

Professional Indemnity Insurance Section (Surveyors)

Definitions

Operative Wording

The operative wording applicable to this **Section** as specified in the **Schedule**.

NB This wording is only operative when the reference **AGCSPISURV010309** is specified in the Professional Indemnity section of the **Schedule**.

Adjudication Contract

A contract to which Part II of the Housing Grants, Construction and Regeneration Act 1996 applies or any contract containing an adjudication clause.

Appointed Representative

A person who, in accordance with the **FSMA** is a party to a contract with a person authorised in accordance with section 31 of **FSMA** which permits or requires him to carry on **Professional Services**, and who complies with such requirements as may be prescribed, and for whose **Professional Services** an **Insured** has accepted responsibility in writing.

Asbestos Inspections

Type 1, 2 or 3 inspections as set out in MDHS 100 published by the Health and Safety Executive in connection with regulation 4 of the Control of Asbestos at Work Regulations 2002, or any other comparable inspection.

Bodily Injury

Physical injury, sickness, disease or death of a natural person; and if arising out of the foregoing, nervous shock, emotional distress, mental anguish or mental injury.

Claim

Any:

- a** written demand for compensation in respect of a **Wrongful Act** of an **Insured**; or
- b** civil, regulatory or administrative proceedings whereby a **Wrongful Act** of an **Insured** is alleged.

Company

The **Policyholder** or any **Subsidiary** (including any predecessor business).

Cyber Event

means any actual, alleged or suspected:

- a** Damage to, loss, destruction, corruption, theft, or loss of operational control of data, or unauthorized or negligent processing, collection, recording, retrieval, disclosure, dissemination, or disposal of data, by the **Insured**, an independent contractor or an outsourced service provider of the **Insured Company**; and/or
- b** Unauthorized access to or use of any personal information, personal data or confidential information (other than information that is lawfully available in the public domain or to the general public unless such information which had been publically available became uniquely identifiable through collection and/or processing) while under the care and custody, or control, of the **Insured**, an independent contractor or an outsourced service provider of the **Insured Company**; and/or
- c** Non-physical and technological failure of the **Company's** Computer System, or failure of technological security measures aimed at protecting data in any form. This includes, but is not limited to, any interruption of the **Insured Company's** business caused by such event(s); and/or
- d** Malicious direction of network traffic, introduction of malicious computer code, or other malicious attack directed at, occurring within, or utilizing the **Company's** Computer System. This includes, but is not limited to, any interruption of the **Insured Company's** business caused by such event(s); and/or
- e** Interruption of the **Insured Company's** business caused by an accidental, unintentional or negligent act, error or omission of the **Insured** person in the operation or maintenance of the **Company's** Computer System which causes total or partial unavailability of the **Company's** Computer System; and/or
- f** Breach of laws and regulations pertaining to privacy and resulting from items **a** to **e** above.

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For the purposes of items **a** and **c** of Cyber Event definition, data includes but is not limited to personal information, personal data and/or confidential information (other than information that is lawfully available in the public domain or to the general public unless such information which had been publically available became uniquely identifiable through collection and/or processing) in any form.

Company's Computer System means a computer system (including, but not limited, to hardware, software and/or computer programs) leased, owned or operated by or which is made available or accessible to the **Insured Company** or its outsource service provider(s) for the purpose of storing and processing the **Insured Company's** electronic data or software.

Cyber Liability

Any:

- i** defamation;
- ii** malicious falsehood (including slander of title and slander of goods);
- iii** unintentional false attribution of authorship or passing off;
- iv** unintentional infringement of intellectual property rights (including copyright, trademark, service mark, moral rights, patent rights, registered design), breach of confidence or infringement of any rights or privacy;
- v** unintentional misuse of any information which is either confidential or subject to statutory restrictions on its use; or
- vi** misuse by an **Employee** of an **Insured's** electronic signature or external mail.

Damages

Any amount that an **Insured** shall be legally liable to pay to a **Third Party** in respect of judgments or arbitral awards rendered against an **Insured**, or for settlements negotiated by the **Insurer** with the consent of the **Policyholder**.

Defence Costs

Reasonable fees, costs and expenses incurred by or on behalf of an **Insured**, with the prior written consent of the **Insurer**, in the investigation, defence, adjustment, settlement or appeal of any **Claim**. It shall not include any element of an **Insured's** own time costs or lost profits incurred in dealing with a **Claim**.

Documents

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

Employee

Any natural person who is, has been or during the period of insurance becomes expressly engaged under a contract of employment with the **Company**.

Employee shall not include any principal, partner, director or **Member** of any **Insured** in their capacity as such.

Environmental Audit

An investigation which is specifically intended to assess whether there is actual **Pollution** present.

Fraud/Dishonesty

Fraudulent or dishonest conduct:

- a** not condoned, expressly or implicitly by any principal, partner, director or **Member** of the **Company**; and
- b** that results in liability of the **Company** to any **Third Party**.

FSMA

The Financial Services & Markets Act 2000 as may be amended or re-enacted.

Health & Safety Legislation

- i** Property Misdescriptions Act 1991;
- ii** Estate Agents Act 1979;
- iii** The Health & Safety at Work Act 1974;
- iv** The Health & Safety at Work (Northern Ireland Order) 1978;
- v** The Construction (Design and Management) Regulations 2007;

or any re-enactment thereof.

