



Professional Indemnity Insurance Schedule

Policy Number:	AQS00168019		
Broker:	Lockton Companies LLP		
Date:	05 September 2019		
Insured:	Kelly Kilduff Limited		
Professional Business:	Accountant		
Period of Insurance:	Start Date: 07 September 2019	Expiry Date: 06 September 2020	inclusive
Limit of Indemnity:	£250,000		
Basis of Limit:	Per Single Claim		
	Defence Costs in addition to the Limit of Indemnity		
Excess:	£ 500		
Basis of Excess:	Per Single Claim		
	Not applicable to Defence Costs		
Policy Wording:	AQUW/AC/04.18 Accountants Professional Indemnity Policy Wording		
Retroactive Date:	None		
Territorial Limits:	Worldwide excluding United States of America and Canada and in each case its territories and possessions and any state or political sub-division thereof		
Jurisdictional Limits:	Worldwide excluding United States of America and Canada and in each case its territories and possessions and any state or political sub-division thereof		
Premium:	£ 300.00	Insurance Premium Tax: £ 36.00	Fee: £ 50.00 Total: £ 386.00

In accordance with the authority granted under binding authority Number B080114333H19 to the signatory and in consideration of the premium paid specified herein, the said Insurers are hereby bound to insure in accordance with the terms and conditions contained herein or endorsed hereon.

In Witness whereof this policy has been signed by

Danny French (CEO)

Schedule of Insurers	Percentage
On behalf of certain Underwriters at Lloyd's	100.00%

Aqueous Underwriting is a trading name of Aqueous Management Limited (AqML), an appointed representative of Ambant Underwriting Services Limited, a firm authorised and regulated by the Financial Conduct Authority (FCA) under Firm Reference Number (FRN) 597301 to carry on insurance distribution activities.

AqML is registered in England and Wales. Company Number 09634781.

Registered Address at 30 Fenchurch Avenue, London, England, EC3M 5AD.

The above details can be checked on the Financial Services Register by visiting the FCA website and searching by FRN.



Endorsements:

None

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Professional Indemnity Policy Wording



Aqueous Underwriting

For Accountants
(ICA Compliant)
April 2018

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Important Information about your Policy with Aqueous

The **Policy**, Schedule and any applicable **Endorsements** are to be read together as one document and constitute the legal agreement between the Insured named on the Schedule and the **Insurer**. These documents should be examined in detail to ensure the **Insured's** requirements are met. In the event of any uncertainty, please contact your insurance adviser.

The **Insurer's** acceptance of this risk is based on the information presented to the **Insurer** in a **Proposal** being a **Fair Presentation**.

The **Insurer** will provide the insurance described in this **Policy**, for the **Period of Insurance**, and any subsequent period for which the Insured named on the Schedule shall pay, and the **Insurer** shall agree to accept, a **Premium**.

This **Policy** operates on a 'claims-made' basis. This means that the **Insurer** will only provide insurance for **Claims** first made against the **Insured** and notified to the **Insurer** during the **Period of Insurance**.

There are definitions throughout this **Policy** which are highlighted in bold and are used to explain what a word means. Details of the definitions that apply throughout the **Policy** can be found in the Definitions section of the Policy Wording.

To help the **Insured** to understand the cover within the **Policy**, the **Policy** has been broken down into sections, entitled, "What is Covered" and "What is not Covered". Under the "What is Covered" section there is information on the insurance the **Policy** provides. This must be read together and in conjunction with the sections entitled, "What is not Covered", the Policy Conditions and the Claims Conditions.

Renewal Procedure

The **Insurer** does not have to offer renewal of the **Policy** and cover will cease on the Expiry Date of the **Period of Insurance**.

Prior to Expiry Date of the **Period of Insurance** each year the **Insurers Agent** may request the **Insured** to complete a renewal declaration form. Renewal will not be considered unless a satisfactory renewal declaration is received by the **Insurers Agent** when requested prior to Expiry Date of the **Period of Insurance**. If the **Insured** does not submit a renewal declaration that is accepted by the **Insurer** and terms for renewal are not agreed prior to the Expiry Date of the **Period of Insurance**, then the **Policy** will lapse at the Expiry Date of the **Period of Insurance**. The **Policy** is renewable provided that the **Insurer** agrees to accept the Premium for any subsequent **Period of Insurance**.

Data Protection

The **Insurer** and the **Insurer's Agent** will process the information they hold about the **Insured**, its employees and other individuals connected to the **Insured** (including their personal data) for the purposes of providing insurance, fraud prevention, debt recovery and handling claims, as outlined in more detail in the Privacy Notice, a copy of which is available at <https://www.aqueousuw.com/privacynotice>. This may mean providing some details to third parties involved in providing insurance cover, or maintaining fraud databases. These third parties may include law enforcement and other statutory bodies, insurance carriers, third-party claims adjusters, fraud detection and prevention services, reinsurance companies, insurance regulatory authorities and other companies that provide a service to the **Insurer**. For more detail on the way in which personal data will be processed in connection with this **Policy**, please refer to the Privacy Notice.

The **Insured** will ensure that all personal data provided to the Insurer and the **Insurer's Agent** has been collected and provided in compliance with all applicable laws. The **Insured** will notify data subjects of the fact that their personal data will be provided to the **Insurer** and the **Insurer's Agent** and the purposes for which their personal data will be used.

Making a Claim

This Policy contains important Conditions that apply in the event of a **Claim**.

