

# Accountants Schedule

## Professional Liability - Accountants - Policy Wording Cover

---

All cover under this policy is afforded solely with respect to *Claims* first made against an *Insured* during the *Policy Period* and reported to the *Insurer* as required by this policy.

### Civil Liability

Except as provided by the **Fraud/ Dishonesty, Lost Documents** and **Ombudsman Awards Cover** the *Insurer* will pay on behalf of any *Insured* any *Loss* resulting from any *Claim* which gives rise to a civil liability of the *Insured*.

### Fraud/Dishonesty

The *Insurer* will pay *Loss* which arises from *Fraud/Dishonesty*, which is first discovered during the *Policy Period* and is reported to the *Insurer* as required by this policy up to the date of discovery by the *Insured* of reasonable cause of suspicion of *Fraud/Dishonesty*.

The *Insured* shall at the request and expense of the *Insurer* take all reasonable steps to obtain reimbursement from any person committing or condoning any such *Fraud/ Dishonesty*.

Any monies which but for the *Fraud/Dishonesty* 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 under this policy.

The *Insurer* will not pay such *Loss* to any person committing or condoning such *Fraud/Dishonesty* and *Loss* payable hereunder shall be in excess of amounts recoverable from the dishonest or fraudulent person or persons or their estates or legal representatives.

Nothing herein shall preclude the *Insurer* from exercising any right of subrogation against any person committing or condoning such *Fraud/Dishonesty*.

### Lost Documents

The *Insurer* will pay on behalf of any *Insured* any *Loss* resulting from any *Claim* for any civil liability of the *Insured* as a consequence of the destruction, damage, loss or mislaying of *Documents* which:

- (i) have been entrusted to, lodged or deposited with an *Insured*, or
- (ii) are the property of the *Insured*,

including costs and expenses reasonably incurred by the *Insured* in replacing or restoring such *Documents* provided that:

- (a) such destruction, damage, loss or mislaying is sustained while the *Documents* are either: (1) in transit; or (2) in the custody of the *Insured* or of any person to whom the *Insured* has entrusted them in the ordinary course of their *Accountancy Services*;
- (b) where the *Documents* have been the subject of a diligent search by or on behalf of the *Insured*;
- (c) the amount of any *Claim* for such costs and expenses shall be supported by evidence of expenditure that shall be subject to approval by a competent person to be nominated by the *Insurer* with the consent of the *Insured*; and
- (d) the *Insurer* shall not be liable for any *Claim* arising out of wear, tear and/or gradual deterioration,

moth and vermin, or other matters beyond the *Insured's* control

## **Ombudsman Awards**

The *Insurer* will pay on behalf of the *Insured* any *Loss* which arises from the performance of or failure to perform *Accountancy Services*, in respect of any recommendation or determination (including liability for claimants' costs) of any Ombudsman appointed pursuant to the provisions of the Financial Conduct and Markets Act 2000, the Central Bank and Financial Conduct Authority of Ireland Act 2004 or any amendment or re-enactment thereof and the cost of taking any steps which the *Insured* is directed to take in relation to a claimant up to a maximum of GBP150,000

## **Defence**

The *Insurer* has the right to defend any *Claim* which this policy may respond to under its Covers or Extensions. The *Insurer* shall pay *Defence Costs* incurred in defending such *Claim*.

## **Extensions**

---

### **Court Attendance**

For any person described in (i) and (ii) below who actually attends court as a witness in connection with a *Claim* notified under and covered by this policy, *Defence Costs* will include the following rates per day for each day on which attendance in court has been required:

- (i) for any principal, partner, director or *Member* of the *Insured*: GBP300
- (ii) for any *Employee*: GBP150

No *Retention* shall apply to this Extension.

## **Definitions**

---

### ***Accountancy Services***

means professional advice given or professional services performed by or on behalf of the *Insured* to a third party of whatsoever nature.

