

# Your Professional Indemnity Accountancy Policy

**Please keep this document safe and refer to it if you need to make a claim.**

If you need this document in an alternative format, please speak to your insurance adviser.

# Professional Indemnity for Accountancy

## Introduction

Welcome to Aviva. We are committed to providing a first-class service. Aviva is the UK's largest insurer with over 200 years' experience in the insurance industry. This is your insurance policy which sets out your insurance protection in detail. Your premium has been calculated on the basis of the extent of cover you have selected which is specified in the schedule, the information you have provided and the declaration you have made. Please read the policy and the schedule carefully to ensure that the cover meets your requirements.

Please contact your insurance adviser if you have any questions or if you wish to make adjustments. Your insurance adviser's details are

## Contents

This policy consists of individual sections. You should read this policy in conjunction with the schedule which confirms the sections you are insured under and gives precise details of the extent of your insurance protection.

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# Contact details for claims and help

## Services

As an Aviva customer, you can access additional services to help you keep your business running smoothly. For our joint protection telephone calls may be recorded and/or monitored.

## Claims Service

**E-Mail: [prclms@aviva.co.uk](mailto:prclms@aviva.co.uk)**

**Postal Address:**

The Senior Claims Manager  
Aviva Global Corporate and Specialty Risk  
80 Fenchurch Street  
London  
EC3M 4AE

## Legal and Tax Helpline: 0345 300 1899

Call this helpline anytime, day or night, for advice on legal or tax matters in the United Kingdom. Given in confidence, the advice is free and you pay for just the cost of the call

## Risk Solutions Helpline: 0345 366 6666

Call for advice on safety, fire, security and other issues that can affect your business. Most enquiries can be dealt with over the telephone, but if we can't give you an immediate answer, we will deal with your enquiry within one working day. This service is available during office hours with an answering service outside these times.

## Counselling Service Helpline: 0117 934 0105

This is a confidential service available to Your staff to help deal with personal issues such as bereavement, divorce, the threat of violence in the workplace and bullying at work.

This service is available during office hours with an answering service outside these times.

Customers can access up to six telephone counselling sessions (up to an hour at a time) for each difficulty.

Additional sessions can be arranged and paid for separately.

Note, the initial call to the counselling line does not form part of the six sessions.

This service is provided by Care First, a trading division of Partnerships in Care Ltd.

The Counselling service is available to you, your employees and members of your immediate family – providing they live with you and are over the age of 18 (or aged between 16 and 18 and in full-time employment).

# Complaints Procedure

## Our Promise of Service

Our goal is to give excellent service to all our customers but we recognise that things do go wrong occasionally. We take all complaints we receive seriously and aim to resolve all our customers' problems promptly. To ensure that we provide the kind of service you expect we welcome your feedback. We will record and analyse your comments to make sure we continually improve the service we offer.

## What will happen if you complain

- We will acknowledge your complaint promptly.
- We aim to resolve all complaints as quickly as possible.

Most of our customers' concerns can be resolved quickly but occasionally more detailed enquiries are needed. If this is likely, we will contact you with an update within 10 working days of receipt and give you an expected date of response.

## What to do if you are unhappy

If you are unhappy with any aspect of the handling of your insurance we would encourage you, in the first instance, to seek resolution by contacting your insurance adviser or Aviva Insurance, Professional Indemnity, Pitheavlis, Perth PH2 0NH. You can write or telephone, whichever suits you, and ask your contact to review the problem.

If you are unhappy with the outcome of your complaint you may refer the matter to the Financial Ombudsman Service at:

The Financial Ombudsman Service  
Exchange Tower  
London  
E14 9SR

Telephone:  
0800 023 4567 (free from landlines) or  
0300 123 9123

Or simply log on to their website at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk).

Whilst we are bound by the decision of the Financial Ombudsman Service, you are not. Following the complaints procedure does not affect your right to take legal action.

# Important Information

## Choice of Law

The appropriate law as set out below will apply unless you and the insurer agree otherwise.

1. The law applying in that part of the United Kingdom, Channel Islands or Isle of Man in which you, the policyholder, normally live or (if applicable) the first named policyholder normally lives  
or
2. In the case of a business, the law applying in that part of the United Kingdom, Channel Islands or Isle of Man where it has its principal place of business  
or
3. Should neither of the above be applicable, the law of England and Wales will apply.

## Financial Services Compensation Scheme

We are members of the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from this scheme if we cannot meet our obligations, depending on the type of insurance and the circumstances of your claim.

Further information about the scheme is available from the FSCS website [www.fscs.org.uk](http://www.fscs.org.uk), or write to

Financial Services Compensation Scheme  
10th floor, Beaufort House  
15 St Botolph Street  
London  
EC3A 7QU

## Use of Language

Unless otherwise agreed, the contractual terms and conditions and other information relating to this contract will be in English.

## Customers with Disabilities

This policy and associated documentation are available in large print, audio and braille. If you require any of these formats, please contact your insurance adviser.