It is important that the **Insured** complies with Policy Conditions and Claim Conditions and the **Insured** must familiarise themselves with any requirements contained in the **Policy**. **Failure to comply with a condition within the Policy may adversely affect the indemnity available.**

Notification of any **Claim** or **Circumstance** must be made in writing and as soon as reasonably practicable to:

Aqueous Claims Team
Kennedys Law LLP
Broomhay House
Blackbrook Business Park
Taunton TA1 2PX
Email: aqueous.claims@kennedyslaw.com

The Claims Team can be contacted by telephone on: 01823 692600
For your protection telephone calls may be recorded or monitored

Routinely the **Insurer** or their representative may wish to meet with the **Insured** to discuss or undertake further investigations in relation to any **Claim** or **Circumstance**.

Additional Support

As a policyholder with Aqueous, the **Insured** has access to the following complimentary services as provided by Kennedys Law LLP. Kennedys is an international insurance law firm specialising in claims against professionals and is highly rated both in Chambers & Partners and Legal 500 across the full spectrum of practice areas.

General Claims Advice Helpline

The **Advice Helpline** is available to the **Insured** for any claim-related query that may arise during the **Period of Insurance** and which the **Insured** believes may impact upon their **Policy**. Through the **Advice Helpline**, the **Insured** will have access to a team of lawyers who specialise in claims against professionals and their query will be dealt with quickly and efficiently by a Kennedys lawyer with particular expertise in the **Insured's** line of business.

The **Advice Helpline** number is 01823 692600. Please ask to speak with either Sarah Cornish or Simon Combe in the first instance and have to hand the **Insured's** policy number and any claims reference (if applicable) when calling.

Please note calls to the helpline do not constitute notification to the **Insurer** and Kennedys will not advise on whether or not a particular matter is covered under the **Policy**.

Definitions

These definitions apply to this **Policy**. If a word or phrase has a defined meaning it will be highlighted in bold and will have the same meaning wherever it is used in this **Policy**.

1 Alternate shall mean

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

2 Circumstance shall mean

any incident, occurrence, fact, matter, act or omission that the **Insured** first becomes aware of during the **Period of Insurance** that may give rise to a **Claim** other than a notice from any person of an intention to make a **Claim**.

3 Claim shall mean

- A) any written or oral demand for compensation, damages, non-pecuniary or injunctive relief from, or assertion of a right against, an **Insured**; or
- B) any written notice of an intention to refer a complaint against the **Insured** to an Ombudsman, Arbitrator or Adjudicator or any notice of acceptance by any such body that they have jurisdiction to decide the complaint; or
- C) any civil, arbitration or adjudication proceedings, including any claim form, particulars of claim, application notice, court order or notice, counterclaim or appeal naming the Insured as a party;

received by the **Insured** during the **Period of Insurance**.

4 Defence Costs shall mean

all reasonable and necessary costs, fees, disbursements and expenses (other than costs incurred in connection with Claims Condition 5A) (Dishonesty and Fraud)) incurred by the **Insurer** or by the **Insured**, with the prior written consent of the **Insurer**, in investigating, defending or settling any **Claim** made against the **Insured**, and, at the discretion of the **Insurer**, any **Circumstance**, provided that any such **Claim** or **Circumstance** has been notified in accordance with this **Policy**.

Profit costs, remuneration, expenses paid by or due to the **Insured**, internal overheads or costs of the **Insured's** time are not included.

5 Documents shall mean

documents (excluding bearer bonds coupons bank or currency notes or other negotiable instruments) of any nature whether printed, written or produced by another method, including electronically stored or computer systems records, in the custody or control of the **Insured** and which are used or held in the course of **Professional Business**.

6 Employee shall mean

- A) any person including any trainee or consultant under a contract of service with the **Firm**; or
- B) any person supplied by a work agency working temporarily for and under the direction and supervision of the **Firm**;

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 **Policy**.

The definition of **Employee** does not include anyone who is a principal, partner, **Member** or director of the **Insured**.

- 7 Endorsement** shall mean
an amendment to the policy terms and conditions including amendments described as Endorsement in the Schedule.
- 8 Excess** shall mean
the amount specified in the Schedule unless otherwise specified in an Insurance Clause within 'What is Covered'.
- 9 Fair Presentation** shall mean
the statutory duty upon the **Insured** to provide a fair presentation of the risk, more particularly described in Part 2 of the Insurance Act 2015.
- 10 Firm** shall mean
any firm, partnership, sole practitioner, company (limited or otherwise), limited liability partnership, Isle of Man limited liability company or any other entity named as an Insured in the Schedule, including any **Predecessor**.
- 11 Insured** shall mean
each and all of the following, each of whom shall be severally insured in respect of **Professional Business** carried on by or on behalf of the **Firm**:
- A) any **Firm**;
 - B) any principal, partner, director or **Member** of the **Firm**;
 - C) any former partner, director or **Member** of the **Firm**, including any former partner, director or **Member** whilst acting as a consultant to the **Firm**;
 - D) any actual or former **Employee**;
 - E) the legal representatives of any deceased, incapacitated or bankrupt **Insured Person** but only in respect of civil liability incurred by the **Insured Person**; or
 - F) any person acting on behalf of the **Firm** as an **Alternate**;
- but only to the extent that in the above capacity they undertake **Professional Business** by for or on behalf of the Insured named in the Schedule.
- 12 Insured Person**
any person insured under this **Policy**.
- 13 Insurer** shall mean
the Insurer or Insurers specified in the Schedule.
- 14 Insurers Agent** shall mean
Aqueous Management Limited trading as Aqueous Underwriting (Registered in England under company number 09634781) Registered at 5th Floor, Marlow House, 1A Lloyds' Avenue, London, EC3N 3AA.
- 15 Jurisdictional Limits** shall mean
The jurisdiction as shown under Jurisdiction Limits in the Schedule.
- 16 Limit of Indemnity** shall mean
the Limit of Indemnity specified in the Schedule.