The definition of *Accountancy Services* is extended to any *Insured* whilst holding an appointment as a company secretary, registrar or director but only in respect of (i) tax matters, (ii) secretarial work, (iii) share registration, (iv) financial advice to management, (v) book-keeping, (vi) management accounting, (vii) financial investigation and reports, (viii) negotiation and settlement of financial claims, (ix) company formations, (x) investment advice, (xi) insurance and pension scheme advice, (xii) computer consultancy.

### ***Alternate***

means 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.

### ***Bodily Injury***

means physical injury, sickness, disease or death.

### ***Claim***

means any written or oral:(i) demand for compensation or *Damages* for a civil liability from an *Insured*, (ii) assertion of a right against an *Insured*, or, (iii) complaint or reference to any Ombudsman appointed pursuant to the provisions of the Financial Conduct and Markets Act 2000, the Central Bank and Financial Conduct Authority of Ireland Act 2004 or any amendment or re-enactment thereof, which arises out of the performance of or failure to perform *Accountancy Services*.

### ***Damages***

means any amount that an *Insured* shall be legally liable to pay to a third party for all civil liabilities including but not limited to judgments or arbitral awards rendered against an *Insured*, or for settlements negotiated with the consent of the *Insurer*.

### ***Defence Costs***

means reasonable fees, costs and expenses incurred by or on behalf of the *Insured* in the:

- (i) investigation, defence, adjustment, settlement or appeal of any *Claim*;
- (ii) investigation of any circumstance which is notified to the *Insurer* within the *Policy Period*

*Defence Costs* shall not include any internal or overhead expenses of any *Insured* or the cost of any *Insured's* time.

### ***Documents***

means all documents of any nature whatsoever including computer records and electronic or digitised data; but does not include any bearer bonds, coupons, currency, negotiable instruments or records thereof.

### ***Employee***

means any natural person who is or has been expressly engaged as an employee under a contract of employment with the *Policyholder* or any *Subsidiary*. *Employee* shall not mean any: (i) principal, partner, director or *Member*; or (ii) temporary contract labour, self-employed person or labour-only sub-contractor.

### ***Fraud/Dishonesty***

means any fraudulent act or omission or dishonest act or omission of any natural person *Insured*.

### ***Institute***

means the Institute of Chartered Accountants in England & Wales, the Institute of Chartered Accountants of Scotland or the Institute of Chartered Accountants in Ireland, whichever the *Insured* is a member of.

### ***Insured***

means:

- (1) the *Policyholder* or any *Subsidiary*;
- (2) any natural person, who is or has been a principal, partner, director or *Member* of the *Policyholder* or

- any *Subsidiary*;
- (3) any *Employee*;
  - (4) any person or entity providing *Accountancy Services* to cover the incapacity or death of a sole practitioner;
  - (5) any temporary contract labour, self-employed persons, labour-only sub-contractors, under contract with, and under the direction and direct supervision of the *Policyholder* or any *Subsidiary*; and  
but only when providing *Accountancy Services* in the foregoing capacities.
  - (6) any estate or legal representative of any *Insured* described in (2) and (3) of this definition.
  - (7) any person who is acting on behalf of the *Policyholder* as an *Alternate*.

### ***Insurer***

Means Chapman & Stacey Ltd on behalf of International General Insurance Company (UK) Limited.

### ***Legal Panel***

means the firms of solicitors appointed from time to time by the *Insurer* to provide representation for its Accountants Professional Liability *Policyholders*.

### ***Limit of Liability***

means the amount specified as such in the schedule.

### ***Limited Liability Partnership***

means a partnership as determined by the Limited Liability Partnerships Act 2000 and any subsequent amendments thereto.

