

Professional Indemnity Insurance Policy

Accountants



Primary General

Primary General is an underwriting company solely dedicated to providing commercial underwriting and risk management solutions to intermediaries for small to medium sized UK businesses.

The core business principles that guide Primary General are exclusivity, access to informed and empowered decision makers, service and quality. Primary General believes that by combining these core values and adhering to the business ethos of 'Putting You First', we create a fundamentally better business.

Whilst Primary General has a wealth of expertise and industry experience, we maintain an innovative approach to commercial insurance and risk management. We work solely in partnership with an exclusive agency base of professional intermediaries. We regard each of our intermediaries as individuals, involving them in the decision-making process and working hard to support their business objectives. In doing so, we have built long-term relationships and have proved the value of 'Putting You First' as a business ethos.

From our regional offices in Belfast, Birmingham, Glasgow, Harrogate, London and Manchester, our teams provide a local presence for our intermediaries. Also with a fully web enabled self-service underwriting platform in Primary General Online, our intermediaries can choose to trade with Primary General face-to-face and all the alternatives through to trading completely electronically. This ultimately results in a better service for them and their clients.

Our products are designed to protect the assets and insure the liabilities of small to medium sized businesses, while also reducing their exposure to risk through providing effective risk management assistance and advice. Primary General can also provide solutions to larger corporate clients. Our principal covers and services include:

- Commercial Combined
- Leisure, Retail and Office Package
- Community Housing
- Property Owners'
- Motor Fleet
- Motor Trade
- Tradesman
- Contractors
- Professional Indemnity
- Directors & Officers
- Engineering Breakdown, Legal Expenses and Executive Incapacity
- Employment and Health & Safety support services
- Premium Finance

Primary General's intermediaries can also call on its sister company, Rural Insurance, for a number of other covers and services.

We always consider risks on their merits rather than restricting ourselves to certain trade groups. Well-managed businesses are looked upon favourably, and we welcome clients that will actively work in partnership with us and our intermediaries to minimise risk.

In line with our commitment to 'Putting You First' by providing the best underwriting and risk management solutions available, our products and services range is continually evolving, so expect to see further developments.

Primary General is an established and respected underwriting company with dedicated and experienced insurance professionals.

Primary General, 'Putting You First'.

Notification of New Claims

In the event of any occurrence which may give rise to a claim, please contact your broker or alternatively you can contact us direct on the claims number below.

Office Hours Claims Contact Number

0870 942 4606

If you would like to give us your feedback you can do so at our website www.primarygeneral.co.uk/yourviews

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The Insurer

In accordance with the authorisation granted to Primary General Insurance Limited by Novae Insurance Company Limited, 71 Fenchurch Street, London EC3M 4HH (hereinafter 'the Company') and in consideration of the appropriate premium having been paid, the said Insurers (their Executors and Administrators) are hereby bound, to insure in accordance with the terms and conditions contained herein or endorsed hereon.

Policy Information

(Not forming part of this Policy)

This Policy has been prepared in accordance with your instructions. Please read it carefully to ensure that it meets your requirements.

Immediate notice should be given to the Insurers of any changes as these may affect the insurance provided by this Policy.

Alterations in the cover required after issue of the Policy will be confirmed by separate Endorsement(s) which you should file with the Policy. You should refer to these Endorsement(s) and the Policy to ascertain precise details of cover currently in force.

Your insurance intermediary will be able to provide any help or information that you might require.

Customer Information

Your Right To Cancel

a) Cooling off period - If this insurance does not meet your requirements please advise your Broker, Intermediary or Agent who arranged the Policy in writing within the first 14 days of the Period of Insurance and return any documents issued in relation to this Policy. The Policy will be null and void and any premium paid will be returned in full.

b) Otherwise - Please advise your Broker, Intermediary or Agent who arranged the Policy in writing. Any return of premium will be at the discretion of Primary General Insurance Limited in line with our Cancellation Terms.

Details about the regulator

Primary General Insurance Limited is authorised and regulated by the Financial Services Authority. Our FSA register number is 308347. You can check this on the FSA's Register by visiting the FSA's website www.fsa.gov.uk/register or by contacting the FSA on 0845 606 1234.

Novae Insurance Company Limited is authorised and regulated by the Financial Services Authority (FSA). You can check this on the FSA's Register by visiting the FSA's website www.fsa.gov.uk/register or by contacting the FSA on 0845 606 1234.

Complaints Procedure

It is always our intention to provide a first class standard of service. However, if you have any cause for complaint, you should, in the first instance, contact either the intermediary who arranged the Policy for you, or the branch of Primary General Insurance Limited which issued your Policy. Please be ready to quote the details of your Policy, the name of the Insured, Policy number and departmental references.

