phrases are used in this insurance. In certain instances the words may be used in their plural or singular form. Whenever they appear they are deemed to have the meaning set out below:-

### **6.1 Insured**

Will mean:-

- 6.1.1 the practice
- 6.1.2 the present or future partners and present or future directors of the practice
- 6.1.3 former partners and former directors of the practice in respect of claims made or losses sustained during the policy period but arising out of the exercise and conduct of the business during the period whilst they were receiving salary or financial benefit from the practice
- 6.1.4 the estate, heirs and executors of those parties mentioned in 6.1.1. - 6.1.3.

### **6.2 The Practice**

Will mean the professional practice(s) whether corporate, sole trader or partnership named as the insured in the schedule including any predecessors in business.

The definition also includes any practice or business for which the insured is legally liable in consequence of the acquisition of such practice or business prior to inception of this insurance, provided insurers have been notified in writing of the existence of such other practice or business and insurers have agreed to insure such entities and the fees of those entities have been declared to insurers.

Any location of the practice is included within the definition, unless expressly stated otherwise.

### **6.3 Business**

Will mean advice given and services performed, including insurance brokers, insurance agents, insurance consultants, claims adjusters, mortgage brokers, building society agents, trustees of the insured's own pension or superannuation fund or other activities (if any) as detailed in the schedule.

Where the insured is liable for a sub-consultant, the definition of business is extended to include other professional activities of the sub-consultant for which the insured is liable.

In addition, the definition of business is extended to include personal appointments of any party, provided the fees, if any, for such activities are credited to the practice and such activities are related directly or indirectly to the activities listed in the schedule and the individual is qualified or experienced to carry out such work. However, such personal appointments will not include the acceptance of any directorship or trusteeship in any other company falling within the definition of the insured.

### **6.4 Indemnity Limit**

Will mean the sum shown in the schedule which is available to indemnify the insured in respect of each claim, provided always that where more than one claim arises from the same original cause or source all such claims will be deemed to be one claim and only one indemnity limit will be payable in respect of the aggregate of all such claims.

However, the total of losses that insurers will pay under this insurance will not exceed the limit of indemnity shown in the schedule (including defence costs), arising out of financial services regulated business.

- 6.5 Defence Costs**  
Will mean all costs and expenses incurred in the investigation, defence or settlement of any claim or loss or potential claim or loss and/or the cost of representation at any enquiry or other proceedings which have a direct or indirect relevance to the investigation, defence or settlement of any matter notified under the terms of this insurance.
- 6.6 Excess**  
Will mean the first amount of each claim which is payable by the insured. Where, however, a series of claims is made during the policy period, which arises from the same original cause or source, then only one single excess will apply in respect of all claims resulting from that original cause or source. However, in respect of claims arising out of financial services regulated business, the excess will be each and every claimant each and every claim, applying to defence costs. This amount is payable, before insurers make any payment.
- 6.7 Pollution**  
Will mean any one or a combination of a release, emission, discharge, dispersal, disposal or escape of any process of substances, which are capable of causing harm to any person or living organism, into or onto any water, land or air.
- 6.8 Harm**  
Will mean injury or impairment to the health of any living organism or interference with ecological systems of which they form part and, in the case of a person, includes offence caused to any of their senses.
- 6.9 Air**  
Will mean air within buildings or other natural or man-made structures above or below ground.
- 6.10 Geographical Limits**  
Will mean anywhere in the world excluding the United States of America and/or Canada or their dominions or protectorates.
- 6.11 Policy Period.**  
Will mean the period shown in the schedule, plus any extensions, which may be granted by insurers.
- 6.12 Documents**  
Will mean project models or displays, deeds, wills, agreements, maps, plans, records, photographs or negatives, written or printed books, letters, certificates or written or printed documents and/or forms of any nature whatsoever and will include computer software and systems records (electronic data will be deemed to be physical property for the purposes of this insurance). The definition excludes bearer bonds, coupons, bank or currency notes and other negotiable paper.
- 6.13 Data**  
Will mean information (including without limitation text, numbers, sounds and images) recorded in a form which can be processed by equipment operating automatically, in response to instruction given for that purpose.
- 6.14 Circumstance**  
Will mean information or facts or matters of which the insured is aware, which may give rise to a claim against the insured, which the insured could become legally liable to pay and which arises out of the exercise and conduct of the business.

**6.15 Improper Personal Financial Gain**

Salary, fees, commissions and other emoluments including salary increases and promotions will not constitute improper personal financial gain.

**6.16 Computer System**

Will mean any computer, data processing equipment, media or any of their parts or system of data storage and retrieval, or communications system, network, protocol or any of their parts, or storage device, microchip, integrated circuit, real-time clock system or similar device, or any computer software (including but not limited to application software, operating systems, runtime environments or compilers), firmware or microcode.

**6.17 Date Conformity**

Will mean that neither performance nor functionality of the computer system is affected by any changes prior to, during and/or after, the year 2000. In particular:-

- 6.17.1 no value for current date will cause or give rise to any interruption in the operation of the computer system
- 6.17.2 date based functionality and performance must behave consistently for dates prior to, during and/or after, the year 2000
- 6.17.3 in all interfaces and data storage, the century in any date must be specified either explicitly or by unambiguous algorithms or inferencing rules
- 6.17.4 the year 2000 must be recognised as a leap year
- 6.17.5 9 September 1999 (or any representation of that date) must be recognised as that date.

**6.18 Appointed Representative**

Will mean an appointed representative as defined by Section 39 of the Financial Services & Markets Act 2000.

**6.19 Ombudsman**

Will mean the Financial Ombudsman Service.

**6.20 Co-operate**

Will mean the insured must allow insurers and their duly appointed representatives the best possible defence of a claim within the time constraints available. The insured should have adequate internal systems in place, which will allow ready access to material information.

It being understood that the insured will at all times and at their own cost give to insurers or their duly appointed representatives all such information assistance, signed statements or depositions as may properly be required to facilitate compliance with all, and any, Civil Procedure Rules, Practice Directions and Pre-Action Protocols, as may be issued and approved from time to time by the Head of Civil Justice.

Furthermore, co-operate will mean that the insured will pay the excess on demand of insurers or their duly appointed representative to comply with any settlement agreed by insurers.

**6.21 Letter of Claim**

Will mean the Letter of Claim, as detailed in any Pre-Action Protocols, as may be issued and approved, from time to time, in connection with Civil Procedure Rules, or equivalent legislation in countries other than England.

**6.22 Insurers**

Will mean certain underwriters at Lloyd's, each for their respective percentage participations, as shown in the attached schedule of security.

**6.23 Schedule**

Will mean the page of this insurance wording entitled Schedule (before the addition of any endorsements or memoranda), which will provide details relative to the current policy period.

## **SCHEDULE OF SECURITY**

**BINDING AUTHORITY NUMBER: B1309LM2017536537**

Percentage	Insurer
65%	Aegis Syndicate 1225
35%	Ascot Syndicate 1414