### ***Loss***

means *Damages* and *Defence Costs*. With regard to *Fraud/Dishonesty*, *Loss* shall include direct financial loss incurred by the *Insured*. *Loss* shall not mean and this policy shall not cover any (1) non-compensatory damages, including punitive, multiple, exemplary or liquidated damages (other than *Damages* arising from any *Claim* relating to any actual or alleged defamation arising out of the performance of *Accountancy Services*); (2) fines or penalties other than Ombudsman awards; (3) first party loss or expense of an *Insured* (other than as *Loss*) or (4) any matters which may be deemed uninsurable under the law governing this policy or the jurisdiction in which a *Claim* is brought.

The *Insurer* is under no obligation to pay *Loss*, unless the *Wrongful Act*: (i) first takes place on or after the *Retroactive Date*; and (ii) is committed solely in the performance of or failure to perform *Accountancy Services*.

### ***Member***

means a member of a *Limited Liability Partnership* .

### ***Packaged Software***

means any software produced by a third party that is marketed for general distribution on a wholesale or retail basis.

### ***Policy Period***

means the period of time specified in the schedule unless the policy is cancelled in which event the *Policy Period* will end on the effective date of the cancellation.

### ***Policyholder***

means the entity or natural person specified as such in the schedule and includes the predecessors in business of the said entity or natural person.

### ***Pollutants***

means, but is not limited to, any solid, liquid, biological, radiological, gaseous or thermal irritant or contaminant whether occurring naturally or otherwise, including asbestos, smoke, vapour, soot, fibres, mould, spores, fungus, germs, fumes, acids, alkalis, nuclear or radioactive material of any sort, chemicals or waste. "Waste" includes, but is not limited to, material to be recycled, reconditioned or reclaimed.

### ***Premium***

means the amount specified as such in the schedule and any premium adjustment reflected in an endorsement to this policy.

### ***Property Damage***

means damage to or loss of or destruction of land, buildings, tangible property or loss of use thereof, but does not include loss of *Documents* covered by this policy.

### ***Psychological Injury***

means psychological injury, nervous shock, emotional distress or mental anguish.

### ***Retention***

means

- (i) the amount specified as such in the schedule
- (ii) the amount specified as such in the schedule shall not be applicable to *Defence Costs* unless the *Claim* arises from the conduct of *Accountancy Services* which require authorisation from the Financial Conduct Authority.

### ***Subsidiary***

means entities in which the *Policyholder*, either directly or indirectly through one or more of its entities;

- (i) controls the composition of the board of directors;
- (ii) controls more than half of the voting power; or

holds more than half of the issued share capital.

For any *Subsidiary* or any *Insured* thereof, cover under this policy shall only apply to *Wrongful Acts* committed while such entity is a *Subsidiary* of the *Policyholder*.

### ***Wrongful Act***

means any act, error or omission which gives rise to a civil liability of the *Insured* or *Fraud / Dishonesty*, Lost Documents and Ombudsman Awards.

## Exclusions

---

This policy shall not cover *Loss* in connection with any *Claim* or any loss:

### **Bodily/Psychological Injury & Property Damage**

arising out of, based upon or attributable to

- (a) *Property Damage*, unless arising from any actual or alleged breach of duty in the performance of or failure to perform *Accountancy Services*;
- (b) *Bodily or Psychological Injury* sustained by an *Insured*
- (c) *Bodily Injury* to any other person;
- (d) *Psychological Injury* to any other person unless arising from the performance of or failure to perform *Accountancy Services*.

### **Contractual Liability**

arising out of, based upon or attributable to any express or implied warranty or guarantee unless liability would have existed in the absence of such express or implied warranty or guarantee.

### **Employers Liability**

by any person for bodily injury, sickness, disease or death incurred, contracted or occurring whilst under a contract of service or apprenticeship with the *Insured* or for any breach of any obligation owed by the *Insured* as an employer to any *Employee*.

### **Financial Return**

arising out of any express or implied warranty or guarantee given by the *Insured* in respect of any financial return of any investment or portfolio of investments.

### **Fraud/Dishonesty**

arising from any dishonest or fraudulent act or omission committed by any person after discovery or reasonable cause for suspicion of Fraud/Dishonesty on the part of that person.