Should the matter not be resolved to your satisfaction, please write to:

The Managing Director
Primary General Insurance Limited
7th Floor
Embassy House
60 Church Street
Birmingham
B3 2DJ

If you cannot settle your complaint with us, you may be entitled to refer it to the Financial Ombudsman Service. Further information is available at <http://www.financial-ombudsman.org.uk>

Compensation Arrangements

Primary General Insurance Limited and Novae Insurance Company Limited are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if either company cannot meet their insurance obligations. This depends on the type of business and the circumstances of the claim. Further information about compensation scheme arrangements is available from the FSCS at: <http://www.fscs.org.uk>

Cancellation Terms

The policy may be cancelled:

1. By you giving written instruction to us at any stage of the duration of the contract
2. By the Company:
 - (a) sending 14 days' written notice in the event of non-payment of any monthly premium
 - (b) sending 7 days' written notice in all other circumstances by recorded delivery letter to your last known address
3. In the event of the policy being cancelled by either party the Insured will be entitled to a proportionate return of premium in respect of the unexpired portion of the current period of insurance other than within the first fourteen days of either inception or renewal or, if later, the date from which the contractual terms and conditions have been received when the Company may charge an administration fee

If a claim has been submitted or there have been any incidents likely to give rise to a claim during the current period of insurance no refund for the unexpired portion of premium will be given

Data Protection

All personal information about you will be treated as private and confidential (even when you are no longer a customer), except where the disclosure is made at your request, with your consent, in relation to administering your insurance or where law requires us. As part of the Financial Services Authority's duties, we may be asked to provide them with access to our customer records in order that they may carry out a review of our activities. Some or all of the information you supply to us in connection with your insurance proposal will be held on computer and may be passed to other insurance companies for underwriting and claims purposes. Under the Data Protection Act 1998 you have a right of access to see personal information about you that is held in our records, whether electronically or manually. If you have any queries, please write to the Managing Director at the above address.

Disclosure

Your insurance is based upon the information provided to Primary General Insurance Limited and you must ensure that all such information is complete and accurate, and that any facts that may influence the insurers' decision to accept and pay a valid claim are disclosed. Failure to disclose material information may invalidate your insurance cover and could mean that part, or all, of a claim may not be paid.

Duration of Cover

The insurance is normally for a period of 12 months unless shown differently on the Policy Schedule.

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1. Introduction

- 1.1 Each Section of this Policy, the Schedule to each Section and any Endorsement(s) together with this Introduction and the Policy Definitions, Exclusions and Conditions shall be read as one document and form the contract of insurance.
- 1.2 Any word or expression given a specific meaning in
 - 1.2.1 the Schedule, any Policy Endorsement(s) or this Introduction and the Policy Definitions, Exclusions and Conditions shall have the same meaning throughout the Policy unless otherwise indicated
 - 1.2.2 an individual Section or any Section of an Endorsement(s) shall replace any specific meaning given elsewhere but shall only have such meaning for the purpose of that Section or Endorsement(s) and such meaning shall apply throughout the Section or Endorsement(s).
- 1.3 In consideration of the payment of the premium the Insurer will indemnify the Insured within the terms of and subject to the exclusions and conditions of this Policy in respect of liability, loss or damage as set out in each Section and/or Endorsement occurring in connection with the Business during the Period of Insurance or any subsequent period for which the Insurer agree to accept payment of premium.
- 1.4 The Proposal made by the Insured is the basis of and forms part of this Policy.

2. Choice of Law Applicable to this contract

- 2.1 The Parties are free to choose the law applicable to this Policy. Unless specifically agreed to the contrary this insurance shall be subject to English Law.



Tim Rolfe
Director
Primary General Insurance Limited
Registered Office
76 Shoe Lane
London
EC4A 3JB

Registered Number 4401961, England and Wales.

For and on behalf of the Insurer

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Whereas the Insured have made to the Insurer a Proposal which it is hereby agreed is the basis of this policy and is to be considered as incorporated herein, the Insurer agrees to indemnify the Insured to the extent and in the manner hereinafter provided in consideration of the payment or the promise of payment of the Premium, subject to the terms, conditions, exclusions and limitations of this policy.

1 INSURING CLAUSES

1.1 Civil Liability

The Insurer shall indemnify the Insured against any Claim first made against the Insured during the Period of Insurance in respect of any civil liability whatsoever or whensoever arising incurred in connection with the conduct of any Professional Business.

