



PROFESSIONAL INDEMNITY INSURANCE FOR ACCOUNTANTS

Policy



Additional Benefits

Choosing an RSA policy means that you also benefit from a number of additional services that we provide free of charge. Our advice-lines will put you in touch with highly qualified experts who can offer information and assistance on a number of issues. Better still you can use any of these advice-lines completely free and there is no limit to the number of times you can call.

A. Legal Assistance

A 24 hour service that gives you access to a team of legal experts offering confidential advice on business matters such as defence of prosecutions, employment, customer and supplier disputes.

B. Health & Safety

Help is available 24 hours a day on health and safety legislation, including its interpretation, and advice on civil and criminal liability for accidents at work.

C. Tax Advice

A confidential telephone advisory service offering assistance on all taxation issues such as PAYE, VAT and income tax. This service is available Monday to Friday, 9am to 5pm.

D. Stress Counselling

Stress affects most principals or business owners at some point in their working lives. Our stress counselling service will help you deal with stress at work by addressing minor problems before they become major crises. Confidentiality is of the utmost importance, and our counsellors are qualified and experienced in assessing problems quickly so they can provide immediate therapy. This service is restricted to Insured firms with up to 10 principals, Partners, Directors or Members.

The advice-line number is

0845 078 3863

Please quote reference: 72741

Advice lines are intended for business use only and are a service provided to sole practitioners, Directors, Partners and Members of the Insured. Employees do not qualify to use this service.

This page should be read in conjunction with the rest of your policy documents.

Claim Notification

Conditions that apply to the policy and in the event of a claim are set out in this policy wording. It is important that you comply with all policy conditions and you should familiarise yourself with any requirements.

Directions for claim notification are included under Claims Conditions. Please be aware that claims and circumstances that might reasonably be expected to produce a claim against you must be notified to us as soon as possible. Further guidance is contained in this policy wording.

Claims Conditions require you to provide us with any reasonable assistance and evidence that we require concerning the cause and value of any claim. Ideally, as part of the initial notification, you will provide:

- Your name, address, and your telephone number
- Policy number
- The date when you became aware of the claim or circumstances
- The cause of the claim
- Details of the claim together with the claim value, if known
- Names and addresses of any other parties involved or responsible for the claim.

This information will enable us to make an initial evaluation of the claim. We may, however, need to request additional information.

Sometimes we, or someone acting on our behalf, may wish to meet with you to discuss the circumstances of the claim, or to undertake further investigations.

Initially a notification of any claim, or any circumstances which might reasonably be expected to produce a claim, should be sent to the relevant RSA Claims Department for your policy:

For business placed through RSA ONLINE or with RSA offices in Birmingham, Bristol, Redhill, Horsham, Leeds, London or Manchester

RSA
Professional & Financial Risks Claims
2nd Floor, South Down
St Mark's Court
Chart Way
Horsham
West Sussex
RH12 1XL

Email: profin.claims@uk.rsagroup.com
Tel: 01403 232 308
Fax: 01403 232 557

For business placed with RSA SME PI or with the RSA Glasgow office

RSA
Professional & Financial Risks Claims
Alexander Bain House
15 York Street
Glasgow
G2 8LA

Email: profinglasgow.claims@uk.rsagroup.com
Tel: 0141 285 8059
Fax: 0141 285 8358

For your protection, telephone calls may be recorded or monitored.

THIS POLICY (AND THE SCHEDULE WHICH FORMS AN INTEGRAL PART OF THE POLICY) IS A LEGAL CONTRACT. IT NEEDS TO BE EXAMINED THOROUGHLY TO ENSURE IT MEETS THE INSURED'S REQUIREMENTS. IF IT DOES NOT MEET THE INSURED'S REQUIREMENTS THE INSURANCE ADVISER NEEDS TO BE CONTACTED WITHOUT UNDUE DELAY.

ANY FACTS WHICH THE INSURER HAS TAKEN INTO ACCOUNT IN THE ASSESSMENT OR ACCEPTANCE OF THIS INSURANCE, AND ANY SUBSEQUENT CHANGES TO THOSE FACTS, NEED TO BE DECLARED. FAILURE TO DO SO MAY INVALIDATE THE POLICY OR RESULT IN CERTAIN COVERS NOT OPERATING FULLY. IF THERE ARE ANY DOUBTS AS TO WHETHER A FACT IS MATERIAL OR NOT, THE INSURANCE ADVISER NEEDS TO BE CONTACTED WITHOUT UNDUE DELAY.