# The Contract of Insurance

The policy, the information You have provided and/or the application form, the declaration made by You and The Schedule should be read together and form the contract of insurance between You, The Policyholder and Us, Aviva.

In return for You having paid or agreed to pay the premium for the Period of Insurance, We will indemnify You to the extent of and subject to the terms contained in or endorsed on the policy

## Important

This policy is a legal contract. You must tell Us about any material circumstances which affect Your insurance and which have occurred either since the policy started or since the last renewal date.

A circumstance is material if it would influence Our judgement in determining whether to provide the cover and, if so, on what terms.

If You are not sure whether a circumstance is material ask Your insurance adviser. If You fail to tell Us it could affect the extent of cover provided under the policy.

You should keep a written record (including copies of letters) of any information You give Us or Your insurance adviser when You renew this policy.

## Breach of Term

We agree that where there has been a breach of any term (express or implied) which would otherwise result in Us automatically being discharged from any liability, then such a breach shall result in any liability We might have under this policy being suspended. Such a suspension will apply only from the date and time at which the breach occurred and up until the date and time at which the breach is remedied. This means that We will have no liability in respect of any loss occurring, or attributable to something happening, during the period of suspension.

## Terms not relevant to the actual loss

Where there has been non-compliance with any term (express or implied) of this policy, other than a term that defines the risk as a whole, and compliance with such term would tend to reduce the risk of

- loss of a particular kind, and/or
- loss at a particular location and/or
- loss at a particular time,

then We agree that We may not rely on the non-compliance to exclude, limit or discharge Our liability under this policy if You show that non-compliance with the term could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.



Risks situated within the UK and other countries excluding the EEA are underwritten by Aviva Insurance Limited. Registered in Scotland, No. SC002116. Registered Office: Pitheavlis, Perth PH2 0NH. Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Firm Reference Number 202153.

Risks situated within the EEA are underwritten by Aviva Insurance Ireland Designated Activity Company. Aviva Insurance Ireland Designated Activity Company, trading as Aviva, is regulated by the Central Bank of Ireland. Firm Reference Number C171485. A private company limited by shares. Registered in Ireland, No. 605769. Registered Office: Cherrywood Business Park, Dublin, Ireland D18 W2P5. Registered UK Branch Address: 80 Fenchurch Street, London, EC3M 4AE. UK Branch authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority (Firm Reference Number 827591) and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request.

## Definitions

A definition is a statement of the meaning of a word, phrase or term. The definitions listed below will have the same meaning wherever they appear, unless We state otherwise. Defined words, phrases or terms will always start with a capital letter.

### Alternate

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

### Authorised Work

The meaning given by the Probate Regulations of the Relevant Institute, in force at the date of the inception of this policy.

### Bodily Injury

Any injury including death, illness, disease, sickness, psychological injury, emotional distress or nervous shock.

### Business

- (1) The provision of professional advice or professional services of whatsoever nature by You or on Your behalf to a third party including those activities authorised by the Relevant Institute in accordance with the provisions of the Financial Services and Markets Act 2000 or any subsequent amendment or re-enactment thereof.
- (2) Any individual personal appointment (other than as company secretary or registrar or director) held by You but only in respect of professional advice or professional services shown in (1) above.
- (3) Any individual personal appointment as company secretary or registrar or director but only in relation to the performance of Services defined herein.

### Claim

Demand made against You consisting of or arising from any

- (1) demand for, or assertion of a right to, damages or compensation
- (2) notice of intention to commence legal proceedings
- (3) communication invoking any pre-action protocols
- (4) notification of arbitration, ombudsman or adjudication proceedings.

### Document

Any

- (1) deed, will, agreement, book, letter, certificate, form, map, plan, record, photograph, calculation or drawing
- (2) information or data stored on a computer

which is Your property, is under Your custody or control or for which You are responsible.

This definition does not include any bearer bond, evidence of share ownership (whether in electronic or other form), coupon, bank or currency note and other negotiable paper.

### Employee

- (1) Any person who is or has been under a contract of service or apprenticeship with You.
- (2) Any person who is or has been
  - (a) self employed
  - (b) a voluntary helper
  - (c) engaged under a work experience or training scheme
  - (d) seasonal or temporary personnel
  - (e) agency staff

while working under Your control in connection with the Business.

### **Excess**

The first part of each and every payment in relation to a Claim or loss which is payable by You rather than Us. The amount of the Excess is stated in the Schedule.

The Excess does not apply to Other Costs.

### **Extended Policy Period**

The period starting from the day immediately following expiry of the original Period of Insurance and ending with the earliest to occur of:

- (1) The date that You obtain a replacement insurance policy that complies with the provisions of the Professional Indemnity Insurance Regulations of the Relevant Institute
- (2) 30 days from the receipt by the Relevant Institute of written notice from Us of the commencement of the Extended Policy Period.