1.2 Ombudsman Awards

The Insurer shall indemnify the Insured against:

- a) any amount paid and/or payable and/or
- b) the cost of taking any steps which the Insured is directed to take in relation to a Claimant

in accordance with any final and binding award or determination of any Ombudsman appointed pursuant to the provisions of the Financial Services and Markets Act 2000, the Central Bank and Financial Services Authority of Ireland Act 2004 or any amendment or re-enactment thereof provided that the Claim giving rise to the award or determination of the Ombudsman was first made against the Insured during the Period of Insurance and that the Claim arose out of the conduct of Professional Business.

1.3 Dishonest and Fraudulent Acts

The Insurer shall indemnify the Insured for any loss (limited to the Insured's own losses) which, during the Period of Insurance, they shall first discover they have sustained by reason of any dishonest or fraudulent acts or omissions of any former or present partner, director, Member, employee, consultant or Alternate of the Firm. For the avoidance of doubt the indemnity

provided hereunder is subject to condition 5.5.3.

1.4 Loss of Documents

1.4.1 The Insurer shall indemnify the Insured against any Claim first made against the Insured during the Period of Insurance in respect of third party liabilities as a consequence of any Document having been destroyed, damaged, lost or mislaid which is either the property of or entrusted, lodged or deposited with the Insured.

1.4.2 The Insurer shall also indemnify the Insured for reasonable and necessary costs incurred with the Insurer's prior written consent of repair, replacement or reconstitution of any Document which has been unintentionally destroyed, damaged, lost or mislaid (and which after diligent search cannot be found) the occurrence of which has been discovered and notified in writing to the Insurer during the Period of Insurance. However, the Insured will not be indemnified in relation to any Document which is kept in magnetic or electronic form unless such Document is duplicated and the duplicate is stored separately as a back-up off site or in a secure fire proof safe.

1.5 Data Protection

The Insurer shall indemnify the Insured for Defence Costs and Expenses resulting from any prosecution first brought against the Insured and notified in writing to the Insurer during the Period of Insurance which arises out of the conduct of the Professional Business in respect of any offences or alleged offences under sections 21(1), 21(2), 22(6) or 47(1) of the Data Protection Act 1998, or any amendment or re-enactment thereof.

1.6 Defence Costs and Expenses

The Insurer shall in addition indemnify the Insured in respect of all Defence Costs and Expenses incurred with its written consent (such consent not to be unreasonably withheld or unreasonably delayed) in the defence, investigation or

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settlement of any Claim which falls to be dealt with hereunder, provided that if a payment in excess of the Limit of Indemnity available hereunder has to be made to dispose of any Claim against the Insured, the Insurer's liability for such Defence Costs and Expenses shall be such proportion thereof as the Limit of Indemnity available hereunder bears to the amount required to dispose of such Claim.

2 LIMIT OF INDEMNITY

2.1 The Insurer's liability under insuring clauses 1.1, 1.2 and 1.4.1 (other than in respect of Defence Costs and Expenses) shall not exceed the Limit of Indemnity in respect of any one Claim.

2.2 All Claims and losses (under any or all of the insuring clauses) that arise directly or indirectly out of or are attributable to

- a) the same originating cause or source, or
- b) the same act, error or omission, or series of acts, errors or omissions that are in any way related

are deemed to be one Claim for the purposes of the Limit of Indemnity provided always that this clause does not operate to provide cover under this policy for any Claims or losses that would not be covered by this policy but for this clause.

2.3 The Insurer's total liability under insuring clause 1.3 shall not exceed the Limit of Indemnity in the aggregate whether or not the Claim or loss also arises under any other insuring clause.

The Insurer's total liability under insuring clauses 1.4.2 and 1.5 shall not exceed £100,000 in the aggregate per clause, whether or not the Claim or loss also arises under any other insuring clause.

The Insurer's total liability under this policy shall not exceed the Limit of Indemnity in the aggregate for all Claims arising out of Regulated Business. For the avoidance of doubt this clause shall not increase the Insurer's liability that would otherwise exist in the absence of this clause.

2.4 Any indemnity provided under insuring clauses 1.3, 1.4.2 or 1.5, or an endorsement that is subject to an aggregate liability or in respect of Regulated Business arising out of or attributable to the same originating cause or source as any Claim, or arising out of any act, error or omission or series of acts, errors or omissions that are in any way related to any Claim, shall erode the Limit of Indemnity available in respect of that Claim.

3 EXCESS

3.1 The Excess shall be borne by the Insured at their own risk and the Insurer's liability shall only be in excess of this amount. A separate Excess shall apply to each and every Claim and each and every loss, other than in respect of Regulated Business where a separate Excess shall apply to each and every Claim, each and every loss and each and every claimant.