### **Packaged Software**

arising directly from *Packaged Software*, supplied, repaired, altered, manufactured, constructed, installed or maintained by the *Insured* or by any person, acting for or on behalf of the *Insured*.

### **Insured**

made against an *Insured* by any other *Insured*, other than with respect to *Fraud/Dishonesty*.

### **Pollution**

arising out of, based upon or attributable to: (i) the actual, alleged or threatened presence, discharge, dispersal, release, migration or escape of *Pollutants*, or (ii) any direction, request or effort to: (a) test for, monitor, clean up, remove, contain, treat, detoxify or neutralise *Pollutants*, or (b) respond to or assess the effects of *Pollutants*; unless arising from the performance of or failure to perform *Accountancy Services*.

### **Powered Vessels and Aircraft**

directly or indirectly arising from the ownership, possession or use by or on behalf of the *Insured* of any aircraft, vessel, automobile or any other vehicle or mechanically propelled mobile machinery.

### **Prior Claims/Circumstance**

- (i) made prior to or pending at the inception of this policy; or
- (ii) arising out of, based upon or attributable to any circumstance that, as of the inception of this policy, may reasonably have been expected by any *Insured* to give rise to a *Claim*.

### **Sanctions limitation and Exclusion**

The *Insurer* shall not be deemed to provide cover and the *Insurer* shall not be liable to pay any *Claim* or provide any benefit hereunder to the extent that the provision of such cover, payment of such *Claim* or provision of such benefit would expose that *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.

### **Trade Debts**

arising out of, based upon or attributable to any: (i) trading loss, liability or debt incurred by an *Insured* or by any business managed by or carried on by an *Insured*; or (ii) guarantee given by an *Insured* for a debt. This exclusion will not apply to any *Claim* made against an *Insured* for negligence in the normal course of the conduct of any receivership or procedures under the Insolvency Act 1986 or any equivalent legislation.

### **U.S.A./Canada**

made or pending within; or to enforce a judgment obtained in, the United States of America, Canada, or any of their territories or possessions.

### **War/Terrorism**

arising out of, based upon or attributable to any war (declared or otherwise); including but not limited to terrorism; warlike, military, terrorist or guerrilla activity; sabotage; force of arms; hostilities (declared or undeclared); rebellion; revolution; civil disorder; insurrection; usurped power, confiscation, nationalisation, requisition or destruction of or damage to property by or under the order of, any governmental, public or local authority or any other political or terrorist organisation. Thefts or other criminal acts, primarily committed for personal gain and acts arising primarily from prior personal relationships between the perpetrator(s) and victim(s) shall not be considered as a terrorist act.

## **Claims**

---

### **Claim Notification**

The *Insured* shall, give written notice to the *Insurer* of any *Claim* first made against the *Insured* as soon as reasonably practicable and during the *Policy Period* or in any event no later than 7 days after the end of the *Policy Period*. All notifications must be made in writing to:

Caytons Law at 85 Gracechurch Street, London, EC3V 0AA or received via email at [claims@caytonslaw.com](mailto:claims@caytonslaw.com).

If posted, the date of posting shall constitute the date that notice was given, and proof of posting shall be

sufficient proof of notice.

## Related Claims

If notice of a *Claim* against an *Insured* is given to the *Insurer* pursuant to the terms and conditions of this policy, then: (i) any subsequent *Claim* alleging, arising out of, based upon or attributable to the facts alleged in that previously notified *Claim*; and (ii) any subsequent *Claim* alleging any *Wrongful Act* which is the same as or related to any *Wrongful Act* alleged in that previously notified *Claim*, shall be considered made against the *Insured* at the same time as the previously notified *Claim* was made and reported to the *Insurer* at the same time the previously notified *Claim* was first reported. Any *Claim* or *Claims* arising out of, based upon or attributable to (i) the same cause or *Wrongful Act*, or (ii) a single *Wrongful Act*, or (iii) a series of continuous, repeated or related *Wrongful Acts*, or (iv) the same or similar *Wrongful Acts* in a series of related matters or transactions, or (v) one matter or transaction, shall be considered a single *Claim* for the purposes of this policy.

