



PROFESSIONAL INDEMNITY INSURANCE POLICY

(This is a “claims made” Policy & only covers claims notified during the Period of Insurance)

IN CONSIDERATION of the Insured named in the Schedule hereto having paid to the Insurers the premium set forth in the Schedule THE INSURERS HEREBY AGREE to provide the insurance described in this Policy for the Period of Insurance shown in the Schedule subject to all the terms and conditions contained herein or endorsed hereon.

PROVIDED THAT:

- a) the total liability of the Insurers shall not exceed the limits of liability expressed in the said Schedule or such other limits of liability as may be substituted therefore by memorandum hereon or attached hereto
- b) this Policy shall not be in force unless it has been signed by the Insurers Agent for and on behalf of the Insurers
- c) this Policy the Schedule (including any Schedule issued in substitution) and any Memoranda shall be considered one document and any word or expression to which a specific meaning has been attached shall bear such meaning wherever it appears

The Proposal or any information supplied by the Insured shall be incorporated in and shall be the basis of the contract and is a condition precedent to any indemnity hereunder

The Insurers will indemnify the Insured for their legal liability in respect of claims made against the Insured arising from the conduct of the Business and notified to the Insurers during the Period of Insurance for:

1 Breach of professional duty:

Including breach of confidence and accidental breach of copyright accidental infringement of patent or design rights by reason of any negligent act error or omission occurring or committed in good faith by:

- a) the Insured
- b) any Employee
- c) any Agent
- d) the Predecessors
- e) any other person firm or company acting jointly with the Insured

2 Dishonesty:

Arising out of any dishonest or fraudulent act or omission on the part of any Employee or Agent provided that

- a) no person committing or condoning such dishonest or fraudulent act or omission shall be entitled to indemnity
- b) if the Insurers so request the Insured shall take all reasonable steps to effect recovery from the person committing or condoning such dishonest or fraudulent act or omission or from the legal representatives of such person
- c) the following shall be deducted from any amount payable under this insurance
 - i) any monies which but for such dishonest or fraudulent act or omission would be due from the Insured to the person committing or condoning such act or omission
 - ii) any monies held by the Insured and belonging to such person
 - iii) any monies recovered following action as described in 2b) above

- d) the Insurers shall not be liable for any claim arising from any dishonest or fraudulent act or omission committed by
 - i) any person after the discovery in relation to that person or reasonable cause for suspicion of fraud or dishonesty
 - ii) any director of the Insured or their predecessors

3 Libel and Slander:

Committed in good faith by any partner former partner or principal of the Insured or Employee or the Predecessors arising from a publication or utterance

4 Breach of Warranty of Authority:

Provided that the Insured acted in good faith and in the belief that the appropriate authority was held

5 Loss of or damage to Documents:

For all sums for which the Insured shall become liable at law to pay in consequence of such loss or damage (Notwithstanding Exclusion 2)

In addition the following insurance will be provided:

6 Compensation for court attendance:

In the event of the legal advisers acting on behalf of the Insured but only where prior consent of the Insurers has been obtained requiring any of the Insured or their Employees to attend court as a witness in connection with a claim made against the Insured and notified under this insurance the Insurers will provide compensation at the following rates for each days attendance

- a) Any principal partner consultant or director of the Insured £300
- b) Any Employee £150

7 Defence Costs:

The Insurers will in addition pay all costs and expenses (other than costs incurred in endeavouring to effect recovery in accordance with clause 'b)' of Insuring Clause "2 DISHONESTY") which are incurred by the Insurers or by the Insured with the Insurer's prior written consent in connection with any claim made against the Insured and notified under this insurance

Provided that if the amount of such claim exceeds the amount available under this insurance the liability of the Insurers for such costs and expenses shall be limited to the same proportion as that to which the amount available bears to the total amount payable to dispose of such claim

The Excess shall not apply to Defence Costs

8 Part II of the Housing Grants, Construction and Regeneration Act 1996 ("the Act"):

Coverage

Where appropriate to the Business and subject to the Terms Exclusions and Conditions of the Policy the Insurers will indemnify the Insured against sums for which they become liable to pay by reason of an adjudicator's decision made under a contract complying with and subject to the provisions of the Act, provided that such indemnity shall not be extended to cover any part of the adjudicators decision which does not otherwise fall within the scope of the Coverage section of the Policy.