3.2 The amount of the applicable Excess shall be the sum stated in the Policy Schedule except that the Excess applicable to insuring clause 1.4.2 shall be £2500 each and every Claim and each and every loss.

3.3 Notwithstanding the amount of the Excess the maximum amount borne by the Insured at their own risk during the Period of Insurance shall not exceed £30,000 in the case of a sole practitioner, or £30,000 multiplied by the number of partners or directors or Members in the Firm at the commencement of the Period of Insurance. In the event that a person is, or at any time during the Period of Insurance becomes a partner or director or Member in more than one of the Firm(s), £30,000 shall be attributed to that individual for the purposes of calculating the maximum amount borne by the Insured at their own risk.

3.4 The Excess shall not apply to Defence Costs and Expenses except in respect of insuring clause 1.5.

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4 EXCLUSIONS

This policy shall not indemnify the Insured against any Claim or for any loss:

4.1 Prior Cover

Arising out of any circumstance or occurrence which has been notified under any other policy of insurance attaching prior to the inception of this policy.

4.2 Death or Bodily Injury

4.2.1 Arising directly or indirectly from bodily injury, psychological injury, emotional distress or anguish, shock, sickness, disease or death sustained by any person who is or has been under a contract of service with the Firm or any Member arising out of or in the course of his or her employment or for any breach of duty owed to any such person or any person who has made an application for employment under a contract of service with the Firm or any Member.

4.2.2 For death of or bodily injury to or psychological injury, emotional distress or anguish, shock, sickness or disease of any person (not being a person who is or has been under a contract of service with the Firm or any Member), save that this exclusion will not apply to any loss or to any Claim for psychological injury, emotional distress or anguish or shock which arises from a breach of duty in the performance (or failure to perform) Professional Business.

4.3 Property Damage

Save in respect of insuring clause 1.4, for physical loss of or damage to property.

4.4 Trading Losses

Arising out of or in connection with any trading losses or trading liabilities incurred by any business managed by or carried on by the Insured, but this

exclusion does not to apply to any Claims 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 any amendment or re-enactment thereof.

4.5 Fines and Penalties

For any fine or penalty.

4.6 Fraud and Dishonesty

In respect of dishonest or fraudulent acts or omissions committed by any person after discovery of reasonable cause for suspicion of fraud or dishonesty on the part of that person.

4.7 Claims by Insurers

Made against the Insured by any Underwriter or Insurance Company arising out of the Insured's activities as their Insurance Agent unless the Underwriter or Insurance Company has obtained a judgment in any court against the Insured notwithstanding anything to the contrary contained in conditions 5.2 and 5.3 of this policy.

4.8 Company Secretary, Registrar or Director

Save in respect of the performance (or non-performance) of Services, arising out of any Insured acting as Company Secretary or Registrar or Director.

4.9 Nuclear and War

Directly or indirectly caused by, or contributed to by, or arising from ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel or the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof or from war, invasions, acts of foreign enemies, hostilities (whether war be declared or not) civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or

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nationalisation or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

4.10 Terrorism

Arising from any Claim made against an Insured directly or indirectly caused by or resulting from any Terrorism or directly or indirectly caused by or resulting from any action taken in controlling, preventing or suppressing Terrorism.

4.11 Pollution, Contamination Asbestos and Fungi

Arising out of or relating directly or indirectly to or in consequence of

- a) seepage, pollution or contamination of any kind
- b) Fungi
- c) asbestos or any product or material containing asbestos in whatever form or quantity;

save that this exclusion will not apply to any loss or any Claim which arises from a breach of duty in the performance (or failure to perform) Professional Business.

4.12 Land and Vehicles

Arising directly or indirectly from the ownership, possession or use by the Insured of land, buildings, aircraft, watercraft, vessels or by mechanically propelled vehicles.

4.13 USA/Canada

Legal proceedings brought in the United States of America, its territories and possessions or Canada (whether for the enforcement of a judgment or finding of legal proceedings brought in another jurisdiction or otherwise) or in which it is contended that the laws of the United States of America, its territories and possessions or Canada should or do apply or which involves the enforcement or attempted enforcement of a judgment or finding of legal proceedings brought in the United States of America, its territories and possessions or Canada.

4.14 Warranties and Guarantees

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.

4.15 Insured V's Insured

Save in respect of condition 5.5.1, by any person comprising the Insured against any other person comprising the Insured.

4.16 Year 2000

Caused by or arising directly or indirectly from or in any way relating to any Computer System, whether or not the property of the Insured, not being Year 2000 Compliant or arising directly or indirectly or in any way relating to any correction, conversion, renovation, rewriting or replacement of, or any failure to correct, convert, renovate, rewrite or replace any Computer System related to Year 2000 Compliance.