17 Member shall mean

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

18 Packaged Software

any software produced and marketed either on a wholesale or retail basis for general distribution by any third party.

19 Period of Insurance shall mean

the Period of Insurance as specified in the Schedule inclusive of both the Start date and Expiry date.

20 Policy shall mean

collectively this policy wording, the Schedule (including any issued in substitution) and any **Endorsement**.

21 Pollution shall mean

any seepage, pollution or contamination of any kind.

22 Predecessor shall mean

any sole trader or entity to which the **Firm** has succeeded and which has been accepted and noted as an Insured in the Schedule by the **Insurer**.

23 Premium shall mean

the sum specified in the Schedule.

24 Professional Business shall mean

advice given or services provided of whatsoever nature by or on behalf of the **Insured** to a third party, wherever or by whomsoever given or provided 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**.

Professional Business shall include 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 of a company which is not a **Firm** it only extends to the performance of **Services**.

For the purposes of this definition only, **Services** (where defined) shall 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, the negotiation and settlement of financial claims, company formations, investment advice, insurance and pension scheme advice and computer consultancy.

25 Proposal shall mean

any proposal form, **Statement of Fact**, information provided or declaration (including at renewal) given by, or on behalf of the **Insured**, in respect of this **Policy**.

26 Single Claim shall mean

any one or more **Claims** or matters insured under this **Policy** (but not including **Defence Costs**) attributable to, based upon, consequent upon or arising out of the same act, error or omission, or series of acts, errors or omissions, or originating cause or source, regardless of whether one or more claimants, causes of action, or **Insureds** are involved.

27 Statement of Fact shall mean

the document which contains:

- A) the **Insured's Fair Presentation** of the risk/all material information relevant to this **Policy**; and
- B) assumptions made by the **Insurer** about material information.

The **Insured** must inform the **Insurer** as soon as possible in the event that information or assumptions are incorrect.

28 System shall mean

computers, any other computing or electronic equipment linked to computer hardware, electronic data processing equipment, microchips and anything which relies on a microchip for any part of its operation.

For the purposes of this definition 'microchip' shall mean a unit of small-scale packaged computer circuitry made for computer memory purposes or program logic and which includes microcontrollers and integrated circuits.

29 Territorial Limits shall mean

the territory as shown under Territorial Limits in the Schedule.

30 Virus shall mean

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.

What is Covered (Insurance Clauses)

1 Civil Liability

The **Insurer** will indemnify the **Insured** in respect of their civil liability for any **Claim**, both first made against the **Insured** and notified to the **Insurer** during the **Period of Insurance** arising out of, or in connection with, the conduct of **Professional Business**.

2 Defence Costs

The **Insurer** will pay **Defence Costs** incurred by the **Insurer** or by the **Insured** with the **Insurer's** prior written consent.

Unless otherwise provided for in the Schedule, **Defence Costs** are payable in addition to, and do not form part of, the **Limit of Indemnity**.

The **Insurer's** liability for **Defence Costs** in relation to any **Claim** disposed of (in settlement or following a judgment) for an amount which exceeds the **Limit of Indemnity** under this **Policy** shall be limited to the proportion that the available **Limit of Indemnity** bears to the amount payable to dispose of such **Claim**.

3 Awards by Ombudsmen

The **Insurer** will indemnify the **Insured** in respect of the recommendation or award of any Ombudsman under any recognised Ombudsman Scheme, both made against the **Insured** and notified to the **Insurer** as a **Claim** during the **Period of Insurance** in respect of:

- A) any amount paid or payable; or
- B) the **Insured's** reasonable and necessary 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 indemnity provided under What is Covered 1 (Civil Liability).

The indemnity under this Insuring Clause forms part of and is not in addition to the **Limit of Indemnity**.

4 **Disputed Fees Cover**

Where during the **Period of Insurance** the **Insured's** client refuses to pay for work undertaken by the **Insured** in the course of **Professional Business** including amounts legally owed by the **Insured** to sub-contractors or suppliers and that dispute has been notified to and accepted by the **Insurer** as a **Circumstance** during the **Period of Insurance**, the **Insurer** will reimburse the **Insured** for the unpaid fees provided the **Insurer** is satisfied that:

- A) the **Insured's** client has expressed and has reasonable grounds for being dissatisfied with the **Insured's** work and has threatened to bring a **Claim** for more than the disputed amount; and
- B) the dispute will be settled by the **Insured** agreeing with the **Insurer** not to pursue the disputed amount; and
- C) it will avoid a legitimate **Claim** that would otherwise be covered by this **Policy** for a greater amount than the amount owed to the **Insured**.

The maximum liability for the **Insurer** in the **Period of Insurance** under this Insuring Clause is £250,000 or the **Limit of Indemnity**, whichever is the lower. This is an inner limit i.e. this sum forms part of and is not in addition to the **Limit of Indemnity**.

The **Insurer** shall not be liable in respect of the first £500 or the **Excess** whichever is the higher.

If a **Claim** still arises from the same dispute then provided the **Insurer's** prior consent is obtained, nothing in this insurance clause shall prohibit the **Insured** from pursuing recovery of the disputed amount in the course of that **Claim** and any amount paid by the **Insurer** under this insurance clause will be deducted from the indemnity available for that subsequent **Claim**. No further **Excess** shall apply to any subsequent **Claim** in addition to what has already been paid under this Insuring Clause.

If the **Insured** eventually recovers the debt then the amount paid by the **Insurer** must be repaid to the **Insurer** less the **Insured's** reasonable expenses of recovering the debt due.