Royal & Sun Alliance Insurance plc (herein called the Insurer) and the Insured agree that

This Policy the Schedule (including any Schedule issued in substitution) and any Endorsements shall be considered one document and any word or expression to which a specific meaning has been attached shall bear such meaning wherever it appears

The Insurer shall be entitled to rely on the material accuracy of the Proposal

The Insured shall ensure that the Proposal contains such information as is necessary to enable the Insurer to properly assess both the risk to be insured under this Policy and the amount of premium to be charged for that insurance cover

The Insurer will provide the insurance described in this Policy subject to the terms and conditions for the Period of Insurance shown in the Schedule and any subsequent period for which the Insured shall pay and the Insurer shall agree to accept the premium

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Professional Indemnity Insurance

Terms and conditions

NOTICE: THIS INSURANCE COVERS CLAIMS FIRST MADE AGAINST THE INSURED (AND, IN RELATION TO INSURANCE CLAUSE 5, LOSS OR DAMAGE OCCURRING) AND NOTIFIED TO THE INSURER DURING THE PERIOD OF INSURANCE. PLEASE READ THE POLICY WORDING CAREFULLY.

Definitions

For the purposes of Professional Indemnity Insurance

1 Acting in Collusion means all circumstances where

- A) two or more Employees or
- B) an Employee or Employees and any other person or persons

are concerned or implicated together or materially assist each other in committing a Fraudulent Act

2 Agency Worker means

any person supplied by a temporary work agency working temporarily for and under the direction and supervision of the Insured or the Predecessors

3 Alternate means

any individual practitioner partnership limited liability partnership or company who is acting in connection with the arrangements to cover the incapacity or death of a sole practitioner

4 Bodily Injury means

death disease illness or bodily or mental injury

5 Claim means

- A) service of a Claim Form Counterclaim Other Additional Claim Application Notice Notice of Appeal Witness Summons or similar legal document including an application for any related injunction or
- B) a reference to or notification of intention to commence or the commencement of proceedings of any kind including arbitration proceedings or complaint to an ombudsman or
- C) a communication including electronic communications (whether or not containing a demand for compensation or damages) asserting a legal liability on the part of the Insured or
- D) any communication in whatsoever form invoking any Pre-Action Protocols contained in the Civil Procedure Rules

6 Defence Costs means

all costs and expenses which are incurred by the Insurer or by the Insured with the Insurer's written consent in connection with the defence investigation or settlement of any Claim made against the Insured and notified under this Insurance and in connection with any circumstances which might give rise to a Claim

The Insurer shall not unreasonably withhold its consent to the incurring of Defence Costs

7 Director shall have the meaning

given by section 1173 of the Companies Act 2006 section 2 of the Companies Act 1963 of the Republic of Ireland or section 27 of the Companies Act 1990 of the Republic of Ireland as appropriate

8 Documents means

all

- A) documents (excluding bearer bonds coupons bank or currency notes or other negotiable instruments)
- B) computer systems records the property of the Insured or for which the Insured is responsible

9 Employee means

- A) any person including any trainee or consultant under a contract of service with the Insured or the Predecessors
- B) any Agency Worker

at the time of any conduct giving rise to a Claim against the Insured or at the time of any other occurrence which may be the subject of indemnity under this Insurance

10 Endorsement means

an amendment to the Policy Terms and Conditions including amendments described as Memoranda in the Schedule

11 Fraudulent Act means

any act of fraud or dishonesty committed by any Employee acting alone or Acting in Collusion committed with the principal intent of obtaining an improper personal financial gain for themselves or for any other person or organisation intended by such Employee to receive such gain

"Improper personal financial gain" shall not include salary commissions fees bonuses promotions awards profit sharing pensions or benefits earned in the normal course of employment

12 Handbook means

the Designated Professional Body Handbook of the Institute of Chartered Accountants in England and Wales/of Scotland/in Ireland in force at the date of inception of this Policy

13 Institute of Chartered Accountants means

The Institute of Chartered Accountants in England and Wales The Institute of Chartered Accountants of Scotland or The Institute of Chartered Accountants in Ireland as applicable to the Insured

14 The Insured means

the Insured as named in the Schedule Each of the following parties will in addition be deemed the Insured in respect of Claims arising out of the conduct of the Professional Business provided that each shall be subject to the terms of this Insurance to the extent such terms can apply

- A) any current partner director or Member or former partner director or Member of the Insured any person who may subsequently become a partner director or Member of the Insured during the Period of Insurance
- B) any former partner director or Member of the Predecessors
- C) any retired partner director or Member of the Insured remaining as a consultant to the Insured
- D) in respect of Professional Business undertaken on behalf of the Insured
 - 1) any Employee or former Employee
 - 2) those persons named in the Proposal by the Insured as consultants or former consultants or as current or former self-employed sub-contractors and whose names have been accepted by the Insurer
- E) any person who is acting on behalf of the firm as an Alternate
- F) any estate heirs executors and legal representatives of any of those included in A) to E) above in the event of their death incapacity insolvency or bankruptcy