4.17 Other Insurance

In respect of which the Insured are entitled to indemnity under any other insurance except in respect of any excess beyond the amount which would have been payable under such insurance had this policy not been effected.

4.18 Retroactive Date

Arising out of the conduct of Professional Business prior to the Retroactive Date specified in the Policy Schedule

5 CONDITIONS

5.1 Notification

5.1.1 The Insured shall as a condition precedent to their right to be indemnified hereunder give to the Insurer notice in writing as soon as practicable:

- a) Of any Claim made against them or any of them;

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- b) Of the receipt of notice from any party of an intention to make a Claim against them;
 - c) Of any loss suffered by them or any of them;
 - d) Of the discovery of 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 Firm whether giving rise to a loss or Claim hereunder or not;
 - e) Of the discovery that any Document needs to be repaired or replaced.
- a) as a condition precedent to their right to be indemnified hereunder not admit liability for, or settle any Claim without the written consent of the Insurer;
 - b) not incur any Defence Costs and Expenses in connection with any Claim or circumstances which may give rise to a Claim or loss without the written consent of the Insurer (such consent not to be unreasonably withheld or unreasonably delayed).

5.1.2 If the Insured shall become aware during the Period of Insurance of any circumstance which may give rise to a loss or Claim the Insured shall give notice in writing to the Insurer as soon as practicable, supplying full details of the act, error, omission, event, transaction or loss likely to give rise to an entitlement to indemnity. Such notice having been given:

- a) any Claim which may subsequently be made against the Insured arising out of the circumstance notified shall be deemed to have first been made against the Insured during the Period of Insurance;
- b) any loss which the Insured may subsequently discover they have sustained, being a loss arising out of the circumstance notified, shall be deemed to have been first discovered by the Insured during the Period of Insurance.

5.2 No settlement without the Insurer's Consent/Duty to Co-operate

5.2.1 The Insured shall:

5.2.2 The Insurer shall be entitled at its own expense at any time to take over and conduct in the name of the Insured or the Firm as the case may be the defence, investigation or settlement of any such Claim or loss and to conduct an investigation into circumstances which may give rise to a Claim or loss and to receive at all times the full co-operation of the Insured for this purpose. Subject thereto and to conditions 5.1 and 5.2.1, compliance by the Insured with any rules, requirements, directions or guidance of any Ombudsman appointed pursuant to the provisions of the Financial Services and Markets Act 2000, the Central Bank and Financial Services Authority of Ireland Act 2004 or any amendment or re-enactment thereof will not constitute a breach of any condition of this policy.

5.3 Insurer and Insured entitled to Defend

Neither the Insured nor the Insurer shall be required to contest any legal proceedings unless a Counsel of not less than 15 years standing (to be mutually agreed upon by the Insured and the Insurer or failing agreement to be appointed by the President of the Institute of Chartered Accountants in England and Wales (the "ICAEW"), The Institute of Chartered Accountants of Scotland (the "ICAS") or The Institute of Chartered Accountants in Ireland (the

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“ICAI”) as applicable) shall advise that, taking due account of the interests of both Insurer and Insured, such proceedings should be contested.

exercising any right of subrogation against any person committing or condoning such dishonest or fraudulent act or omission.

5.4 Subrogation

If the Institute of Chartered Accountants in England and Wales (the “ICAEW”), The Institute of Chartered Accountants of Scotland (the “ICAS”) or The Institute of Chartered Accountants in Ireland (the “ICAI”) as applicable) becomes subrogated to the Insured's rights under this policy arising from their making a payment to a third party from the Institute Compensation Fund, the Institute shall be deemed hereby to rank as a preferential creditor and their claim shall have priority over any other party who may also become subrogated to the Insured's rights hereunder.

5.5 Dishonest/Fraudulent Claims

5.5.1 Where a loss or Claim against the Insured involves the dishonest or fraudulent act or omission of any former or present partner, director, Member, employee, or consultant, sub-contractor or Alternate of the Firm

- a) the Insured shall at the request and expense of the Insurer take all reasonable steps to obtain reimbursement from such person;
- b) any monies which but for the dishonest or fraudulent act or omission would be due to such persons from the Insured or any monies of such persons held by the Insured shall be deducted from any amount payable hereunder;
- c) no indemnity in respect of such loss or Claim shall be afforded hereunder to any person committing or condoning such dishonest or fraudulent act or omission;
- d) nothing herein shall preclude the Insurer from

5.5.2 If the Insured shall proffer any loss or Claim knowing the same to be false or fraudulent as regards amount or otherwise, this policy shall become void and all Claims and requests for indemnity hereunder shall be forfeited.