Special provisions relating to Notification and Conduct

The Conditions of the Policy shall be extended to include the following:

- (i) the Insured shall as a condition precedent to their right to be indemnified under the policy give notice to the Insurers in the manner appearing below within three working days of any of the following
 - (a) the receipt by the Insured of any notice of intention to adjudicate ("Adjudication Notice"),
 - (b) the service by the Insured of any Adjudication Notice on any other party,
 - (c) upon the insured having reasonable grounds to believe that an Adjudication Notice may be served on them- provided that in each such case the subject matter of the Adjudication Notice (or any part thereof) may or does give rise to a claim against the Insured. Notification pursuant to (i) above shall be effected only by notifying the

Insurers Agent on behalf of the Insurers by telephoning 020 7337 7515 and asking for "Saturn Claims" and by immediately thereafter confirming in writing such notification with reference to the telephone call and completing such further written claim form as the Insurers Agent shall require on behalf of the Insurers.

- (ii) The Insurers shall be entitled to appoint solicitors and experts to handle any adjudication on behalf of the Insured and the Insurers shall have the conduct of all matters relating to any such adjudication. Subject to the provisions of Condition 3 below and the application of any costs- inclusive excess payable by the Insured, the Insurers shall pay all costs and expenses incurred in the appointment of such solicitors and experts.
- (iii) The Insured shall cooperate fully with the Insurers in relation to all matters that are required to be performed or done to comply with the requirements of the adjudicator and to respond to the matters referred to in the Adjudication Notice.
- (iv) The Insured shall permit the Insurers and/or their appointed solicitors and experts immediate and unfettered access to all documents in the possession of the Insured which are relevant to the subject matter of the Adjudication Notice. Without prejudice to the foregoing the Insured shall immediately provide to the Insurers Agent the Adjudication Notice the Referral Notice and all documents served thereunder.
- (v) It shall be a condition precedent to the Insured's right to indemnity under the Policy that the Insured shall not at any time without the written consent of the Insurers agree with any other party that an adjudication shall finally determine any dispute.
- (vi) The Insured shall cooperate with the Insurers and take all practicable steps to assist the Insurers to pursue legal or arbitration proceedings to determine finally the matters referred to in the Adjudication Notice (or any part thereof) and/or to challenge the validity of any adjudicator's decision and/or to provide for any stay of execution in relation thereto.
- (vii) The Insurers' acceptance of any notification by the Insured under the provisions Of Condition 2 of this Endorsement and the instruction of solicitors and/or experts to handle any adjudication on the Insured's behalf shall in all cases be without prejudice to the Policy Terms and shall not be construed as a waiver by the Insurers of their rights to refuse indemnity to the Insured in respect of any part of an adjudicator's decision which does not fall within the scope of the Coverage section of the Policy.

Mixed Awards

- (i) For the purposes of this condition:
 - (a) "the Award" means the sum which the Insured become liable to pay by reason of any adjudicator's decision and
 - (b) "the Insured Part" means that part of the Award which is covered under the Policy Terms and which the Insurers are required to pay to the Insured.
- (ii) If only part of the Award is covered under the Policy Terms the Insurers shall only be required to indemnify the Insured in respect of the Insured Part.
- (iii) If the Insured Part exceeds 50% of the Award the Insurers will pay all costs and expenses incurred in handling the adjudication.
- (iv) If the Insured Part equals or is less than 50% of the Award the Insurers will pay only a rateable part of the costs and expenses incurred in handling the adjudication to be calculated in the same proportion as the Insured Part bears to the total amount of the Award.

Jurisdiction

This endorsement shall apply only to adjudications which take place pursuant to construction contracts entered into in the United Kingdom and which are subject to the appropriate United Kingdom law.

QC Clause

Any dispute or difference arising under the terms of this endorsement between the Insured and the Insurers shall be referred to a Queen's Counsel (or by mutual agreement a similar authority) to arbitrate.