### **Insurance Mediation Work**

The meaning given by the Designated Professional Body (Investment Business) Handbook of the Relevant Institute, in force at the date of the inception of this policy

### **Limit of Indemnity**

In respect of any Claim arising directly or indirectly from Insurance Mediation Work the maximum amount stated in the Schedule We will pay in respect of any one Claim and in total for all Claims first made during any one Period of Insurance.

In respect of all other Claims the maximum amount, stated in the Schedule, which We will pay in respect of any one Claim or loss or series of Claims or losses arising directly or indirectly from any one source or originating cause.

All Claims or losses arising from any dishonesty or fraud committed by a person acting alone or in collusion with others shall be treated as one Claim or loss.

### **Other Costs**

All costs and expenses incurred by You in

- (1) defending any Claim or any proceedings relating to a Claim
- (2) conducting any proceedings for an indemnity, contribution, damages or other recovery relating to a Claim
- (3) investigating, reducing, avoiding or settling any actual or potential Claim
- (4) investigating any circumstance which has been notified to Us in accordance with the terms of this policy.

### **Period of Insurance**

From the effective date until the expiry date shown in the Schedule.

### **Pollution**

Any pollution or contamination by naturally occurring or man-made substances, forces or organisms or any combination of them, whether permanent or transitory and however occurring.

This definition does not include pollution or contamination by asbestos.

### **Professional Indemnity Insurance Regulations**

The Relevant Institute's Professional Indemnity Insurance Regulations in force at the beginning of the Period of Insurance.

### **Relevant Institute**

The Relevant Institute's Professional Indemnity Insurance Regulations in force at the beginning of the Period of Insurance.

- (1) The Institute of Chartered Accountants in England and Wales
- (2) The Institute of Chartered Accountants of Scotland
- (3) The Institute of Chartered Accountants in Ireland as applicable.

### **Schedule**

The document which specifies Your details and details of the Business, Excess, Limit of Indemnity, Period of Insurance, other limits and any endorsements applying to this policy.

## Services

All services performed or advice given by You in connection with tax matters, secretarial work, share registration, financial advice to management, book-keeping, management accounting, financial investigation and reports, financial claims (including their negotiation and settlement), company formations, investment advice, insurance and pension scheme advice and computer consultancy.

## Terrorism

Any act or acts including but not limited to

- (1) the use or threat of force and/or violence  
and/or
- (2) harm or damage to life or to property (or the threat of such harm or damage) including but not limited to harm or damage by nuclear and/or chemical and/or biological and/or radiological means

caused or occasioned by any person(s) or group(s) of persons, or so claimed, in whole or in part for political, religious, ideological or similar purposes.

## We/Us/Our/Aviva

Aviva Insurance Limited.

## You/Your/The Policyholder/The Insured

- (1) Any individual, partnership, limited liability partnership, company or limited company named in the Schedule or any predecessor in business of such individual, partnership, limited liability partnership, company or limited company as declared to Us.
- (2) Any person declared to Us as consultant or former consultant of any person or body referred to in (1) above but only in respect of work undertaken for or on behalf of any person or body referred to in (1) above.
- (3) Any person who is or has been or who becomes a director, partner, member, principal or Employee of any person or body referred to in (1) above but only in respect of work undertaken for or on behalf of any person or body referred to in (1) above.
- (4) The estate, heirs, executors, legal or personal representatives of any person or body referred to in (1), (2) or (3) above in the event of their death, incapacity, insolvency or bankruptcy.
- (5) Any person who is acting on Your behalf as an Alternate.
- (6) Any person who is or has been or becomes an appointed representative (as defined in the appropriate regulatory handbook of Rules and Guidance) but only in respect of work undertaken for or on behalf of any person or body referred to in (1) above.

## Cover

### Professional Indemnity

We will cover You in respect of any Claim (including Other Costs associated with such Claim) arising out of the conduct of Your Business, first made against You during the Period of Insurance and notified to Us in accordance with the Claims Conditions, for any

- (1) civil liability including claimant's costs and expenses
- (2) final or binding award or determination of, or the costs of taking any steps You are directed to take in relation to a claimant by, any ombudsman appointed pursuant to the provisions of the Financial Services and Markets Act 2000 or the Central Bank and Financial Services Authority of Ireland Act 2004 (as applicable) or any amendment or re-enactment thereof
- (3) loss of or damage to Documents.

### Limit of Indemnity

The maximum We will pay for any Claim shall not exceed the Limit of Indemnity and Other Costs.

If the total cost of a Claim is more than the Limit of Indemnity, the most We will pay for Other Costs will be the same proportion that the Limit of Indemnity bears to the total cost of the Claim.

If there is more than one Insured, the total amount We will pay for any one Claim will not be more than the Limit of Indemnity.

We will not cover You for the Excess stated in Your Schedule.

We will not provide cover to any person committing or conspiring to commit or condoning any dishonest or fraudulent act or omission.

## Clauses

**Clauses are payable in addition to the Limit of Indemnity.**

**The Excess does not apply to any clause.**

### Payment for Court Attendance

We will compensate You, subject to Our prior written consent, if We require You to attend court as a witness in connection with a Claim for which You are entitled to cover.