## Circumstances

If an *Insured* becomes aware during the *Policy Period* of any circumstance which may give rise to *Loss* or a *Claim* the *Insured* shall during the *Policy Period* give notice in writing to the *Insurer* as soon as practicable or in any event no later than the last day of the *Policy Period*. If such notice has been given:

- (a) any *Claim* which is subsequently made arising out of that circumstance shall be deemed to have first been made against the *Insured* during the *Policy Period*; and
- (b) if the circumstance is one of *Fraud/Dishonesty* any *Loss* arising from it which the *Insured* subsequently discover they have sustained shall be deemed to have been first discovered during the *Policy Period*.

## Defence/Settlement

The *Insurer* does not assume any duty to defend.

In the event that the *Insurer* decides that representation by a solicitor is necessary (such decision to be at the sole discretion of the *Insurer*) then the *Insured* shall select one of the *Legal Panel* to provide such legal representation.

Under this policy, no *Insured* shall admit or assume any liability, enter into any settlement agreement, consent to any judgment, or incur any *Defence Costs* without the prior written consent of the *Insurer*. Only those settlements, judgments and *Defence Costs* consented to by the *Insurer*, and judgments resulting from *Claims* defended in accordance with this policy, shall be recoverable as *Loss* under this policy. The *Insurer's* consent shall not be unreasonably withheld or delayed.

In respect of Ombudsman Awards it is understood and agreed that the compliance of the *Insured* with any rules, requirements, directions or guidance of any ombudsman appointed pursuant to the provisions of the Financial Conduct and Markets Act 2000 or the Central Bank and Financial Conduct Authority of Ireland Act 2004 or any amendment or re-enactment thereof, to whose jurisdiction the *Insured* is subject to, shall not constitute a breach of condition of this policy.

The *Insurer* shall be entitled, at its own expense, to take over and conduct, in the name of an *Insured*, the defence, investigation or settlement of any *Claim* it deems expedient with respect to any *Insured*.

Neither the *Insurer* or the *Insured* shall be required to contest any legal proceedings unless a Queen's Counsel or equivalent in the Republic of Ireland (to be mutually agreed, or in default of agreement, to be selected by the President of the *Institute*) shall advise that taking due account of the interests of both the *Insurer* and the *Insured*, such proceedings should be contested. Counsel's fee will be payable by the party against whose contention Counsel advised.

## Cooperation

The *Insured* will at their own cost: (i) render all reasonable assistance to the *Insurer* and co-operate in the defence of any *Claim* and the assertion of indemnification and contribution rights; (ii) use due diligence and



do and concur in doing all things reasonably practicable to avoid or diminish any *Loss* under this policy; (iii) give such information and assistance to the *Insurer* as the *Insurer* may reasonably require to enable it to investigate any *Loss* or determine the *Insurer's* liability under this policy.

## Allocation

In the event that any *Claim* involves both covered matters and matters not covered under this policy, a fair and proper allocation of any cost of defence, damages, judgments and/or settlements shall be made between each *Insured* and the *Insurer* taking into account the relative legal and financial exposures attributable to covered matters and matters not covered under this policy.

## Fraudulent Claims

If any *Insured* shall give any notice or claim cover for any *Loss* under this policy knowing such notice or claim to be false or fraudulent as regards amounts or otherwise, such *Loss* shall be excluded from cover under the policy, and the *Insurer* shall have the right, in its sole and absolute discretion, to avoid its obligations in respect of that *Insured*, and in such case, all cover for *Loss* under the policy shall be void ab initio in respect of that *Insured* and all *Premium* deemed fully earned and non-refundable.