POLICY ENHANCEMENTS:

- 1** In the event of the Insurers being entitled to avoid this insurance from inception or from the time of any variation in cover (including at renewal) the Insurers may at its absolute discretion maintain this insurance in full force but exclude the consequences of any matter which ought to have been disclosed at inception or at the time of any variation in cover (including at renewal)
- 2** In the event of non-disclosure or misrepresentation at any renewal the Insurers will waive their rights to avoid this insurance provided that
 - a)** the Insured is able to establish to the satisfaction of the Insurers that such non-disclosure was innocent and free from any fraudulent conduct or intent to deceive
 - b)** the Premium and terms shall be adjusted at the discretion of the Insurers to those which would have applied had such circumstances been disclosed
 - c)** where the Insured should have notified during a preceding Period of Insurance either a claim made against the Insured or a circumstance which could give rise to a claim and the indemnity or cover to which the Insured would have been entitled was in any way more restricted than that provided at the date of notification the Insurers shall be liable only to the extent applicable during such preceding Period of Insurance

For the purposes of this Policy Enhancement this insurance shall be deemed to be a renewal of any immediately preceding Professional Indemnity insurance issued by the Insurers Agent under which the Insured was entitled to indemnity

EXCLUSIONS:

This Policy will not indemnify in respect of:

- 1** the amount shown in the Schedule for the Excess
- 2** any liability arising out of the death disease or illness of or bodily injury to any person or loss of or damage to property unless arising out of advice design specification or omission to perform a professional duty
- 3** contractual liability arising directly or indirectly from any liability assumed by the Insured under any express warranty agreement or guarantee unless such liability would have attached to the Insured in the absence of such express warranty agreement or guarantee
- 4** any claim arising from the provision of advice design or specification where the Insured contracts to
 - a)** manufacture construct erect or install or
 - b)** supply materials or equipment
- 5** any claim for
 - a)** aggravated punitive or exemplary damages
 - b)** penalties or liquidated damages in so far as liability under such agreement exceeds the amount of the Insured's liability in the absence of such agreement
- 6** any claim arising from any breach of any obligation owed by the Insured as employer to any Employee or former Employee
- 7** the consequences of any circumstance
 - a)** notified under any policy which was in force prior to the inception of this insurance
 - b)** known to the Insured at the inception of this insurance which might reasonably be expected to produce a claim
- 8** liability in respect of any action for damages brought against the Insured in a Court of Law outside the United Kingdom The Irish Republic Channel Islands and Isle of Man
- 9** any claim or loss otherwise failing for indemnity under this Policy where the cause of such claim or loss occurred or was alleged to have occurred prior to the Retroactive Date specified in the Schedule

- 10 a)** loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss or any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from
- i)** ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - ii)** the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
- b)** loss destruction or damage directly occasioned by pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds
- 11** claims made against the Insured by any associated parent or subsidiary company or by any person or entity having or having held a financial or executive interest in the operation of the Insured unless such claim or claims emanate from an independent third party
- 12** liability arising directly or indirectly from
- a)** the mining processing manufacturing use testing ownership sale or removal of asbestos asbestos fibres or material containing asbestos; or
 - b)** exposure to asbestos asbestos fibres or materials containing asbestos; or
 - c)** the provision of instructions recommendations notices warnings supervision or advice given or which should have been given in connection with asbestos asbestos fibres or structures or materials containing asbestos
- 13** any claim or costs or expenses arising directly or indirectly out of War Risks or Terrorism
- For the purposes of this exclusion:
- a)** Terrorism means an act of any person acting on behalf of or in connection with any individual or organisation which carries out activities directed towards the overthrowing or influencing by force or violence of Her Majesty's government in the United Kingdom or any government de jure or de facto
 - b)** War Risks means war invasion act of foreign enemy hostilities (whether war be declared or not) civil war rebellion revolution insurrection or military or usurped power
- 14** any claim costs expenses or liability arising out of rights under the Contract (Rights Of Third Parties) Act 1999 of any person or company who is not a party to this Policy to enforce any term of the Policy other than any rights or remedy of a third party which exists or is available apart from this Act
- 15** claims costs or expenses arising from contracts subject to the Laws of the United States of America and/or Australia

DEFINITIONS:

For the purposes of this insurance the following definitions are to apply

1 Excess:

The amount for which the Insured is responsible under this insurance in respect of any one claim made against the Insured for damages and claimant's costs and expenses

2 Any one claim:

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

3 Employee:

Any person including any trainee or consultant under a contract of service with the Insured or the Predecessors at the time of any act neglect error or omission giving rise to a claim against the Insured The Insurers shall not exercise rights of recovery against any Employee unless the claim has been brought about or contributed to by the dishonest fraudulent criminal or malicious act error or omission of such Employee

4 Agent:

Any person or firm including sub-consultants directly appointed by the Insured or the Predecessors to act on their behalf

5 Predecessors:

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

6 The Insured:

The Insured as named in the Schedule The following will be indemnified in like manner to the Insured in respect of claims arising out of the conduct of the Business or that of the Predecessors provided that each shall as though the Insured observe and be subject to the terms of this Insurance so far as they can apply