5 **Loss of Documents**

If during the **Period of Insurance** any **Documents** become damaged beyond reasonable use or are discovered to be lost and this is notified to and accepted by the **Insurer** as a **Circumstance** during the **Period of Insurance** the **Insurer** will indemnify the **Insured** for the reasonable costs and expenses incurred in replacing or restoring those **Documents** provided:

- A) that in the **Insurer's** reasonable opinion replacing or restoring such **Documents** could mitigate or avoid a **Claim**;
- B) that 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 proper procedures for the security and the daily back-up of **Documents**.

The maximum liability for the **Insurer** in the **Period of Insurance** under this Insuring Clause is £250,000 or the **Limit of Indemnity** whichever is the lower. This is an inner limit, i.e. this sum forms part of and is not in addition to the **Limit of Indemnity**.

6 **Fidelity Losses Cover**

The **Insurer** will indemnify the **Insured** named on the Schedule in respect of their direct losses of money, securities or other property resulting from a fraud or dishonest act by an **Employee** acting alone or in collusion with others, which is committed, discovered and notified as a **Circumstance** to the **Insurer** during the **Period of Insurance**, provided that the **Insurer** is reasonably satisfied that:

- A) the fraud or dishonest act was carried out by the **Employee** with the intent to cause a loss to the **Insured** and for the **Employee** to obtain an improper benefit either for themselves or others; and
- B) the annual accounts of the **Insured** have been prepared or certified by an independent accountant or auditor; and
- C) at all material times the **Insured** had reasonable internal procedures and processes in place to try and prevent the fraud or dishonest act that was carried out, for example, ensuring that computer initiated transfer authorities to a bank or financial institution are controlled and authorised by more than one person who have their own unique passwords; and
- D) where it is not possible to identify the individual committing the fraud or dishonest act, the cause of the loss was nonetheless due to the fraud or dishonest act of one or more **Employees**.

The **Insurer** shall have no obligation under this Insuring Clause to indemnify loss which constitutes salary, commissions, fee bonuses, promotions, awards, profit sharing, pensions or other benefits earned in the normal course of employment.

The maximum liability for the **Insurer** in the **Period of Insurance** under this Insuring Clause is £250,000 or the **Limit of Indemnity**, whichever is lower for all losses under this Insuring Clause. This is an inner limit i.e. this sum forms part of and is not in addition to the **Limit of Indemnity**.

The **Insurer** shall not be liable in respect of the first £500 or the Excess whichever is the higher.

7 Investigation Costs

The **Insurer** will pay the reasonable costs and expenses incurred by the **Insured** with the **Insurer's** prior consent for representation at any official examination, inquiry investigation or other proceedings ordered by a body legally empowered to investigate the **Insured** and that arises out of the conduct of **Professional Business** that is first instigated against the **Insured** and notified to and accepted by the **Insurer** as a **Circumstance** during the **Period of Insurance**.

The maximum liability for the **Insurer** in the **Period of Insurance** under this Insuring Clause is £25,000. This is an inner limit i.e. this sum forms part of and is not in addition to the **Limit of Indemnity**.

The **Insured** shall be liable in respect of the first £500 or the **Excess** whichever is the higher for costs and expenses incurred in respect of each official examination, inquiry investigation or other proceedings ordered by a body legally empowered to investigate.

8 Court Attendance Costs

The **Insurer** will indemnify the cost (up to a maximum of £250 each day for an **Employee** or £500 each day for a **Member**, principal, partner or director) of an **Insured Person's** attendance at a court or tribunal hearing, arbitration, adjudication or mediation in connection with a **Claim** or **Circumstance** notified to and accepted by the **Insurer** provided the **Insurer** is satisfied that their attendance is necessary or required and that prior approval has been given by the **Insurer**.

The maximum liability for the **Insurer** in the **Period of Insurance** under this Insuring Clause is £15,000. This is an inner limit, i.e. this sum forms part of and is not in addition to the **Limit of Indemnity**.

What is not Covered

The **Insurer** will not be liable under this **Policy** to the extent that any **Claim**, costs or matter otherwise insured arises from, relates to or involves:

1 Adjudication and Arbitration

any:

- A) decision made against the **Insured** by an adjudicator who was not independent of the parties to the dispute;
- B) arbitration award made in respect of any **Claim** or counterclaim where the seat of the arbitration was located outside England Wales Scotland or Northern Ireland, unless that seat was agreed to by the **Insurer**.

2 Contractual Liabilities and Guarantees

any express warranty or guarantee given by the **Insured** unless such liability would have attached to the **Insured** in the absence of that express warranty or guarantee.

3 Controlling Interest

any **Claim** made against the **Insured** by:

- A) another **Insured**; or
- B) any entity in which any partner, **Member**, or director or any combination of partners **Members** or directors of the **Firm** in their capacity as such or otherwise exercises or has exercised a controlling interest; or
- C) any entity exercising a controlling interest over the **Firm** by virtue of their having a financial or executive interest in the operation of the **Firm**;

unless such **Claim** emanates from an independent third party.

4 Damage to Property

any physical loss of or damage to property other than that covered under What is Covered Insuring Clause 5 (Loss of or Damage to Documents) or otherwise arising from any actual or alleged breach of duty in the performance of, or failure to perform, **Professional Business**.

5 Dishonesty

any dishonest or fraudulent act or omission committed by any:

- A) principal, partner, **Member** or director of a **Firm**; or
- B) **Employee**, where the dishonesty or fraud has been condoned by the **Insured** or upon there being reasonable cause for suspicion, or discovery of fraud or dishonesty, on the part of the **Employee**.

6 Employee Disputes

any dispute between the **Insured** and any prospective, actual or former **Employee**.

7 Fines Penalties and Punitive Damages

any fines, penalties, punitive, exemplary or aggravated damages, save that this exclusion shall not:

- A) apply to any **Claim** relating to any actual or alleged defamation arising out of the conduct of **Professional Business** carried on by or on behalf of the **Insured**; or
- B) operate to exclude or limit the scope of indemnity afforded by What is Covered Insuring Clause 3 (Awards by Ombudsmen).