15 Insured's Contribution means

the amount for which the Insured is responsible under Insurance Clauses 1 (Civil Liability) 2 (Awards by Ombudsmen) and 4 (Fidelity) of this Insurance in respect of any one Claim or loss

Provided that where the Insured is a member of the Institute of Chartered Accountants the Insured shall not be responsible during any Period of Insurance for an amount in the aggregate exceeding that permitted in the relevant provisions of the Professional Indemnity Insurance Regulations of the Institute of Chartered Accountants applicable at the start of the Period of Insurance

The Insured's Contribution shall not apply to Defence Costs

All Claims attributable to the same act error or omission or series of acts errors or omissions consequent upon or attributable to the same original cause or source will be regarded as one Claim

16 Insurer means

Royal & Sun Alliance Insurance plc (No 93792) St Mark's Court Chart Way Horsham West Sussex RH12 1XL

17 Investigation Expenses means

expenses incurred solely to substantiate the amount of a loss but does not mean expenses paid by the Insured to its own staff for salaries wages or similar expenses

18 Member means

a member of a limited liability partnership as defined under the Limited Liability Partnership Act 2000

19 Microchip means

a unit of packaged computer circuitry manufactured in small-scale and made for program logic or computer memory purposes and expressly including integrated circuits and microcontrollers

20 Money means

currency coins and bullion or monetary balances held at a financial institution to the credit of the Insured

21 North America means

the United States of America and Canada and in each case its territories and possessions and any state or political sub-division thereof

22 North American Claim means

each and every Claim brought against the Insured in North America or which is instituted or pursued before an arbitrator or tribunal or in courts in North America (whether for enforcement of judgment or otherwise) or in which it is contended that the laws of any country state or political sub-division in North America should apply

23 Predecessors means

any person practice or other firm to which the Insured has succeeded

24 Probate Regulations means

the Probate Regulations of the Institute of the Chartered Accountants of England and Wales in force at the date of inception of this Policy

25 Professional Business means

advice given or services performed of whatsoever nature by or on behalf of the Insured or the Predecessors to a third party wherever or by whomsoever given or performed irrespective of whether or not a fee is charged but provided that if a fee is charged in respect of such advice or service then that fee is taken into account in ascertaining the income of the Insured

Professional Business extends to any of the Insured whilst holding any individual personal appointment (including any appointment as a trustee or personal representative) made or accepted in the course of the Insured's Business but whilst holding an appointment as company secretary or registrar or Director of a company which is not the Insured named in the Schedule only in relation to the performance of Services

26 Proposal means

the proposal form or Statement of Fact and any declaration completed in respect of this Insurance including any renewal declaration and any information supplied by or on behalf of the Insured in addition to or in substitution for these documents

27 Securities means

negotiable and non-negotiable instruments representing either Money or Property but not including Money or Property

28 Services means

in so far as concerns paragraph two of the Definition of Professional Business all services performed or advice given by the Insured in connection with tax matters secretarial work share registration financial advice to management book-keeping

management accounting financial investigation and reports the negotiation and settlement of financial claims company formations investment advice insurance and pension scheme advice and computer consultancy

29 Statement of Fact means

the document which provides details of

- A) the Insured and all material information relevant to this Insurance
- B) assumptions made by the Insurer about material information

If this information or these assumptions are incorrect the Insured must inform the Insurer as soon as possible

30 System includes

computers other computing and electronic equipment linked to computer hardware electronic data processing equipment Microchips and anything which relies on a Microchip for any part of its operation and includes for the avoidance of doubt any computer installation

31 Terrorism means

an act of any person acting on behalf of or in connection with any individual or organisation which carries out activities directed towards the overthrowing or influencing by force or violence of Her Majesty's government in the United Kingdom or any government whether legally established or not

32 Virus means

programming code or series of instructions designed to achieve an unexpected unauthorised or undesirable effect or operation when loaded onto a System, transmitted between Systems by transfer between computer systems via networks extranets internet or electronic mail or attachments thereto or via floppy diskettes or CD-ROMs or otherwise and whether involving self replication or not

33 War Risks means

war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power

Interpretation

In this Insurance

- 1 the singular includes the plural and vice versa
- 2 the male gender includes the female and neutral genders
- 3 references to any Act or law include any rule order regulation or other similar instrument made thereunder and shall include any amendment replacement consolidation or re-enactment of such Act or law
- 4 any legal references within this Insurance shall include any equivalent legal provision in the jurisdiction of ordinary residence of the Insured or location of the risk insured provided that such jurisdiction falls within the territorial scope of this Insurance

- 5 the use of headings and sub-headings is for ease of reference only and is not intended to be construed as an aid to interpretation
- 6 any sentence commencing with the terms "including" or "includes" or any similar expression is intended to be construed as illustrative and not as exhaustive