## Purchase and Administration

---

### Policy Purchase

In granting cover to the *Insured*, the *Insurer* has relied upon the statements and particulars in the proposal made to the best of the *Insured's* knowledge and belief, together with its attachments and other information supplied. These statements, attachments and information are the basis of cover and shall be considered incorporated and constituting part of this policy.

The *Insurer* will not exercise its right to avoid this policy where it is alleged that there has been non-disclosure or misrepresentation of facts or untrue statements in the proposal or in any other information which may have been supplied, provided that always that the *Insured* shall establish to the *Insurer's* reasonable satisfaction that such non-disclosure, mis-representation or untrue statement was free of fraudulent conduct or intent to deceive.

In the event of the *Insured* notifying a *Claim* during the *Policy Period* where the *Insured*:

- (i) should have notified the *Claim* under any preceding insurance; or
- (ii) had previous knowledge of the *Claim* prior to obtaining an increase in the *Limit of Liability*

then where the indemnity or cover under this policy is greater or wider in scope than that to which the *Insured* would have been entitled under the preceding insurance, then the *Insurer* will only be liable to afford indemnity to such amount and extent as would have been afforded to the *Insured* under the preceding insurance.

In the event of the *Insurer* being entitled to avoid this policy from inception or from the time of any variation in cover, the *Insurer* may at their discretion maintain this policy in full force but exclude the consequences of and any *Claim* relating to any matter which ought to have been disclosed before inception or before the time of any variation in cover.

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*;
- (b) in the amount of any *Loss*; or
- (c) in the obtaining of reimbursement of any *Loss* attributable to *Fraud/Dishonesty*,

*Loss* payable under this policy shall be reduced to such sum as in the *Insurer's* reasonable opinion would have been payable in the absence of such prejudice.

## Premium Payment

All cover under this policy is afforded solely with respect to *Claims* first made against an *Insured* during the *Policy Period* and reported to the *Insurer* as required by this policy provided the *Premium* and other charges are paid to and accepted by the *Insurer* on or before the payment date shown in the schedule. The *Premium* is

deemed paid and accepted on receipt by the *Insurer* or the intermediary appointed to place this insurance with the *Insurer*

Taxes, levies and other relevant fiscal charges are payable in addition to the premium.

If any instalment of the *Premium* is not paid and accepted by the *Insurer* on or before its payment date shown in the schedule, the *Insurer* can give written notice to the *Insured* at its address shown on the schedule cancelling the policy with effect from the seventh (7<sup>th</sup>) day after the notice has been served, but that cancellation will be prevented from taking effect and the **policy** will continue if the late premium instalment and any other remaining premium instalments are paid and accepted before the cancellation takes effect. Without prejudice to other forms of service, notice of cancellation is deemed to be served on the third day after being posted if sent by pre-paid letter post properly addressed

## Administration

The *Policyholder* shall act on behalf each and every *Insured* with respect to: (1) negotiating the terms and conditions of and binding cover; (2) the exercise of all rights of *Insureds* under this policy; (3) all notices; (4) *Premiums*; (5) endorsements to this policy; (6) the appointment of solicitors or attorneys to defend a *Claim*; (7) dispute resolution; and (8) the receipt of all amounts payable to an *Insured* by the *Insurer* under this policy.

## Limit and Retention

---

### Limit of Liability

The total amount payable by the *Insurer* under this policy for any one *Claim* during the *Policy Period* shall not exceed the *Limit of Liability*. Extensions are part of that amount and are not payable in addition to the *Limit of Liability*. *Defence Costs* are payable in addition to the *Limit of Liability*. In the event that the amount paid by or on behalf of any *Insured* to dispose of a *Claim* exceeds this policy's *Limit of Liability* for any one *Claim*, then this policy shall only cover the same proportion of *Defence Costs* as this policy's *Limit of Liability* for any one *Claim* bears to the total amount paid to dispose of the *Claim* (exclusive of *Defence Costs*).