8 Goods and Services

the supply of any goods, except software other than **Packaged Software**, by or on behalf of the **Insured** or products manufactured, constructed, altered (other than alterations by or on behalf of the **Insured** to **Package Software**, which are not excluded), repaired, treated, sold, supplied or distributed by or on behalf of the **Insured**.

9 Injury

any:

- A) bodily injury, mental injury, psychological injury, anguish, emotional distress, shock, sickness, disease or death sustained by an **Insured Person**; or
- B) bodily injury, psychological injury, anguish, emotional distress, shock, sickness, disease or death sustained by any person other than an **Insured Person** unless arising from any actual or alleged breach of duty in the performance of, or failure to perform, **Professional Business**.

10 Insurance or Finance Arrangement

the **Insured's** failure to arrange or maintain insurance or finance.

This exclusion shall not apply to What is Covered Insuring Clauses 1 (Civil Liability), 2 (Defence Costs) and 3 (Awards by Ombudsman) where the **Insured** is a member of the Institute of Chartered Accountants in England and Wales/of Scotland/in Ireland as applicable.

11 Investments

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

12 Lost Profit and VAT

the **Insured's** lost profit, mark-up or liability for VAT or its equivalent.

This exclusion shall not apply to What is Covered Insuring Clauses 1 (Civil Liability), 2 (Defence Costs) and 3 (Awards by Ombudsman) where the **Insured** is a member of the Institute of Chartered Accountants in England and Wales/of Scotland/in Ireland as applicable.

13 Pollution

any **Pollution** save that this exclusion will not apply to any **Claim** which arises from any actual or alleged breach of duty in the performance of, or failure to perform, **Professional Business**.

14 Previous Claims or Circumstances

- A) the consequence of any matter:
 - (i) notified under any insurance which was in force prior to the **Period of Insurance**; or
 - (ii) known or which ought reasonably to have been known to the **Insured** prior to the **Period of Insurance** which might reasonably be expected to produce a **Claim**, unless the **Insurer** makes an election to accept a notification at Renewal under the Special Policy Condition in this **Policy**; or
- B) any claim made against the **Insured** prior to the **Period of Insurance**.

15 Radioactive Contamination

any:

- A) ionising radiations or contamination by radioactivity from any nuclear fuel, waste or substance or from any nuclear waste from the combustion of nuclear fuel; or

- B) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

16 Retroactive Date

any **Claim** or loss otherwise eligible for indemnity under this **Policy**:

- A) where the cause of such **Claim** or loss occurred, or was alleged to have occurred; or
 - B) which arises out of the conduct of **Professional Business**;
- prior to any Retroactive Date specified in the Schedule.

17 Sanctions

any situation that would expose the **Insurer** to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

18 Spite, Deliberate or Reckless Behaviour

any:

- A) personal spite, antagonistic or ill will towards any claimant by an **Insured**; or
- B) any deliberate act, omission or infringement the **Insured** spitefully or recklessly commits, condones or ignores, including conduct which is designed to antagonise a claimant and which may materially increase the likelihood of a **Claim**.

This exclusion shall not apply to What is Covered Insuring Clauses 1 (Civil Liability), 2 (Defence Costs) and 3 (Awards by Ombudsman) where the **Insured** is a member of the Institute of Chartered Accountants in England and Wales/of Scotland/in Ireland as applicable.

19 Terrorism

any act, including but not limited to the use of force or violence or the threat thereof, of any person or groups or persons, whether acting alone or on behalf of or in connection with any organisation or governments committed for political, religious, ideological or similar purposes including the intention to influence any government or to put the public, or any section of the public, in fear.

20 Trading Losses

any trading losses or liabilities incurred by the **Insured** or any business managed by or carried on by the **Insured** save that this exclusion clause shall not operate to exclude **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 Act 1963 to 2005 or the Bankruptcy Act 1988 or any amendment or re-enactment thereof.

This exclusion will not apply to What is Covered Insuring Clause 4 (Disputed Fees Cover).

21 Transportation or Property

the ownership, possession or use by the **Insured** of land, buildings, aircraft, watercraft, vessels or mechanically propelled vehicles.

22 Virus and unauthorised system use

- A) the transmission or impact of any **Virus**; or
- B) the unauthorised access to, or use of, a **System** other than by an **Employee**.

This exclusion shall not apply to 'What is Covered' Insuring Clauses 1 (Civil Liability), 2 (Defence Costs) and 3 (Awards by Ombudsman) where the **Insured** is a member of the Institute of Chartered Accountants in England and Wales/of Scotland/in Ireland as applicable.

23 War Risks

- A) any war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not) civil war, rebellion, revolution, insurrection, riot, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power, martial law; or
- B) confiscation or nationalisation or requisition or destruction of or damage to property by or under the order of any government or public authority.

Policy Conditions

1 Aqueous Management Ltd trading as Aqueous Underwriting

The **Insurers Agent** is the agent of the **Insurer** and not the **Insured**. The **Insurers Agent** will act on behalf of the **Insurer** in underwriting the **Policy** and in relation to the rights and obligations of the **Insurer** under this **Policy**. Accordingly, reference to the **Insurer** is to be construed so as to include the **Insurer's Agent** where appropriate.

2 Alteration of Risk

The **Insured** shall notify the **Insurer** as soon as reasonably practicable of any material alteration in the nature of the risk covered by this **Policy** during the **Period of Insurance**.

3 Assignment

This **Policy** or any interest in it may not be assigned without the written consent of the **Insurer**.