Insurance Clauses

1 Civil Liability

The Insurer will indemnify the Insured up to the Limit of Indemnity specified in the Schedule in respect of Claims first made against the Insured and notified to the Insurer during the Period of Insurance in respect of civil liability (including liability for claimant's costs and expenses) incurred in connection with the conduct of Professional Business

2 Awards by Ombudsmen

The Insurer will indemnify the Insured in accordance with the recommendation of any ombudsman under any recognised ombudsman scheme in respect of

- A) any amount paid or payable
- B) any Defence Costs incurred in taking any steps which the Insured is directed to take by the ombudsman in relation to a claimant

to the same extent as the Insurer is obliged to indemnify the Insured in respect of any civil liability covered under Insurance Clause 1 (Civil Liability)

3 Defence Costs

The Insurer will in addition pay Defence Costs incurred by the Insurer or by the Insured with the Insurer's written consent in connection with any Claim under Insurance Clauses 1 (Civil Liability) and 2 (Awards by Ombudsmen)

Provided that the Insurer's liability for Defence Costs in relation to any Claim disposed of for an amount which exceeds the available Limit of Indemnity shall be limited to the proportion that the available Limit of Indemnity bears to the amount payable to dispose of such Claim.

4 Fidelity

The Insurer will indemnify the Insured named in the Schedule

- A) up to the amount shown in the Schedule as the Limit of Indemnity in the aggregate during the Period of Insurance against loss of Money Securities or Property owned or leased by the Insured directly resulting from a Fraudulent Act first discovered and notified to the Insurer during the Period of Insurance in connection with Professional Business Provided that no indemnity shall be given to any person committing or condoning such act and the sum payable shall be only the amount of liability in excess of the amount (if any) recovered from such person and
- B) up to £25,000 in respect of Investigation Expenses necessarily incurred with the Insurer's written consent to substantiate the amount of such loss as defined in 4A)

above provided that the Insured has established a valid claim under this Insurance and the loss sustained exceeds the Insured's Contribution

Provided that the Insured had in place the minimum standards of control specified in General Condition 1 (Minimum Standards of Control)

5 Loss of or Damage to Documents

The Insurer will in the event of loss of or damage to Documents occurring in the conduct of Professional Business and advised to the Insurer during the Period of Insurance indemnify the Insured in respect of all costs and expenses reasonably incurred by the Insured in replacing or restoring Documents up to a maximum of £250,000 during the Period of Insurance

Provided that

- A) such loss or damage is sustained while the Documents are either in transit or in the custody of the Insured or of any person to whom the Insured has entrusted them
- B) where the Documents are in electronic format the Insured can demonstrate to the reasonable satisfaction of the Insurer that the Insured had in place sufficient and proper procedures for the security and the daily back-up of Documents
- C) the Insurer shall not be liable for loss of or damage to Documents arising directly or indirectly from
 - 1) the transmission or impact of any Virus
 - 2) unauthorised access to a System

6 Compensation for Court Attendance

In the event of

- A) the legal advisers acting on behalf of the Insured with the consent of the Insurer requiring any principal partner Member director or Employee of the Insured to attend any court tribunal arbitration adjudication mediation or other hearing as a witness or
- B) the Insurer requesting the attendance of any principal partner Member director or Employee as an interested party at any mediation

in connection with a Claim made against the Insured and notified under this Insurance the Insurer will provide compensation to the Insured at the following rates for each day on which attendance is required

- A) Any principal partner Member or director of the Insured £500
- B) Any Employee £250

Limits of Indemnity

- 1 a) The liability of the Insurer arising from authorised work as defined under the Probate Regulations shall be no less than the minimum level of Professional Indemnity Insurance cover required under the Probate Regulations unless a higher amount is specified in the Schedule.

b) The liability of the Insurer arising from insurance mediation work as defined in the Handbook shall be no less than the minimum level of Professional Indemnity Insurance cover required under the Handbook unless a higher amount is specified in the Schedule.

c) The liability of the Insurer shall not exceed the Limit of Indemnity specified in the Schedule in relation to all other Claims

- 2 Where the Insurer is liable to indemnify more than one person firm company or body the total amount of indemnity payable under this Insurance shall not exceed the Limit of Indemnity
- 3 All Claims attributable to the same act error or omission or series of acts errors or omissions consequent upon or attributable to the same original cause or source will be regarded as one Claim

Exclusions

The Insurer shall not be liable in respect of

1 Bodily Injury to Employees

any liability arising out of Bodily Injury to an Employee arising out of and in the course of his employment for or on behalf of the Insured

2 Bodily Injury to other persons

any liability arising out of Bodily Injury to any other person unless arising from any actual or alleged breach of duty in the performance of (or failure to perform) Professional Business