5.5.3 Should the Insured suffer any loss or incur any liability of the type insured under this policy by reason of the dishonest or fraudulent act or omission of any former or present partner, director, Member or employee, consultant, sub-contractor or Alternate of the Firm, no indemnity shall be afforded hereunder in respect of such loss or liability to any person committing or condoning such dishonest or fraudulent act or omission, and the sums payable hereunder shall be only for the balance of liability in excess of the amounts recoverable from the dishonest or fraudulent person or persons or their estates or legal representatives.

5.6 No avoidance by the Insurer

5.6.1 The Insurer will not exercise its right to avoid this policy, or claim to be discharged from any liability hereunder, on the grounds of any alleged non-disclosure or misrepresentation of facts or alleged untrue statements in the Proposal, provided always that the Insured shall establish to the Insurer's reasonable satisfaction that such alleged non-disclosure, misrepresentation or untrue statement was free of any fraudulent conduct or intent to deceive.

5.6.2 However, if such alleged non-disclosure, misrepresentation or untrue statement consists of or includes a failure to inform the Insurer of any circumstance of

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which the Insured was aware might give rise to a loss or Claim against the Insured the indemnity hereunder in respect of that loss or Claim shall be limited as follows:

- a) where the Insured should have notified such circumstance under any previous insurance (whether with another insurer or not), the indemnity hereunder shall be limited to either the indemnity which would have been available under the earliest such previous insurance if such circumstance had been properly notified or the indemnity provided by this policy, whichever is the least favourable to the Insured;
- b) where the Insured should have notified such circumstance under this policy prior to obtaining any increase in the Limit of Indemnity or other variation of the terms hereof, the indemnity hereunder shall be limited to the indemnity which would have been available prior to such increase in cover or variation of the terms hereof.

5.6.3 In the event any material non-disclosure, misrepresentation or untrue statement is made in the Proposal, then the Insurer shall be entitled at its sole discretion to charge an additional premium, the amount of which shall also be at its sole discretion.

5.7 Breach of Condition

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 amount of any loss sustained by the Insured, or
- c) in the obtaining of reimbursement from any dishonest or fraudulent person as referred to in condition 5.5.1

the indemnity afforded hereunder (including liability for Claimants' costs) 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. For the avoidance of doubt this clause shall not affect the Insurer's remedy where there has been a breach of a condition precedent.

5.8 Compliance with Minimum Terms

5.8.1 The cover provided by this policy shall, notwithstanding any policy wording to the contrary, be, in each and every respect and in respect of each and every Claim and in the aggregate, no less favourable and provide no less protection to the Insured than the Approved Minimum Wording (as defined in the Professional Indemnity Insurance Regulations from time to time issued by the Institute of Chartered Accountants in England and Wales (the "ICAEW"), The Institute of Chartered Accountants of Scotland (the "ICAS") or The Institute of Chartered Accountants in Ireland (the "ICAI") as applicable) in force at the date of the inception of the policy and on any renewal of the policy at the date of such renewal.

5.8.2 If the insurance offered by this policy exceeds that provided by the Approved Minimum Wording then, notwithstanding any policy wording to the contrary, the limit of indemnity in respect of that additional indemnity shall be in addition to the limit of indemnity provided by the Approved Minimum Wording. However the additional indemnity will only operate when any insurance excess of the primary insurance has been exhausted by reason of claims.

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5.8.3 In any dispute as to whether the cover under this policy is in any respect or in the aggregate less favourable or gives less protection to the Insured than the Approved Minimum Wording would do, an arbitrator who shall be agreed between the Insurer and the Insured, or failing such agreement shall be selected at the request of either Insurer or Insured by the President for the time being of the Institute of Chartered Accountants in England and Wales (the "ICAEW"), The Institute of Chartered Accountants of Scotland (the "ICAS") or The Institute of Chartered Accountants in Ireland (the "ICAI") (as applicable), shall be appointed to resolve the dispute. The arbitrator shall base his decision on the general intention of the Insurer and Insured as stated under condition 5.8.1 above and insofar as is possible on general principles of justice and equity. The arbitrator's decision shall be binding on both Insurer and Insured.

5.9 Contracts (Rights of Third Parties) Act 1999 and Company Authorisation

A person who is not a party to this policy has no rights under the Contracts (Rights of Third Parties) Act 1999 or any equivalent legislation in the Republic of Ireland or any amendment or re-enactment thereof to enforce any term of this policy. This condition does not affect any right or remedy of a third party which exists or is available other than by virtue of the Contracts (Rights of Third Parties) Act 1999.