4 Cancellation

The **Insurer** reserves the right to terminate the **Policy**:

- A) with immediate effect if the **Premium** due under this **Policy** has not been paid to the **Insurer** by the 60th day from the Start Date of the **Period of Insurance** or in respect of instalment premiums, by the date they are due, by giving the **Insured** notice in writing; or
- B) by giving the **Insured** 30 days notice in writing.

In the event of cancellation, **Premium** is due to the **Insurer** on a pro rata basis for the period that the **Insurer** are on risk.

The **Insurer** and the **Insured** ay agree mutually to cancel the **Policy** in which case the **Insurer** shall within 7 days of the date upon which such agreement in writing is reached write to the **Insured** at the last declared address to the **Insurer** notifying the **Insured** that the **Policy** will be cancelled with effect from a date not less than 30 days after the date of such agreement.

5 Choice of Law

This **Policy** shall be governed by and construed in accordance with the laws of England and Wales/Scotland/Ireland as applicable. To the extent that any of the provisions within this **Policy** for the determination of disputes between the **Insured** and the **Insurer** fail, the Courts of England and Wales/Scotland/Ireland as applicable shall have exclusive jurisdiction to hear and determine any disputes, suits, actions or proceedings that may arise out of or in connection with this **Policy**.

6 Institute of Chartered Accountants Dispute Resolution & Minimum Terms

Where the **Insured** is a member of the Institute of Chartered Accountants in England and Wales/of Scotland/in Ireland as applicable, any dispute between the **Insured** and the **Insurer** arising out of or in connection with:

- A) 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/of Scotland/in Ireland as applicable) whose decision shall be final and binding on the parties; or
- B) the **Insurer's** 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 subscribing to the policy corresponding to this **Policy** in respect of a previous period of insurance), the **Insured** and the **Insurer** agree that the **Insurer** will advance **Defence Costs** and indemnify the **Insured** in accordance with What is Covered Insuring Clauses 1 (Civil Liability), 2 (Defence Costs), 3 (Awards by Ombudsman) and Claims Condition 2 (Advancement of Defence Costs) pending resolution of any such dispute.
- C) this **Policy**, it is agreed that the Institutes' of Chartered Accountants in England and Wales/of Scotland/in Ireland as applicable Approved Minimum Wording (as defined in the Regulations in force at the Start Date of the **Period of Insurance** of this **Policy**), will take precedence over any terms, conditions, exclusions or limitations contained in this **Policy**. This Policy Condition 6C shall only apply to the minimum limit of indemnity the **Firm** is required to maintain in accordance with the Regulations in force at the Start Date of the **Period of Insurance** of this **Policy**, of the Institutes' of Chartered Accountants in England and Wales/of Scotland/in Ireland as applicable.

Where the **Insured** is not a member of the Institute of Chartered Accountants in England and Wales/of Scotland/in Ireland as applicable then the above provisions 6A-C shall not apply and instead, any dispute arising from, or in connection with, this **Policy** may be referred, by either the **Insured** or the **Insurer** to an appropriate mediation service.

7 Gender

Words importing gender shall include male female and neutral genders.

8 Geographical Limits

The **Insurer's** obligation to indemnify the **Insured** shall only extend to any **Claim** or matter otherwise insured under this **Policy** arising from the conduct of the **Professional Business** within the **Territorial Limits** and in relation to any **Claim** brought within the **Jurisdictional Limits**.

9 Headings

The description in headings or sub-headings of this **Policy** are solely for convenience and do not form part of the terms and conditions.

10 Limit of Indemnity

- A) The maximum liability of the **Insurer** for each **Single Claim** during the **Period of Insurance** shall not exceed the **Limit of Indemnity**; save that in respect of any **Claim** arising from:
- (i) authorised work as defined under the Probate Regulations of the Institute of Chartered Accountants in England and Wales, the maximum liability for the **Insurer** in the **Period of Insurance** for all such **Claims** shall be the **Limit of Indemnity**. This is an aggregate inner limit, i.e. this sum forms part of and is not in addition to the **Limit of Indemnity**; or
 - (ii) insurance mediation work as defined in the Designated Professional Body Handbook of the Institute of Chartered Accountants in England and Wales/of Scotland/in Ireland as applicable, the maximum liability for the **Insurer** in the **Period of Insurance** for all such **Claims** shall be the **Limit of Indemnity** or the minimum level of Professional Indemnity Insurance cover required under the Designated Professional Body Handbook, whichever is the lower. This is an aggregate inner limit, i.e. this sum forms part of and is not in addition to the **Limit of Indemnity**.
- B) The **Insurer** shall only be liable for that part of any loss arising from a **Single Claim** which exceeds the **Excess** and up to the **Limit of Indemnity** for each **Single Claim**;

- C) Where more than one **Excess** applies under different Insuring Clauses within 'What is Covered' as part of a **Single Claim**, the **Insured** shall only be liable to pay whichever applicable **Excess** is the largest per **Single Claim**;
- D) Any applicable **Excess** shall be paid by the **Insured** at their own risk and the **Insurer** shall have no obligation to advance payment of the **Excess** or indemnify the **Insured** in respect of it as part of any settlement or upon judgment being entered;
- E) any **Excess** shall not apply to **Defence Costs** unless the **Claim** arises from the conduct of **Professional Business** which require authorisation by the Financial Conduct Authority or any relevant successor body.

11 Minimising Risk

The **Insured** shall take all reasonable prudent steps to prevent, or mitigate against the worsening of, any situation giving rise to an indemnity under this **Policy**.

12 Other Insurance

The liability of the **Insurer** under this **Policy** is not reduced or excluded by reason of the existence or availability of any other insurance. This clause does not affect any right of the **Insurer** to claim contribution from any other insurer which is also liable to indemnify any **Insured**.