- a) any partner or former partner of the Insured or if deceased incapacitated insolvent or bankrupt the legal representatives thereof in respect of liability at law incurred by such partner
- b) at the Insured's request any Employee or if deceased incapacitated or insolvent or bankrupt the legal representatives thereof in respect of liability at law incurred by such Employee

7 Documents:

- a) documents excluding bearer bonds coupons bank or currency notes or other negotiable instruments
- b) computer system records all the property of the Insured or for which the Insured is responsible

8 Insurers:

Royal & Sun Alliance Insurance plc St Marks Court Chart Way Horsham West Sussex RH12 1XL

9 Insurers Agent:

Saturn (a trading name of Martello Professional Risks Limited, a wholly owned subsidiary of Royal & Sun Alliance Insurance plc)

Underwriting Centre: Saturn House 130/132 High Street Chesham Bucks HP5 1EF

Claims Centre: Caveat House 14 Lovat Lane London EC3R 8DZ

CONDITIONS:

- 1 It is a condition precedent to any indemnity hereunder that the Insured shall give written notice to the Insurers Agent (regardless of the Excess) as soon as possible after becoming aware of circumstances which might reasonably be expected to produce a claim against the Insured or loss irrespective of the Insured's views as to the validity of such claim or on receiving information of such claim for which there may be liability under this insurance Any such claim or loss arising from such circumstances shall be deemed to have been made in the Period of insurance in which such notice has been given
- 2 Every letter claim writ or summons and process relating to any claim or circumstance shall be forwarded to the Insurers Agent immediately on receipt It is a condition precedent to any indemnity hereunder that no admission offer promise payment or indemnity shall be made or given on behalf of the Insured without the written consent of the Insurers
- 3 The Insurers shall be entitled to take over and conduct in the name of the Insured the defence or settlement of any claim or to prosecute in the name of the Insured for its own benefit any claim and shall have full discretion in the conduct of any proceedings and in the settlement of any claim
- 4 The Insured shall give all such assistance as the Insurers may require but the Insured shall not be required to contest any legal proceedings unless a Queen's Counsel (or by mutual agreement a similar authority) shall advise that such proceedings could be contested with the probability of success
- 5 In connection with any claim against the Insured the Insurers may at any time pay to the Insured the Limit of Indemnity (after deduction of any sums already paid during the Period of Insurance) or any less amount for which such claims can be settled and thereupon the Insurers shall relinquish control of such claims and be under no further liability in connection therewith except for costs and expenses for which the Insurers may be responsible under this insurance in respect of matters prior to the date of such payment

- 6 If at the time any claim arises under this insurance the Insured is or would but for the existence of this insurance be entitled to indemnity from any other policy or policies the Insurers shall not be liable except in respect of any excess beyond the amount which would have been payable under such other policy or policies had this insurance not been effected
- 7 This insurance shall by mutual agreement between Insured and Insurers be governed by and construed in accordance with the Laws of England and Wales
- 8 If any payment is made under this Policy in respect of a claim hereunder Insurers are thereupon subrogated to all of the Insured's rights of recovery thereto However Insurers shall not exercise any such rights against any Employee or former Employee of the Insured unless the claim has been brought about or contributed to by any dishonest fraudulent criminal or malicious act of the Employee It being understood that Insurers shall at all times retain all the Insured's rights of recovery against any person or party who is not an Employee or former Employee of the Insured
- 9 The Insured undertakes that the premium will be paid in full to the Insurers Agent (or in respect of instalment premiums when due).

If the premium due under this policy has not been so paid to the Insurers Agent (and in respect of instalment premiums by the date they are due) the Insurers Agent shall have the right to cancel this policy by notifying the Insured via the broker in writing. In the event of cancellation premium is due to the Insurers Agent on a pro rata basis for the period that the Insurers are on risk but the full policy premium shall be payable to the Insurers Agent in the event of a loss or occurrence prior to the date of termination which gives rise to a valid claim under this policy.

It is agreed that the Insurers Agent shall give not less than 15 days prior notice of cancellation to the Insured via the broker. If the premium due is paid in full to the Insurers Agent before the notice period expires notice of cancellation shall automatically be revoked. If not the policy shall automatically terminate at the end of the notice period. If any provision of this clause is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable such invalidity or unenforceability will not affect the other provisions of this clause which will remain in full force and effect.