The maximum We will pay under this clause shall not exceed the amount stated in the Schedule.

### Representation Costs

We will pay on Your behalf any reasonable costs and expenses incurred by You for representation at properly constituted hearings, tribunals or proceedings provided that

- (1) such costs and expenses are incurred with Our prior written consent
- (2) the subject of the hearing, tribunal or proceedings relates to a circumstance first notified to Us during the Period of Insurance which may become a Claim and in respect of which We may be obliged to provide cover

The maximum We will pay under this clause shall not exceed the amount stated in the Schedule.

## Exceptions

We will not provide cover for

### Acting as Company Secretary/Registrar/Director

any Claim or loss arising from or caused by You acting as company secretary or registrar or director other than where the Claim or loss arises from the performance of Services.

### Bodily Injury

any Claim or loss arising directly or indirectly from or caused by

- (1) any Bodily Injury of any Employee whilst in the course of their employment with You
- (2) any other Bodily Injury or loss of or damage to property unless arising from an alleged breach of professional duty in the conduct of Your Business.

### Contractual Liability

any Claim or loss arising out of or caused by

- (1) any express or implied warranty or guarantee relating to the financial return of any investment or portfolio of investments, or
- (2) any other express warranty or guarantee unless such liability would have attached to You in the absence of said express warranty or guarantee.

### Dishonesty or Fraud after Discovery

any Claim or loss arising from any dishonest or fraudulent act or omission committed by any person after the discovery, in relation to that person, of reasonable cause for suspicion of any dishonest or fraudulent act or omission.

### Employee Benefits Scheme

any Claim or loss arising from any plan, programme or scheme established or maintained to provide benefits to You or any Employee.

### Employee Disputes

any Claim or loss arising directly or indirectly from or caused by any dispute between You and any present or former Employee or any person who has applied for or been offered employment with You.

### Fines or Penalties

any fines or penalties or any punitive, multiple, aggravated or exemplary damages where such can be identified separately within any award of any court or tribunal.

For avoidance of doubt, this exception does not

- (1) apply to any Claim relating to defamation arising from the conduct of Your Business
- (2) operate to exclude or limit any legal liability to meet an award made by any ombudsman appointed pursuant to any statute or recognised scheme.

#### **Goods or Products**

any Claim or loss arising from any manufacturing defect in any goods or products sold, supplied, manufactured, repaired, altered, constructed, installed or maintained by You.

This exception does not apply to

- (1) computer software unless such software is produced by a third party for general distribution on a wholesale or retail basis and it has not been amended or adapted by You or on Your behalf.
- (2) project models or displays.

#### **Nuclear Risks**

any liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from

- (1) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- (2) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

#### **Offices in the USA or Canada**

any Claim or loss arising from any of Your Business carried out from any office or other premises of Yours situated in the United States of America its territories and possessions or Canada.

#### **Ownership, Possession or Use of Transport or Property**

any Claim or loss arising directly or indirectly from or caused by the ownership, possession or use, by You or on Your behalf, of

- (1) any aircraft, watercraft, hovercraft, motor vehicle or trailer.
- (2) any buildings, structures, premises or land, or
  - (a) that part of any building leased, occupied or rented by You, or
  - (b) any other property (mobile or immobile) belonging to You.

#### **Pollution**

any Claim or loss arising directly or indirectly from or caused by Pollution.

This exception shall not apply where any Claim or loss arises from any actual or alleged breach of professional duty in the performance of Your Business.

#### **Prior Claims or Circumstances**

any Claim

- (1) You were or should have been aware of prior to the inception of this cover (including any claim notified under any insurance which was in force prior to the inception of this cover and accepted as notified by the insurer of that policy);
- (2) arising out of any circumstance which has been notified under any insurance which was in force prior to the inception of this cover and the insurers of that policy have accepted that the circumstance was properly notified to that policy

provided that this Exception shall not reduce Your rights under (or otherwise affect the application of) any Special Condition.

#### **Retroactive Date**

any Claim or loss arising out of any act or omission prior to the Retroactive Date stated in the Schedule. For the avoidance of doubt, in the absence of a Retroactive Date this exception shall not apply.

#### **Trading Losses**

any Claim or loss arising from any trading losses or trading liabilities incurred by any business managed by or carried on by You.

This exception does not apply to any Claim for negligence in the normal course of any receivership or procedures under the Insolvency Act 1986, the Bankruptcy & Diligence (Scotland) Act 2007, the Insolvency (Northern Ireland) Order 1989 or, in the Republic of Ireland, any receivership or insolvency procedures under the Companies Act 2014 or the Bankruptcy Act 1988, or any amendment or re-enactment thereof

### **USA/Canada**

any Claim

- (1) instituted or pursued in the United States of America, its territories and possessions and/or Canada (including without limitation the enforcement of a judgement or finding of a court or tribunal of another jurisdiction or otherwise)
- (2) in which it is contended that the laws of the United States of America, its territories and/or possessions or Canada should or do apply
- (3) which involves the enforcement or attempted enforcement of a judgement or finding of a court or tribunal of the United States of America, its territories and/or possessions or Canada.