13 Reference to Statutes

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.

14 Several Liability Notice

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

15 Severability of Terms

If any provision or part of a provision within this **Policy** is determined by a Court of law with jurisdiction under this **Policy** to be void or unenforceable that provision or part thereof shall be deemed to be deleted and the remaining provisions or part thereof of this **Policy** shall continue in full force and effect.

16 Subrogation

In the event that the **Insurer** pays a **Claim** or insured loss under this **Policy**:

- A) the **Insurer** shall be subrogated to all rights of recovery of the **Insured**; and
- B) the **Insurer** shall be entitled to pursue and enforce any such rights in the name of the **Insured** and the **Insured** shall provide the **Insurer** with all assistance and cooperation as they may reasonably require, including the signing of documents and the provision of evidence; and
- C) the **Insured** agrees at all times not to do anything that may prejudice the **Insurer's** rights; and
- D) where the sum recovered by the **Insurer** exceeds the total indemnity paid to the **Insured** and the **Insurer's** costs of recovery, any additional sum shall be paid to the **Insured**; and
- E) the **Insurer** shall only be entitled to pursue a recovery against an **Insured** who has committed or condoned a criminal, fraudulent, malicious or dishonest act or omission.

17 Third Party Rights

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

18 Words in Singular

Words importing the singular include the plural and vice versa.

19 Use of term Including

the terms “including” or “includes” or any similar expression is intended to be construed as illustrative and not as exhaustive.

Claims Conditions

1 Notification

The **Insured** shall give the **Insurer** notice in writing as soon as reasonably practicable and in any event not later than 7 days after the Expiry Date of the **Period of Insurance** of:

- A) any **Claim**; or
- B) the receipt by the **Insured** during the **Period of Insurance** of any notice from any person of an intention to make a **Claim**. Any **Claim** arising therefrom or in connection therewith shall be deemed to have been first made during the **Period of Insurance**; or
- C) the discovery during the **Period of Insurance** 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 **Claim** under this **Policy** or not.

If during the **Period of Insurance** the **Insured** becomes aware of any **Circumstance**, the **Insured** shall give notice in writing of such **Circumstance** to the **Insurer** as soon as reasonably practicable and in any event not later than the Expiry Date of the **Period of Insurance**. Any **Claim** arising from such **Circumstance** shall be deemed to have been first made in the **Period of Insurance**.

The **Insured** shall provide full particulars of the matter they are notifying, including but not limited to the names of the actual or potential claimants or class of claimants, details of the allegations or potential act, error or omission, the nature of the damage and loss and, in the case of a **Circumstance**, details of how and when the **Insured** first became aware of the **Circumstance** and the reason for the belief that a **Claim** is likely to be made.

Notification is deemed to have been made only when received in writing by the nominee shown in the ‘Making a Claim’ section of this **Policy**.

2 Advancement of Defence Costs

Notwithstanding the provisions of claims condition 5 (Dishonesty and Fraud) and subject to policy condition clauses 10E) (Limit of Indemnity) and 6B) (Institute of Chartered Accountants Dispute Resolution & Minimum Terms) where applicable, the **Insurer** will indemnify the **Insured** in respect of **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** shall not be 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.

Each **Insured** who admits to the **Insurer** the commission or condoning of such dishonest or fraudulent act or omission, or against whom there is a finding of a court or other judicial body that such **Insured** was in fact guilty of such dishonest or fraudulent act or omission shall reimburse the **Insurer** of **Defence Costs** advanced on that **Insured's** behalf.

3 Allocation

Where a **Claim** or matter otherwise indemnified under this **Policy** involves matters which are insured and those which are not then:

- A) the **Insurer** and the **Insured** agree to use their best efforts to agree upon a fair and equitable allocation of the proportion of loss which is covered under this **Policy**; and
- B) If the parties are unable to agree upon a fair and equitable allocation then it shall be determined by a senior lawyer to be mutually agreed upon by the **Insured** and the **Insurer**; and
- C) The **Insurer** shall meet the reasonable cost of that determination which shall be binding upon the **Insurer** and the **Insured** and both agree to pay or reimburse the other promptly in accordance with any such determination.

4 Conduct of Claims

- A) The **Insurer** shall be entitled at their own expense at any time to take over and conduct in the name of the **Insured**, the defence, investigation or settlement of any **Claim** and to conduct an investigation into any **Circumstance** notified to the **Insurer** in accordance with the terms of this **Policy** and to receive at all times the full co-operation of the **Insured** for this purpose.
- B) The **Insured** shall be entitled to any and all information or documentation regarding the defence investigation or settlement of any **Claim** or the investigation into any **Circumstance** as may reasonably be requested from the **Insurer**.
- C) Compliance by the **Insured** with any rules, requirements, directions or guidance of any Ombudsman will not constitute a breach of any clause of this **Policy**.

5 Dishonesty and Fraud

In the event the **Insured** incurs any liability covered by 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** then the **Insured** must immediately take all reasonable steps to prevent further loss and no indemnity shall be afforded hereunder in respect of such **Claim** to any person committing or condoning any such dishonest or fraudulent act or omission.

An indemnity shall however be afforded to each and every **Insured Person** who has neither committed nor condoned any such dishonest or fraudulent act or omission. In respect of such **Claim**:

- A) the **Insured** shall at the request and expense of **Insurers** take all reasonable steps to obtain reimbursement from any person committing or condoning any such dishonest or fraudulent act or omission or from their estates or legal representatives;
- B) any monies which, but for the dishonest or fraudulent act or omission would be due to such persons (i.e. the persons committing or condoning any such dishonest or fraudulent act or omission) from the **Insured**, or any monies of such persons held by the **Insured**, shall be deducted from any amount payable under this **Policy**;
- C) nothing in this policy condition shall preclude the **Insurer** from exercising any right of subrogation against any person committing or condoning such dishonest or fraudulent act or omission; and
- D) the sums payable under this **Policy** shall be only for the balance of any civil liability in excess of the amounts recovered from the person committing or condoning any dishonest or fraudulent act or omissions or their estates or legal representatives.