6 GOVERNING LAW AND DISPUTES

6.1 Save as provided in condition 5.3 any dispute or disagreement between the Insured and the Insurer arising out of or in connection with this policy 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 of the Institute of Chartered Accountants in England and Wales (the "ICAEW"), The Institute of Chartered

Accountants of Scotland (the "ICAS") or The Institute of Chartered Accountants in Ireland (the "ICAI") as applicable) whose decision shall be final and binding on both parties.

6.2 Furthermore, in the event of any dispute between any Insurers concerning this policy such dispute shall be referred to arbitration before a sole arbitrator (to be mutually agreed upon or failing agreement to be appointed by the President for the time being of the Institute of Chartered Accountants in England and Wales (the "ICAEW"), The Institute of Chartered Accountants of Scotland (the "ICAS") or The Institute of Chartered Accountants in Ireland (the "ICAI") as applicable) whose decision shall be binding on both parties.

6.3 This policy shall be governed by and construed in accordance with the laws of England and Wales/Scotland/Ireland (as applicable).

6.4 The Courts of England and Wales/Scotland/Ireland (as applicable) shall have exclusive jurisdiction to hear and determine any suits, actions, proceedings and to settle any disputes that may arise out of or in connection with this policy.

7 INTERPRETATION

In this policy:

- a) reference to any Act, statute or statutory provision shall include a reference to that provision as amended, re-enacted or replaced from time to time whether before or after the date of the inception of this policy;
- b) if any term, condition, exclusion or endorsement or part thereof is found to be invalid or unenforceable the remainder shall be in full force and effect;
- c) the headings herein are for reference only and shall not be considered when determining the meaning of this policy.

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8 SEVERAL LIABILITY

The obligations of each insurance company and Lloyd's syndicate (including the underwriters thereof) shall be several and not joint and shall be solely to the extent of that company's or syndicate's individual subscription. No such company or syndicate shall be responsible for the subscription of any other such company or syndicate who for any reason does not satisfy all or part of its obligations hereunder.

9 DEFINITIONS

9.1 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.

9.2 Claim(S) mean(s) demand(s) (including Claimants' costs) by a Claimant for compensation or damages from, or the assertion(s) of a civil right or rights against, any Insured and shall be deemed to include any complaint(s) or reference(s) to any Ombudsman appointed pursuant to the provisions of the Financial Services and Markets Act 2000 or the Central Bank and Financial Services Authority of Ireland Act 2004 which arises out of the conduct of Professional Business carried on by, or on behalf of, the Insured.

9.3 Claimant means any person or entity making a claim and is deemed to include a complainant to any Ombudsman appointed pursuant to the provisions of the Financial Services and Markets Act 2000 or the Central Bank and Financial Services Authority of Ireland Act 2004.

9.4 Computer System means any computer data processing equipment media or part thereof, or system of data storage and retrieval, or communications system, network, protocol or part thereof, or storage device, microchip, integrated circuit, real time clock system or similar device or any computer software (included but not limited to application software, operating systems, runtime environments or compilers), firmware or microcode.

9.5 Defence Costs and Expenses means legal costs and expenses incurred by or on behalf of the Insured with the prior written and continuing consent of the Insurer. It does not include the Insured's own costs and expenses.

9.6 Director shall have the meaning given by section 741(1) of the Companies Act 1985, article 9 of the Companies (Northern Ireland) Order 1986, section 2 of the Companies Act 1960 1963 of the Republic of Ireland or section 27 of the Companies Act 1990 of the Republic of Ireland as appropriate or any amendment or re-enactment thereof

9.7 Document means all forms of documents of whatsoever nature including computer system records, but excluding bearer bonds, coupons, bank notes, currency notes and negotiable instruments.

9.8 Excess means amount payable by the Insured (the Insurer shall only be liable to the extent that any liability exceeds the Excess).

9.9 Firm: wherever the word "Firm" appears herein the same is deemed to read "the Firm(s) or company(ies) or limited liability partnership(s) named in the Schedule and save for the purposes of Clause 3.3 includes the predecessors in business of the said Firm(s)".

9.10 Fungi means any fungus or mycota, including but not limited to mould, mildew, mycotoxins, spores, yeast or any biogenic aerosols.