### **War & Terrorism**

any Claim, loss or consequence whatsoever resulting directly or indirectly from or in connection with any of the following regardless of any other contributory cause or event

- (1) war, invasion, act of foreign enemy, hostilities or a warlike operation or operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of, or amounting to, an uprising, military or usurped power
- (2) Terrorism
- (3) any action taken in controlling preventing suppressing or in anyway relating to (1) and/or (2) above.

In any action, suit or other proceedings, where We allege that any Claim or loss falls within (1) and/or (2) above, regardless of any other contributory cause or event, We shall not be required to prove the operation of the relevant exception. The burden of proving that the relevant exception does not apply shall be upon You.

## **Claims Conditions**

### **Notification**

If in relation to any Claim or loss You fail to fulfil any of the following Claims Conditions You may lose Your right to cover for that Claim or loss.

- (1) You shall give written notice to Us as soon as practicable if, during the Period of Insurance and regardless of any Excess, You
  - (a) receive any Claim, or
  - (b) receive any notice of intention to make a Claim, or
  - (c) discover a reasonable cause for suspicion of any dishonesty or fraud on the part of any past or present director, partner, member or Employee of Yours, whether giving rise to a Claim or not.

In the event that it is not possible to give Us such notice before the end of the Period of Insurance then You must do so not later than 10 working days after the end of the Period of Insurance.

- (2) If You become aware of any circumstance that might give rise to a Claim or loss, You shall give written notice to Us of such circumstances as soon as practicable and in any event not later than the last day of the Period of Insurance.

Any Claim or loss subsequently arising from any circumstance notified to Us shall be deemed to have been made during the Period of Insurance in which the notice of such circumstances was first received by Us.

All written notices should be sent to

The Senior Claims Manager  
Aviva Global Corporate and Specialty Risk  
80 Fenchurch Street  
London  
EC3M 4AE  
Tel. 020 7157 2569

### **Admission of Liability**

In the event of a Claim or loss or the discovery of a circumstance that might give rise to a Claim or loss You must not admit liability for or settle any Claim or incur any related costs or expenses without Our written consent.

## Control of Defence and Co-Operation

In the event of a Claim or loss or the discovery of a circumstance that might give rise to a Claim or loss, We will be entitled, at Our own expense at any time, to take over and conduct in Your name (but at Our sole discretion) the defence or settlement of any such Claim or loss provided always that, if there is any dispute between You and Us as to whether a Claim should be defended, We cannot require You to continue to defend a Claim unless a Queen's Counsel (whose identity is agreed with Us) advises that the Claim should be defended.

If We do take over and conduct the defence or settlement of any such Claim or loss You shall give Us (and any consultants, agents or advisers who may be appointed by Us) all such information and assistance as We may reasonably require and that is in Your power to provide.

Your duty to assist Us includes

- (1) providing all such information, documents (including access to those held in computerised or electronic format), assistance, signed statements or depositions as may be required to facilitate compliance with any civil procedure rules, practice directions and pre-action protocols as may be issued
- (2) ensuring that all documents and records that might be relevant or otherwise required by Us are preserved (and, in the case of documents or records that are computerised or otherwise held electronically, ensuring that they are retained in a readily retrievable form)
- (3) allowing Us to present the best possible defence of a Claim within the time constraints available
- (4) ensuring ready access to all and any information that We may require in the defence of a Claim or investigation of a loss
- (5) ensuring the payment of the Excess in conjunction with the terms of any settlement agreed by Us.

## General Conditions

### Acquisitions

We will automatically extend cover for any entity acquired by You during the Period of Insurance provided that

- (1) In the 12 month period immediately preceding such acquisition, the revenue of the entity did not exceed 10% of Your annual revenue
- (2) In the five year period immediately preceding the acquisition, the entity has had no claims or losses in excess of £25,000 in the aggregate and is not aware of any circumstance which may give rise to a claim
- (3) You have undertaken due diligence prior to the acquisition and are not aware of any potential liability which could result in a Claim under this cover
- (4) The entity is domiciled in and provides all of its services within the United Kingdom
- (5) The services performed by the acquired entity are similar to those provided by You.

Any acquisition which does not meet provisos (1) – (5) above will be automatically covered for a period of 30 days following the acquisition or (if earlier) until the expiry of the Period of Insurance for acts committed after the date of acquisition. We are under no obligation to extend cover to the entity beyond that date. We may provide Our written consent to extend cover subject to You complying with any additional terms, conditions, endorsements and paying any additional premium which We, at Our sole discretion, deem appropriate.

If We decide not to extend cover, or Our amended terms, conditions or additional premium are not acceptable to You, We may cancel this cover.