6 No Admissions

The **Insured** shall not:

- A) admit liability for, or settle, any **Claim**; or
- B) incur any costs or expenses in connection with any **Claim** or any **Circumstance**;

without the written consent of the **Insurer** (such consent not to be unreasonably withheld or unreasonably delayed).

7 No Set Off

Any amount payable by the **Insurer** by way of indemnity under this **Policy** in respect of the **Insured's** civil liability to a claimant will be paid only to the claimant, or at the claimant's direction. The **Insurer** is not entitled to set off against any sums which are payable under this **Policy** any payment due to them from any **Insured** including, without limitation, any payment of **Premium** or any payment due to the **Insurer** by way of reimbursement.

8 Payment of Limit of Indemnity, Sub-Limit and Claims

The **Insurer** may at any time pay to the **Insured** the **Limit of Indemnity** or any relevant sub-limits (after deduction of any sums already paid as damages or claimant's costs and expenses in respect of such **Claim**) or any lesser amount for which 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 **Defence Costs** for which the **Insurer** may be responsible under this **Policy** in respect of matters prior to the date of such payment.

9 Queen's Counsel Clause

The **Insured** shall not be required to contest any legal proceedings unless a Queen's Counsel (to be appointed by mutual agreement, or failing agreement, by the President of the Law Society of England and Wales) shall advise that such proceedings could be contested with the likelihood of success, and whose decision shall be final and binding on the parties.

Special Policy Conditions

1 Breach of the Duty of Fair Presentation

The **Insurer** shall not avoid this **Policy** for breach by the **Insured** of their duty to give a **Fair Presentation** provided that the breach by the **Insured** was neither deliberate or reckless.

2 Circumstance knowledge prior to Period of Insurance

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), then the indemnity hereunder shall be limited to the minimum level of indemnity for claims which the **Insured** was required to obtain under the earliest of any such previous policy if that circumstance had been properly notified, notwithstanding that the indemnity available under any such earlier policy may have exceeded that minimum

3 Non-Compliance with Conditions

In the event of a breach of or non-compliance with any Policy or Claim Condition of this **Policy** by the **Insured** which results 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;

then the indemnity afforded hereunder (including liability for Claimant's costs, expenses and disbursements) 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.

4 Extended Reporting Period

Where the **Insured** is a member of the Institute of Chartered Accountants in England and Wales/of Scotland/in Ireland as applicable, the **Period of Insurance** shall be extended by the **Extended Policy Period** where the **Insured** confirms in writing to the **Insurer** that they have not, prior to the Expiry Date of the original **Period of Insurance** obtained insurance complying with the provisions of the Professional Indemnity Insurance regulations of the relevant Institute, being the Chartered Accountants in England and Wales/of Scotland/in Ireland as applicable, incepting on and with effect from the day immediately following the Expiry Date of the original Period of Insurance.

Extended Reporting Period shall mean the period starting from the day immediately following the Expiry Date of the original **Period of Insurance** and ending with the earliest to occur of:

- A) the date that the Insured obtains a replacement insurance policy that complies with the provisions of the Professional Indemnity Insurance regulations of the relevant Institute; being the Institute of Chartered Accountants in England and Wales, the Institute of Chartered Accountants of Scotland or the Institute of Chartered Accountants in Ireland; or
- B) 30 days from receipt by the relevant Institute of written notice from the **Insurer** of the commencement of the **Extended Reporting Period**.

Making a Complaint

The **Insurers Agent** aims to ensure that all aspects of the **Insured's** insurance are dealt with promptly, efficiently and fairly. If the **Insured** has any concerns about the **Policy** or is dissatisfied about the handling of a claim and wish to complain, in the first instance contact:

Aqueous Underwriting
Meridien House
69-71 Clarendon Road
Watford
Hertfordshire
WD17 1DS

Tel: 01923 797021

Email: complaints@aqueousuw.com

If the **Insured** remains dissatisfied after the **Insurers Agents** response, the **Insured** may refer the complaint to Lloyd's, who will investigate and assess this complaint. Lloyd's contact details are:

Post:

Complaints
Lloyd's
Fidentia House
Walter Burke Way
Chatham Maritime
Chatham
Kent
ME4 4RN

Telephone: 020 7327 5693

Email: complaints@lloyds.com

If the **Insured** is still unhappy after Lloyd's final response the **Insured** has the right to refer the complaint to the Financial Ombudsman Service. The Financial Ombudsman Service is an independent body that arbitrates on complaints. They can be contacted at:

Post:

Financial Ombudsman Service, Exchange Tower, London, E14 9SR

Telephone:

0800 0234567 (free from standard landlines, mobiles may be charged)

0300 1239123 (same rate as 01 or 02 numbers, on mobile phone tariffs)

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

Website: www.financial-ombudsman.org.uk



Aqueous Underwriting

Aqueous Underwriting is a trading name of Aqueous Management Limited [AqML], an appointed representative of Ambant Underwriting Services Limited, a firm authorised and regulated by the Financial Conduct Authority [FCA], Firm Reference Number [FRN] 597301 for insurance intermediation only.

AqML is registered in England and Wales. Company Number 09634781.

Registered Address at Ambant Limited, Marlow House, 1a Lloyd's Avenue, London, EC3N 3AA, United Kingdom.

The above details can be checked on the Financial Services Register by visiting the FCA website and searching by FRN.