3 Damage to Property

any Claim for loss of or damage to property except

- A) as provided for in Insurance Clauses 4 (Fidelity) or 5 (Loss of or Damage to Documents)
- B) in connection with any civil liability incurred in respect of loss of or damage to Documents
- C) where arising from any actual or alleged breach of duty in the performance of (or failure to perform) Professional Business

4 Dishonesty

any dishonest or fraudulent act or omission committed by any person after there is reasonable cause for suspicion of fraud or dishonesty in relation to such person

Furthermore no indemnity shall be given to any person committing condoning or knowingly participating in any way in any act or omission of a fraudulent or dishonest nature

5 Employment

any Claim arising from any liability to any Employee former employee or prospective employee in respect of employment related libel slander humiliation or defamation wrongful dismissal repudiation or breach of any employment contract or arrangement termination of a training contract or contract of apprenticeship harassment discrimination or like conduct

6 Financial Return

any Claims arising out of the giving of any express or implied warranty or guarantee relating to the financial return of any investment or portfolio of investments

7 Fines Penalties and Punitive Damages etc

any fines penalties punitive exemplary or aggravated damages where such damages have been identified separately within any award of a court or the multiple portion of any multiplied damage award

Provided that this Exclusion

- A) shall not apply to any actual or alleged defamation arising out of the conduct of Professional Business carried on by or on behalf of the Insured
- B) shall not operate to exclude or limit (or be construed as excluding or limiting) the scope of indemnity provided by Insurance Clause 2 (Awards by Ombudsmen)

8 Insured's Contribution

the Insured's Contribution

9 Insured versus Insured

any Claim by one Insured against another Insured

However this Exclusion shall not apply for the purposes of effecting recovery under clause B) of Claims Condition 6 (Dishonesty and Fraud) or the Insurer exercising rights of recovery against any person who has committed or condoned a dishonest or fraudulent act or omission

10 North American Jurisdiction and Operations

- A) damages or other monetary awards judgments or negotiated settlements claimant's costs and expenses and Defence Costs connected with or arising out of any North American Claim
- B) the enforcement upholding or registration against the Insured by any arbitrator tribunal or court outside North America of any damages or other monetary awards judgments or negotiated settlements claimant's costs and expenses and Defence Costs connected with or arising out of any North American Claim
- C) the operations of the Insured or any principal partner Member director Employee agent branch subsidiary or parent company of the Insured in North America

11 Nuclear

loss or destruction of or damage to any property whatsoever or any loss or expense of whatsoever nature resulting or arising therefrom or any legal 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

12 Pollution

any Claim or Claims based upon or arising out of or relating directly or indirectly to or in consequence of or in any way involving seepage pollution or contamination of any kind This Exclusion shall not apply where such Claim arises from any actual or alleged breach of duty in the performance of (or failure to perform) Professional Business

13 Previous Claims or Circumstances

- A) the consequence of any circumstance
 - 1) notified under any insurance which was in force prior to the inception of this Insurance
 - 2) known to the Insured or which should have been known to the Insured at the inception of this Insurance which might reasonably be expected to produce a Claim
- B) any Claim made against the Insured prior to the Period of Insurance

14 Retroactive Date

any claim or loss otherwise eligible for indemnity under this Insurance where the cause of such Claim or loss occurred or was alleged to have occurred prior to any Retroactive Date specified in the Schedule

15 Supply of Goods

any Claim arising directly from any goods sold supplied repaired altered manufactured constructed installed or maintained by the Insured or by any person acting on behalf of the Insured Provided that for the purposes of this Exclusion "goods" shall not include software

16 Trading Losses

any Claim arising out of or in connection with any trading losses or liabilities incurred by the Insured or any business managed by or carried on by the Insured provided that this Exclusion shall not apply to any Claim made against the Insured for negligence in the normal course of their conduct 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

17 Transportation or Property

the ownership use occupation or leasing of mobile or immobile goods or property by or on behalf of the Insured

18 War and Terrorism

any Claim arising directly or indirectly out of

- A) War Risks or
- B) Terrorism

However in respect of Terrorism this Exclusion does not exclude or limit any liability of the Insurer to indemnify any Insured against civil liability or related Defence Costs arising from any actual or alleged breach of duty in the performance of (or failure to perform) Professional Business

19 Warranty or Guarantee

any Claim arising from any liability assumed by the Insured under any express warranty or guarantee unless such liability would have attached to the Insured notwithstanding such express warranty or guarantee

General Conditions

1 Minimum Standards of Control

It is a condition precedent to the Insurer's liability under Insurance Clause 4 (Fidelity) that