### Breach of Condition

Where Your breach of or non-compliance with any condition of this policy has resulted in prejudice to the handling or settlement of any Claim or to obtaining reimbursement from any dishonest or fraudulent person, and the indemnity is payable direct to the claimant in accordance with the Ombudsman Condition below, We will pay the indemnity in full and You shall reimburse Us in respect of any amount (including liability for claimants' costs, expenses and disbursements) which, in Our reasonable opinion, would not have been payable by Us in the absence of such prejudice.

### Cancellation

This policy may not be cancelled without Your and Our mutual written agreement.

In the event of such agreement, We will

- (1) issue a written notice of cancellation to You stating the date when such cancellation shall be effective (such date not being earlier than 30 days after the date of such agreement)  
and
- (2) notify the Relevant Institute of the cancellation of this policy.

### **Choice of Law**

This policy is governed by the laws of the country of the Relevant Institute. In the event that the Dispute Resolution Special Condition (or any part of it) should be unenforceable and/or for the purposes of any application under the Arbitration Act 1996 or judicial review of any arbitrator's award, then the courts of the Relevant Institute are to have exclusive jurisdiction for hearing and determining any litigation arising out of or in connection with this policy, including any dispute as to the validity, existence or termination of the policy.

### **Contesting Proceedings**

You shall not be required to contest any legal proceedings unless a senior barrister (to be mutually agreed upon between You and Us) shall advise that such action has a reasonable prospect of success.

### **Contract of Insurance**

This policy, its endorsements and the Schedule shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of the policy, endorsements or the Schedule shall bear the same meaning wherever it may appear unless the contrary is indicated.

In the event that there is any conflict between the terms of this policy and the Schedule, the terms of the Schedule shall prevail.

### **Fraud**

If any Insured shall make a claim for indemnity under this policy knowing the same to be false or fraudulent as regards amount or otherwise, then in respect of that Insured only

- (1) We shall not be liable to pay the Claim
- (2) We may recover from the Insured making the false or fraudulent claim any sums paid by Us in respect of the Claim
- (3) We may by notice to You treat the policy as having been terminated in respect of the Insured making the false or fraudulent claim with effect from the time of the fraudulent act.

If We cancel the policy under (3) above, then

- (1) We may refuse all liability to such Insured under the policy in respect of any Claim or potential Claim notified after the time of the fraudulent act; and
- (2) We need not return any of the premiums paid under the policy in respect of the cover for the Insured making the false or fraudulent claim.

Treating the policy as having been terminated under this clause in respect of an Insured making a false or fraudulent claim does not affect the rights and obligations of the parties to the policy with respect to a Claim or potential Claim notified before the time of the fraudulent act.

The policy shall continue in full force and effect for the benefit of all other Insureds as if such false or fraudulent claim had not been made.

### **How much we will pay**

The Limit of Indemnity and the Excess apply to all of You jointly. If more than one Insured is named in the Schedule, the total amount We will pay will not exceed the amount We would be liable to pay to any one of You.

### **No Set Off**

Any amount payable by Us by way of indemnity under this policy in respect of Your civil liability to a claimant will be paid only to the claimant. We are not entitled to set off against any sums which are payable under this policy any payment due to Us from You including, without limitation, any payment of premium or any payment due to Us by way of reimbursement. Notwithstanding the provisions of this condition We shall only be obliged to pay any amount payable by way of indemnity in excess of the Excess.

This clause shall not apply where the claimant confirms in writing that you have paid in full any civil liability direct to the claimant.

### **Ombudsman**

Compliance by You with any rules, requirements, directions or guidance of any ombudsman appointed pursuant to the provisions of the Financial Services and Markets Act 2000 or the Central Bank and Financial Services Authority of Ireland Act 2004 (as applicable) or any amendment or re-enactment thereof will not constitute a breach of any condition of this policy.

### **Paying Monthly**

Your monthly premiums will be due on the agreed date and on the same date of each following month. We will give You one month's cover for each monthly premium You pay starting from the cover start date.

If You do not pay Your first monthly premium Your policy will not be valid. If You have paid at least one monthly premium and then You don't pay any premium amount after that when due, We will cancel Your policy as explained in the Cancellation Condition.

### **Paying out the Limit of Indemnity**

In connection with any Claim, We may at any time pay You the amount of the Limit of Indemnity (after deduction of any sums already paid as damages or claimant's costs and expenses in respect of such Claim) or any lesser amount for which We believe that such Claim can be settled and thereupon We shall relinquish the control of such Claim and be under no further liability in connection therewith except for costs and expenses incurred prior to the date of such payment and for which We may be responsible under this policy.

### **Reimbursement**

Where a Claim or loss involves the dishonest or fraudulent act or omission of any former or present partner, director, member, consultant or Employee of Yours

- (1) You shall at Our request and expense take all reasonable steps to obtain reimbursement from such person or from their estates or legal or personal representatives
- (2) any monies which but for the dishonest or fraudulent act or omission would be due to such persons from You or any monies of such persons held by You shall be deducted from any amount payable under this policy
- (3) no indemnity in respect of such Claim or loss shall be afforded to any person committing or condoning such dishonest or fraudulent act or omission
- (4) nothing herein shall preclude Us from exercising any right of subrogation against any person committing or condoning such dishonest or fraudulent act or omission.