The inclusion of more than one *Insured* under this policy does not operate to increase the total amount payable by the *Insurer* under this policy.

The *Limit of Liability* is the total sum payable by the *Insurer*. Any sum paid by the *Insurer* under this policy shall erode the *Limit of Liability*. In no circumstances shall the liability of the *Insurer* exceed the *Limit of Liability*.

### Retention

The *Insurer* shall only pay for the amount of any *Loss* which is in excess of the *Retention*. For the avoidance of doubt, the *Retention* does not apply to *Defence Costs* unless the *Claim* arises from the conduct of *Accountancy Services* which require authorisation by the Financial Services Authority. The *Retention* is to be borne by the *Insured* and shall remain uninsured. A single *Retention* shall apply to *Loss* arising from all *Claims* alleging the same *Wrongful Act*. The *Insurer* may, in its sole and absolute discretion, advance all or part of the *Retention*, and, in that event, such amounts shall be reimbursed to the *Insurer* by the *Insureds* forthwith.

### No Set-Off

The *Insurer* shall not be entitled to set-off against any amount, any payment due to it by an *Insured* which, it is liable to pay under this policy. Notwithstanding the foregoing, *Insurers* shall only be obliged to pay an amount in excess of any amount specified in the schedule as a *Retention*.

### Other Insurance/ Indemnification

The liability of the *Insurer* under this policy is not reduced or excluded by reason of the existence or

availability of any other insurance. The clause does not affect any right of the *Insurer* to claim contribution from any other insurer which is also liable to indemnify any *Insured*.

If such other insurance is provided by the *Insurer* or any IGI company (IGI), then the maximum amount payable by IGI under all such policies shall not exceed the *Limit of Liability* of that policy referred to above which has the highest applicable *Limit of Liability*. Nothing contained herein shall be construed to increase the *Limit of Liability* of this policy.

## Limit and Retention

---

### Advancement of Defence Costs

This policy 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 *Fraud/Dishonesty*, provided that *Insurers* are not liable for *Defence Costs* incurred on behalf of such *Insured* after the earlier of:

- (i) the *Insured* admitting to the *Insurer* the commission or condoning of such *Fraud/Dishonesty*; or
- (ii) a court or other judicial body finding that the *Insured* was in fact guilty of such *Fraud/Dishonesty*.

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

### Assignment

This policy and any rights under or in respect of it cannot be assigned without the prior written consent of the *Insurer*.

In the event that the *Insured's* rights under this policy are assigned to the *Institute* arising from the *Institute* making a payment to a third party from the *Institute's* Compensation Fund, the *Institute* shall be deemed to rank as a preferential creditor and their claim shall have priority over any other party to whom the *Insured's* rights under this policy are assigned.

### Cancellation

This policy may not be cancelled by the *Policyholder* unless there is mutual written agreement with the *Insurer*. In such cases, *Insurers* shall within 7 days of the date upon which such agreement in writing was reached, write to:

- (i) the *Policyholder* at the address shown in the Schedule notifying them that the policy will be cancelled with effect from a date not less than thirty days after the date of such agreement;
- (ii) the relevant Institute, being the Institute of Chartered Accountants in England and Wales/of Scotland/in Ireland, notifying it of the agreement, the effective date of cancellation and the name of the *Policyholder*.

### Complaints Procedure and Regulatory Information

If you have a Complaint which relates to either Your Policy or to a claim which you have submitted under Your policy then please raise this in the first instance with Your broker who will aim to resolve Your concerns by close of the next business day.

If Your broker is unable to deal with your concerns the matter will be forwarded onto Your Insurer via your Insurance provider, who is:-

The Claims Manager  
Chapman & Stacey Ltd  
3 Sydney Road  
Haywards Heath  
West Sussex  
RH16 1QH

Or via email at [mail@chapmanandstacey.co.uk](mailto:mail@chapmanandstacey.co.uk)

Whilst reviewing your complaint Your Insurer will:

- Acknowledge Your complaint promptly
- Investigate Your complaint quickly and thoroughly
- Keep You informed of the progress of your complaint
- Do everything possible to resolve Your complaint

Your Insurer is obliged to provide You with a written offer of resolution within 8 weeks of the date Your complaint was received.