- A) all manually prepared cheques or other bank instruments drawn for more than £25,000 shall require two manually applied signatures to be added after the amount has been inserted
- B) no cheque or instrument shall be signed until one signatory has examined the supporting documentation
- C) in respect of computer or machine prepared cheques or other bank instruments for more than £25,000 supporting documentation shall be examined and authorised before requisition is input and also shall require one manually applied signature to be added after the cheque or instrument is prepared
- D) bank statements receipts counterfoils and supporting documents shall be checked at least monthly against cash book entries and the balance tested with cash and unpresented cheques independently of the Employees responsible at least monthly
- E) Employees receiving cash or cheques in the course of their duties shall be required to remit all monies received or bank in full on the day of receipt or the next banking day
- F) cash in hand shall be checked independently of employees responsible at least monthly and additionally without warning every six months
- G) no one individual shall be permitted to release computer initiated transfer authorities to the bank. A second person of higher authority must be required to check and then release instructions Entries by each person must be controlled by unique passwords held by each individual related to the user authorisation and the appropriate authorities are to be built into the computer program
- H) all authorities for the initialisation of written, telephone or facsimile transfers or transfer instructions for more than £25,000 shall require the bank to call back to an authorised person to verify instructions before the transaction is commenced

The Insurer will have no liability where the Insured does not comply with the requirements of this Condition

2 Members of the Institute of Chartered Accountants – Arbitration and Approved Wording

Where the Insured is a member of the Institute of Chartered Accountants

- A) 1) any dispute or disagreement between the Insured and the Insurer arising out of or in connection with this Insurance except as provided in Claims Condition 4 (Queen's Counsel Clause) or
- 2) any dispute between the Insurer and any other insurers concerning this Insurance

shall be referred to arbitration before a sole arbitrator (to be mutually agreed upon by the Insured and the Insurer or failing agreement to be appointed by the President for the time being of the Institute of Chartered Accountants) whose decision shall be final and binding on both parties

- B) In the event of any dispute concerning liability to indemnify the Insured (including without limitation a dispute as to the policy year under which any Claim or circumstance might fall to be dealt with between (a) the Insurer and (b) any insurer(s) subscribing to the policy corresponding to this Policy in respect of a previous period of insurance the Insurer will advance Defence Costs and indemnify the Insured in accordance with Insurance Clauses 1 (Civil Liability) 2 (Awards by Ombudsmen) and 3 (Defence Costs) pending resolution of any such dispute
- C) in the event that the provisions of Claims Condition 4 (Queen's Counsel Clause) are invoked and the Insured and the Insurer fail to agree upon a Queen's Counsel or in the Republic of Ireland a Senior Counsel the Queen's Counsel or Senior Counsel shall be appointed by the President for the time being of the Institute of Chartered Accountants
- D) in any dispute in connection with the terms Conditions Exclusions or limitations of this Insurance the terms conditions exclusions and limitations of the Institute of Chartered Accountants Minimum Approved Policy Wording applicable at the start of the Period of Insurance shall take precedence over any terms Conditions Exclusions or limitations contained herein which are less favourable to the Insured

3 Choice of Law

Under the laws of the United Kingdom (England Scotland Wales and Northern Ireland) both parties may choose the law which applies to this contract to the extent permitted by those laws Unless the parties agree otherwise in writing the Insurer has agreed with the Insured that the law which applies to this contract is the law which applies to the part of the United Kingdom in which the Insured is based or if the Insured is based in the Channel Islands or the Isle of Man the law of whichever of those two places in which the Insured is based

The parties have agreed that any legal proceedings between them in connection with this contract will only take place in the courts of the part of the United Kingdom in which the Insured is based or if the Insured is based in either the Channel Islands or the Isle of Man the courts of whichever of those two places in which the Insured is based

4 Rights of Third Parties

A person who is not a party to this Insurance has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Insurance but this does not affect any right or remedy of a third party which exists or is available apart from that Act

5 Consumer Credit Termination Clause

The Insurer reserves the right to terminate the Policy in the event that there is a default in instalment payments under any linked loan agreement

6 Financial or Trade Sanctions

The Insurer shall not provide coverage or be liable to provide any indemnity or payment or other benefit under this Policy if and to the extent that doing so would breach any prohibition or restriction imposed by law or regulation

If any such prohibition or restriction takes effect during the Period of Insurance the Insured or the Insurer may cancel that part of this Policy which is prohibited or restricted with immediate effect by giving written notice to the other party at their last known registered address

After such cancellation the Insurer shall subject to any applicable minimum premium payment requirements refund a proportionate amount of the premium for the unexpired Period of Insurance provided that

- (a) no circumstances that might reasonably be expected to produce a claim under the Policy have been notified to the Insurer by the Insured and
- (b) no claims have been paid by the Insurer or have been notified by the Insured and are outstanding

prior to the date on which such prohibition or restriction took effect

Claims Conditions

1 Claims Notification

If during the Period of Insurance the Insured

- A) receives any Claim
- B) discovers reasonable cause for suspicion of dishonesty or fraud on the part of any former or present partner Director Member Employee consultant sub-contractor or Alternate of the Insured whether giving rise to a claim under this Policy or not

the Insured shall give written notice of such Claim or discovery to the Insurer as soon as reasonably possible All Claims or discoveries must be notified to the Insurer not later than seven days after the end of the Period of Insurance