### **Rights of Third parties**

A person or company 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.

### **Sanctions**

We shall not provide cover nor be liable to pay any claim or provide any benefit under this policy if to do so would expose Us 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 or any of its states

### **Subrogation and Advancement of Defence Costs**

If any payment is made by Us to You under the terms of this policy, You grant to Us all rights of recovery that You would have had against any parties from whom a recovery may be made and You will take all reasonable steps to preserve and not to prejudice such rights.

We shall not exercise any right of subrogation in the name of any insured person against any other insured person except

- (1) against a person who is or has been under a contract for services with You and You have not notified such person to Us  
or
- (2) as provided below.

Where a Claim or loss involves the dishonest or fraudulent act or omission of any former or present partner, director, member, Employee, consultant, sub-contractor or Alternate of You

- (1) You shall at Our request and expense take all reasonable steps to obtain reimbursement from such person or from their estates or personal representatives
- (2) any monies which but for the dishonest or fraudulent act or omission would be due to such persons from You or any monies of such persons held by You shall be deducted from any amount payable under this policy.

In the event of any delay or inability outside Your control in recovering such monies from the person or persons committing or condoning such dishonest or fraudulent acts or omissions or their estates or legal representatives, and subject always to the Limit of Indemnity, We shall pay in full any amount payable to the claimant in respect of Your civil liability, and You shall reimburse Us in respect of such monies as and when such monies are recovered from the person or persons committing or condoning dishonest or fraudulent acts or omissions as aforesaid or their estates or legal representatives.

- (3) no indemnity in respect of such Claim or loss shall be afforded to any person committing or condoning such dishonest or fraudulent act or omission
- (4) an indemnity shall be afforded to each and every person who has neither committed nor condoned such dishonest or fraudulent act or omission

No dishonest or fraudulent act or omission shall be imputed to a body corporate unless it was committed or condoned by, in the case of a company, all directors of that company, or in the case of an LLP, all members of that LLP.

- (5) nothing herein shall preclude Us from exercising any right of subrogation against any person committing or condoning such dishonest or fraudulent act or omission.

Notwithstanding the provisions of this condition We will cover You for Other Costs as and when they are incurred on behalf of someone who is alleged to have committed or condoned a dishonest or fraudulent act or omission, provided that We are not liable for Other Costs incurred on behalf of such person after the earlier of

- (1) the admission of the commission or condoning of such dishonest or fraudulent act or omission

or

- (2) a court, arbiter or other judicial body finding that such person was in fact guilty of such dishonest or fraudulent act or omission.

Each person who admits the commission or condoning of such dishonest or fraudulent act or omission, or against whom there is a finding of a court, arbiter or other judicial body that such person was in fact guilty of such dishonest or fraudulent act or omission shall reimburse Us in respect of all Other Costs advanced on their behalf.

## **Special Conditions**

### **Dispute Resolution**

Any dispute between You and Us arising out of or in connection with this policy including any dispute as to the validity, existence or termination of the policy shall be referred to arbitration before a sole arbitrator (to be mutually agreed or, failing agreement, to be appointed by the president for the time being of the Relevant Institute whose decision shall be final and binding on both parties.

In the event of any dispute concerning Our liability to cover You (including without limitation a dispute as to the policy year under which any Claim or circumstance might fall to be dealt with between any insurer(s) subscribing to the policy corresponding to this policy in respect of a previous period of insurance), We will advance Other Costs and cover You in accordance with the terms and conditions of this policy pending resolution of any such dispute. You must repay us on demand all monies which We have paid to You or to others on Your behalf under this condition, to the extent that any dispute concerning Our liability to cover You is resolved in Our favour.

### **Duty of Fair Presentation**

We will not

- (1) avoid this policy
- (2) claim to be discharged from any or all liability to provide any indemnity (in whole or in part) under this policy or
- (3) seek to reduce the indemnity due under this policy

on the grounds of a breach of the duty of fair presentation of risk to Insurers; provided always that such breach was free from any fraudulent conduct or intent to deceive. It shall be for Us to establish that such breach resulted from any fraudulent conduct or intent to deceive.

However, in the event that any circumstance is notified to Us 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) We shall not seek to exclude any Claim arising out of such circumstance but the indemnity hereunder shall be limited to the indemnity which would have been available under the earliest such previous policy if such circumstance had been properly notified.