If You are unhappy with the final decision made by Your Insurer , You may be eligible to refer Your case to the Financial Ombudsman Service (FOS). The FOS is an independent body that arbitrates on complaints.

The FOS can be contacted at the following address:

Financial Ombudsman Service  
South Quay Plaza  
183 Marsh Wall  
London E14 9SR  
Telephone: 0800 0234567 (for landline users)  
Telephone: 0300 1239123 (for mobile users)  
Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)  
Website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

You have six months from the date of the final response from Your Insurer to refer Your complaint(s) to the FOS. This does not affect Your right to take legal action, however, the FOS will not adjudicate on any case where litigation has commenced.

## **Contract Rights**

Nothing in this policy is intended to confer a directly enforceable benefit on any third party other than the *Insured*, pursuant to the Contract (Rights of Third Parties) Act 1999 or equivalent legislation.

## **Dispute Resolution**

Save as provided above in relation to a decision to contest legal proceedings, 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 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 both parties.

## **Minimum Approved Wording**

In any dispute in connection with the terms, conditions, exclusions or limitations of this policy, it is understood and agreed that the Institute's Minimum Approved Wording contained in the Institute's Prospectus for Participating Insurers, in force at the inception date of this policy as stated in item 2 of the schedule, will take precedence over any terms, conditions, exclusions or limitations contained herein.

## **Insolvency**

Insolvency, receivership or bankruptcy of any *Insured* shall not relieve the *Insurer* of any of its obligations hereunder.

## **Plurals, Headings and Titles**

The descriptions in the headings and titles of this policy are solely for reference and convenience and do not lend any meaning to this contract. Words and expressions in the singular shall include the plural and vice versa. In this policy, words in italic typeface have special meaning and are defined. Words that are not specifically defined in this policy have the meaning normally attributed to them.

## Scope, Jurisdiction and Governing Law

Where legally permissible and subject to the U.S.A./Canada Exclusion, this policy shall apply to any *Claim* made against any *Insured* anywhere in the World. This policy shall be governed by and construed in accordance with the laws of England and Wales, Scotland or Ireland as applicable and in accordance with the English text as it appears in this policy.

## Subrogation

If any payment is to be made under this policy in respect of a *Claim*, the *Insurer* shall be subrogated to all rights of recovery of the *Insured* whether or not payment has in fact been made and whether or not the *Insured* has been fully compensated for its actual loss. The *Insurer* shall be entitled to pursue and enforce such rights in the name of the *Insured*, who shall provide the *Insurer* with all reasonable assistance and co-operation in doing so, including the execution of any necessary instruments and papers. The *Insured* shall do nothing to prejudice these rights. Any amount recovered in excess of the *Insurer's* total payment shall be restored to the *Insured* less the cost to the *Insurer* of such recovery.

The *Insurer* agrees not to exercise any such rights of recovery against any *Insured* other than: (i) against those persons listed in part 5 of the definition of *Insured* unless the *Policyholder* notifies the *Insurer* of such persons, or

(ii) where the *Claim* is brought about or contributed to by the *Fraud/Dishonesty* of the *Insured*.

In its sole discretion, the *Insurer* may, in writing, waive any of its rights set forth in this Subrogation Clause.

This insurance is underwritten by Chapman & Stacey Ltd on behalf of IGI UK Limited which is authorised and regulated by the Financial Conduct Authority. This information can be checked by visiting the FCA website ([www.FCA.gov.uk/register](http://www.FCA.gov.uk/register)).  
Registered address:  
3 Sydney Road, Haywards Heath, West Sussex, RH16 1QH.