If during the Period of Insurance the Insured becomes aware of any circumstance which might reasonably be expected to produce a Claim against the Insured the Insured shall give written notice of such circumstance to the Insurer as soon as reasonably possible irrespective of either the Insured's views as to whether such Claim will succeed or as to whether the amount of the Claim will exceed the Insured's Contribution All circumstances must be notified to the Insurer prior to the expiry of the Period of Insurance Any Claim arising from any circumstance notified to the Insurer in accordance with this Condition shall be deemed to have been made in the Period of Insurance

2 Supporting Documentation and Admissions

All documents supporting any Claim shall be forwarded to the Insurer immediately on receipt

No admission offer promise payment or indemnity shall be made or given by or on behalf of the Insured without the written consent of the Insurer

3 Conduct of Claims and Rights of Recovery

The Insured shall give all such assistance as the Insurer may require The Insurer shall be entitled to take over and conduct in the name of the Insured the defence or settlement of any Claim or to prosecute or bring proceedings in the name of the Insured for its own benefit any Claim and shall have full discretion in the conduct of any proceedings and in the settlement of any Claim

However the Insurer shall not exercise any right of recovery in the name of the Insured against any other party deemed the Insured except

- A) against a person described within clause D 2) of the Definition of Insured and the Insured has not notified such person to the Insurer or previous insurers
- B) against any person who has committed or condoned any dishonest or fraudulent act or omission

Compliance by the Insured with any rules requirements directions or guidance of any Ombudsmen will not constitute a breach of any Condition of this Policy

4 Queen's Counsel Clause

The Insured shall not be required to contest any legal proceedings unless a Queen's Counsel or in the Republic of Ireland a Senior Counsel (or by mutual agreement between the Insured and the Insurer a similar authority) shall advise that such proceedings could be contested with the probability of success

5 Disposal of Claims

In connection with any Claim against the Insured the Insurer may at any time pay to the Insured 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 less amount for which such Claim can be settled and thereupon the Insurer shall relinquish the control of such Claim and be under no further liability in connection therewith except for costs and expenses for which the Insurer may be responsible under this Insurance in respect of matters prior to the date of such payment

6 Dishonesty and Fraud

In respect of any claim made in accordance with this policy arising out of any dishonest or fraudulent act or omission

- A) the Insured must immediately take all reasonable steps to prevent further loss
- B) if the Insurer so requests the Insured shall take all reasonable steps at the Insurer's expense to effect recovery from the person committing or condoning or knowingly participating in such dishonest or fraudulent act or omission or from the personal representatives of such person
- C) any monies recovered following action as described in 6B) above will be deducted from any amount payable under this Insurance

7 Advancement of Defence Costs

The Insurer will indemnify the Insured for Defence Costs as and when they are incurred including Defence Costs incurred on behalf of an Insured who is alleged to have committed or condoned a dishonest or fraudulent act or omission provided that the Insurer is not liable for Defence Costs incurred on behalf of such Insured after the earlier of:

- A) the Insured admitting to the Insurer the commission or condoning of such dishonest or fraudulent act or omission or
- B) a court or other judicial body finding that the Insured was in fact guilty of such dishonest or fraudulent act or omission

Special Benefits

1 Non Avoidance and Prejudice

- A) The Insurer will not avoid this Policy or claim to be discharged from any liability to provide any indemnity under this Policy on the grounds of any alleged non-disclosure or misrepresentation of facts or untrue statements in the Proposal provided that the Insured shall establish to Insurer's reasonable satisfaction that such alleged non-disclosure misrepresentation of fact or untrue statement was free of any fraudulent conduct or intent to deceive
- B) In the event that any circumstance is notified to the Insurer and the Insured had knowledge prior to the Period of Insurance of such circumstance and the Insured should have notified it under any previous policy (whether with other insurers or not) the indemnity under this Policy shall be limited to the indemnity which would have been available under the earliest such previous policy if such circumstance had been properly notified

2 Non-Compliance

Where the Insured's breach of or non-compliance with any Condition of this Policy has resulted in prejudice to the Insurer

- A) in the handling or settlement of any Claim against the Insured or
- B) in the obtaining of reimbursement from any dishonest or fraudulent person as referred to in Claims Condition 6 (Dishonesty and Fraud)

the indemnity afforded under this Policy (including liability for Claimants' costs and expenses) shall be reduced to such sum as in the Insurer's reasonable opinion would have been payable by them in the absence of such prejudice