### **Extended Policy Period**

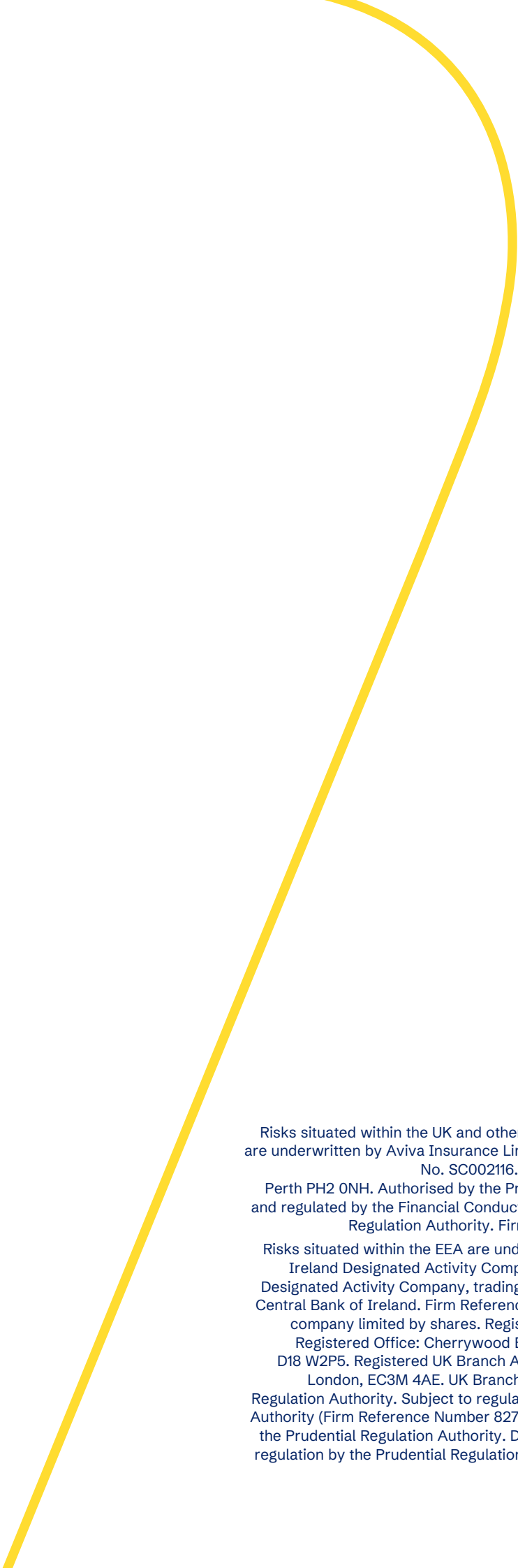
The Period of Insurance shall be extended by the Extended Policy Period where, prior to the expiry of the original Period of Insurance, You have not obtained insurance complying with the provisions of the Professional Indemnity Insurance regulations of the Relevant Institute.

### **Run Off Cover**

If You cease to trade during or on expiration of the Period of Insurance or, if applicable, the Extended Policy Period, We shall provide run-off cover in accordance with the Professional Indemnity Insurance Regulations for a minimum of two years from the date of cessation. This run-off cover will be conditional on payment to Us of an additional premium by a specified date. In the event that this run-off cover does not incept for reasons of non-payment, We are required to give notice to the Relevant Institute within 7 days and You shall be deemed to consent to such notification being made.

### **Difference in Conditions**

- (1) The insurance provided by this policy shall, notwithstanding any policy wording to the contrary, be, in each and every respect and in respect of each and every claim and in the aggregate, no less favourable and provide no less protection to the Insured than the Approved Minimum Wording (as defined in the Professional Indemnity Insurance Regulations in force at the date of the inception of the policy and on any extension of the policy at the date of such extension). Where the period of insurance exceeds 18 months, the Approved Minimum Wording shall be deemed to incorporate any amendments thereof made subsequent to the inception of the policy, and any reference in Section C of the Approved Minimum Wording to minimum limits of indemnity or maximum amounts of excess shall be deemed to incorporate any amendments to such minimum limits of indemnity or maximum amounts of excess prescribed by the applicable regulations in Section C made subsequent to the inception of the policy.
- (2) To the extent that the terms of this policy provide coverage to the Insured that would not be provided by Section A of the Approved Minimum Wording then, notwithstanding any policy wording to the contrary, the indemnity in respect of such coverage shall be in addition to the limit of indemnity provided by the Approved Minimum Wording.
- (3) In any dispute as to whether the insurance under this policy is in any respect or in the aggregate less favourable or gives less protection to the Insured than the Approved Minimum Wording would do, a sole arbitrator (irrespective of the number of parties to the dispute) who shall be agreed between Us and the Insured or failing such agreement shall be selected at the request of either Us or the Insured by the President for the time being of the Institute of Chartered Accountants in England and Wales/of Scotland/in Ireland (as applicable) shall be appointed to resolve the dispute in accordance with the Arbitration Act 1996. The arbitrator's decision (which will be based on English law unless the relevant member's principal place of business is in Scotland, Northern Ireland or the Republic of Ireland, in which case the law of Scotland, Northern Ireland or the Republic of Ireland, in which case the law of Scotland, Northern Ireland or the Republic of Ireland as the case may be will apply), shall be binding on both Us and the Insured.

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