9.11 Insured means each and all of the following persons, each of whom shall be severally insured hereunder:

- a) Those persons named in the Proposal as partners or directors or Members of the Firm (or named as the principal where the Firm is a sole practitioner) and any other person who may at any time during the Period of Insurance become a partner or director or Member in the Firm;
- b) Any former partner or director or Member of the Firm including any such former partner or director or

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- Member whilst acting as a consultant to the Firm;
- c) Any person who is or has been under a contract of service with the Firm;
- d) Any person who is or has been under a contract of service with a Member save that such person shall only be an Insured for the purpose of this policy if and insofar as any Claim arises out of Professional Business carried on by such person for or on behalf of the Firm named in the Schedule;
- e) The estates and/or legal representatives of any Insured Person noted under (a), (b), (c) or (d) hereof in the event of death, incapacity, insolvency or bankruptcy;
- f) Any company or limited liability partnership named in the Policy Schedule;
- g) Any person who is acting on behalf of the Firm as an Alternate.
- 9.12 Insured Person** means any natural person insured hereunder.
- 9.13 Limit Of Indemnity** means the amount stated in the Policy Schedule being the maximum payable by the Insurer in respect of any one Claim or loss irrespective of the number of claimants and/or the number and type of Insureds.
- 9.14 Member** means any member of a limited liability partnership, including, without limitation, a designated member, save that such a Member shall only be an Insured for the purposes of this policy if and insofar as any Claim arises out of Professional Business carried on by the Member for or on behalf of the Firm named in the Schedule.
- 9.15 Period Of Insurance** means the period stated in the Policy Schedule.
- 9.16 Premium** means the amount stated in the Policy Schedule plus Insurance Premium Tax (or other appropriate tax) at the rate from time to time in force.
- 9.17 Professional Business** means the advice given or services performed of whatsoever nature by or on behalf of the Insured, 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 Firm.
- The definition of "Professional Business" is deemed to extend to any of the Insured whilst holding any individual personal appointment (including, but without prejudice to the generality of the foregoing, 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, only in relation to the performance of Services.
- 9.18 Proposal** means all the information supplied to the Insurer (whether by written, electronic or any other means) which it is hereby agreed is the basis of this policy.
- 9.19 Regulated Business** means all activities regulated under the Financial Services and Markets Act 2000 as set out in Section 22 of the Financial Services and Markets Act 2000 or the Central Bank and Financial Services Authority of Ireland Act 2004 and regulations made thereunder.
- 9.20 Schedule** means the document entitled "Schedule" that relates to this policy.
- 9.21 Services** performed whilst holding the appointment of Company Secretary, Registrar or Director as referred to in the definition of "Professional Business" mean 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, financial claims - their negotiation and settlement, company formations, investment advice, insurance and pension scheme advice and computer consultancy.

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9.22 Terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

9.23 Year 2000 Compliant/Compliance means that neither performance nor functionality of the Computer System is affected by dates prior to, during or after the Year 2000. In particular:

- a) No value for current date will cause any interruption in operation of the Computer System;
- b) Date based functionality and performance of the Computer System must behave consistently for dates prior to, during and after the Year 2000;
- c) In all interfaces and data storage of the Computer System the century in any date must be specified either explicitly or by unambiguous algorithms or inferencing rules;
- d) The year 2000 must be recognised as a leap year.

Useful Contact Information

Claims

In the event of any occurrence which may give rise to a claim, please contact your broker or alternatively you can contact us direct on the claims number below.

Office Hours Claims Contact Number

0870 942 4606

Your Views

As part of our 'Putting You First' philosophy we are always looking at ways to improve our products and services and your views on these are extremely important to us. If you would like to give us your feedback you can do so at our website www.primarygeneral.co.uk/yourviews

Premium Finance Facility

Why not ask your broker how to make use of our premium finance facility, which will enable you to spread your premium payment over 10 months.

Other Primary General Policies

In order to find out about other products and services available from Primary General please speak to your broker or visit www.primarygeneral.co.uk

Additional Services

Supplementary to the covers provided by the Policy, if your Office Insurance Policy is placed with Primary General, you can also benefit from the following additional covers and services:

Signatures

Primary General Office Insurance Policyholders automatically benefit from our Signature Covers. This briefly comprises of:

- Commercial Legal Protection Cover, including Contract Disputes Cover.
- Executive Incapacity Cover for the Key Person in your Business, with options to include other Key Personnel.
- Equipment Breakdown on all your Computers, Security Equipment and the like as well as all other infrastructural Equipment.

Please speak to your Broker regarding our Signatures Policy Covers or visit www.primarygeneral.co.uk for further details.

Employment and Health & Safety Support

All Primary General Office Policyholders, also get free Online Support and Telephone Advice-Lines to guide them through any issues you may have on Employment (HR) and Health & Safety. All you need to do is register at www.primarygeneral.co.uk/employment+H&S within 4 weeks of commencement of your Office Insurance Policy. Alternatively please contact your Broker for further details.

contact

Your local contact will be happy to answer any further questions you have on Primary General.



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