Renewal Procedure

Prior to expiry of the Period of Insurance each year the Insurer may request the Insured to complete a renewal declaration form

The renewal premium (and if applicable any adjustment of premium for the past year) will be calculated on the information provided by the Insured

Renewal will not be invited unless a satisfactory declaration is received by the Insurer when requested prior to expiry of the Period of Insurance Failure to submit a satisfactory renewal declaration form prior to expiry of the Period of Insurance will cause this Insurance to be lapsed from the expiry date

Complaints Procedure

Our Commitment to Customer Service

At RSA we are committed to going the extra mile for our customers. If you believe that we have not delivered the service you expected, we want to hear from you so that we can try to put things right. We take all complaints seriously and following the steps below will help us understand your concerns and give you a fair response.

Step 1.

If your complaint relates to your policy then please contact the sales and service team in the office which issued the Policy or your Broker. If your complaint relates to a claim then please call the claims number on the Claim Notification page of this policy wording.

We aim to resolve your concerns by close of the next business day. Experience tells us that most difficulties can be sorted out within this time.

Step 2.

In the unlikely event that your concerns have not been resolved within this time, your complaint will be referred to our Customer Relations Team who will arrange for an investigation on behalf of our Chief Executive. Their contact details are as follows:

Post:

RSA Customer Relations Team
P O Box 255
Wymondham
NR14 8DP

Email: crt.halifax@uk.rsagroup.com

Our promise to you

We will:

- Acknowledge all complaints promptly
- Investigate quickly and thoroughly
- Keep you informed of progress
- Do everything possible to resolve your complaint
- Use the information from your complaint to proactively improve our service in the future.

Once we have reviewed your complaint we will issue our final decision in writing within 8 weeks of the date we received your complaint.

If you are still not happy

If you are still unhappy after our review, or you have not received a written offer of resolution within 8 weeks of the date we received your complaint, you may be eligible to refer your case to the Financial Ombudsman Service (FOS). The FOS is an independent body that arbitrates on complaints. They can be contacted at:

Post:

Financial Ombudsman Service
Exchange Tower
Harbour Exchange Square
London
E14 9SR

Telephone:

0800 0234567 (for landline users)
0300 1239123 (for mobile users)

Email: complaint.info@financial-ombudsman.org.uk

Website: www.financial-ombudsman.org.uk

You have six months from the date of our final response to refer your complaints to the FOS. This does not affect your right to take legal action, however, the FOS will not adjudicate on any case where litigation has commenced.

Thank you for your feedback

We value your feedback and at the heart of our brand we remain dedicated to treating our customers as individuals and giving them the best possible service at all times. If we have fallen short of this promise, we apologise and aim to do everything possible to put things right.

Fair Processing Notice

How we use your Information

Please read the following carefully as it contains important information relating to the details that you have given us. You should show this notice to any other party related to this insurance.

Who we are

This product is underwritten by Royal & Sun Alliance Insurance plc.

You are giving your information to Royal & Sun Alliance Insurance plc, which is a member of the RSA Group of companies (the Group). In this information statement, 'we' 'us' and 'our' refers to the Group unless otherwise stated.

How your information will be used and who we share it with

Your information comprises all the details we hold about you and your transactions and includes information obtained from third parties.

We may use and share your information with other members of the Group to help us and them:

- Assess financial and insurance risks;
- Recover debt;
- Prevent and detect crime;
- Develop our services, systems and relationships with you;
- Understand our customers' requirements;
- Develop and test products and services

We do not disclose your information to anyone outside the Group except:

- Where we have your permission; or
- Where we are required or permitted to do so by law; or
- To credit reference and fraud prevention agencies and other companies that provide a service to us, our partners or you; or
- Where we may transfer rights and obligations under this agreement.

We may transfer your information to other countries on the basis that anyone we pass it to provides an adequate level of protection. In such cases, the Group will ensure it is kept securely and used only for the purpose for which you provided it. Details of the companies and countries involved can be provided on request.

From time to time we may change the way we use your information. Where we believe you may not reasonably expect such a change we shall write to you. If you do not object, you will consent to that change.

We will not keep your information for longer than is necessary.

Sensitive Information

Some of the information we ask you for may be sensitive personal data, as defined by the Data Protection Act 1998 (such as information about health or criminal convictions). We will not use such sensitive personal data about you or others except for the specific purpose for which you provide it and to carry out the services described in your policy documents. Please ensure that you only provide us with sensitive information about other people with their agreement.

How to contact us

On payment of a small fee, you are entitled to receive a copy of the information we hold about you. If you have any questions, or you would like to find out more about this notice you can write to: Data Protection Liaison Officer, Customer Relations Office, RSA, Bowling Mill, Dean Clough Industrial Estate, Halifax HX3 5WA