Insured

The **Company** or any **Insured Person**.

Professional Indemnity Insurance Section (Surveyors) continued

Insured Person

- a** any natural person, who is or has been a principal, partner, director or **Member** of the **Company** in their capacity as such;
- b** any **Employee**;
- c** any natural person employed by the **Company** to whom the Financial Conduct Authority has given its approval to perform Controlled Function 30 for the Company pursuant to Section 59 of the Financial Services and Markets Act 2000 or any re-enactment thereof;
- d** any spouse, civil partner, estate or legal representative of any **Insured Person** for **Loss** arising from a **Claim** for a **Wrongful Act** of such an **Insured Person** listed in **a**, **b** or **c** above;
- e** the administrator, heirs, legal representatives or executor of a deceased, incompetent, insolvent or bankrupt **Insured Person's** estate for **Loss** arising from a **Claim** for a **Wrongful Act** of such **Insured Person** listed in **a**, **b** or **c** above.

Legal Panel

The firms of solicitors appointed from time to time by the **Insurer** to provide representation on behalf of an **Insured** under this **Section**.

Limit of Liability

The amount specified as such in the **Schedule**.

Limited Liability Partnership

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

Loss

Damages or **Defence Costs**, however **Loss** shall not include and this **Section** shall not cover any:

- a** taxes;
- b** non-compensatory damages, including punitive, multiple, exemplary or liquidated damages;
- c** fines or penalties unless insurable by law;
- d** the costs and expenses of complying with any order for, grant of or agreement to provide injunctive or other non-monetary relief;
- e** benefits or overheads of, or charges or expenses incurred by any **Insured** including but not limited to the cost of any **Insured's** time;
- f** fees or commissions, for any **Professional Services** rendered or required to be rendered by an **Insured** or that portion of any settlement or award in an amount equal to such fees, commissions, or other compensation; or
- g** matters which may be deemed uninsurable under the law governing this **Section** or the jurisdiction in which a **Claim** is brought;

Member

A member of a **Limited Liability Partnership**.

Policyholder

The entity specified as such in the **Schedule**.

Pollutants

Any solid, liquid, gaseous, biological, radiological or thermal irritant, toxic or hazardous substance, or contaminant, including but not limited to, asbestos, lead, smoke, vapour, dust, fibres, mould, spores, fungi, germs, soot, fumes, acids, alkalis, chemicals and waste. Such waste includes, but is not limited to, materials to be recycled, reconditioned or reclaimed and nuclear materials.

Professional Services

Services (including the giving of advice) which are normally undertaken by members of the Royal Institution of Chartered Surveyors including but not limited to insurance mediation activities, survey and valuation, property and estate management, auctioneering, building surveying, land surveying, architectural services, project management, project co-ordination, consultancy, building society agency, estate agency, quantity surveying, rent review, town planning, property and land development and facilities management.

Professional Services extends to individual appointments of any **Insured** which have been disclosed to the **Insurer** and endorsed upon this **Section** of the **Policy**.

Professional Indemnity Insurance Section (Surveyors) continued

Properly Qualified Person

Any **Insured** with a minimum of five years relevant experience or a person recognised as a Fellow or Associate of the following bodies:

- i the Royal Institution of Chartered Surveyors; or
- ii the Incorporated Society of Valuers and Auctioneers; or
- iii the Architects and Surveyors Institute; or
- iv the Faculty of Architects and Surveyors; or
- v the Royal Institute of British Architects; or
- vi the Royal Incorporation of Architects in Scotland.

Property Damage

Damage to or loss of or destruction of tangible property or loss of use thereof.

Related Claim

Any **Claims** alleging, arising out of, based upon or attributable to the same facts or alleged facts, or circumstances or the same **Wrongful Act**, or a continuous repeated or related **Wrongful Act**.

Retention

The amount specified as such in the **Schedule**

Retroactive Date

The date specified as such in the **Schedule**.

Settlement Value

In respect of any **Claim** covered under this **Section**:

- a the full amount claimed; or
- b any settlement offer from the claimant(s) which is capable of acceptance.

Where the claimant(s)' costs, if applicable, are not quantified by the claimant, the **Insurer** will also pay a reasonable sum to an **Insured** to represent these costs.

Submission

- a each and every signed proposal form, the statements, warranties, and representations therein, its attachments;
- b the financial statements of any **Company**; and
- c other documents of any **Company** filed with a regulator and all other material information;

submitted to the **Insurer** in connection with this **Section** or the **Policy**.

Subsidiary

Any entity in which the **Company**, either directly or indirectly through one or more entities;

- a controls the composition of the board of directors;
- b controls more than half of the voting power; or
- c holds more than half of the issued share capital;

on or before the inception date of this **Section**.

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

Terrorism

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

Professional Indemnity Insurance Section (Surveyors) continued

Third Party

Any entity or natural person except **i** any **Insured**; or **ii** any other entity or natural person having a financial interest or executive role in the operation of the **Company**.

Transaction

Any one of the following events:

- a** the **Company** consolidates with or merges into or sells all or a majority of its assets to any other person or entity or group of persons and/or entities acting in concert;
- b** an administrator, liquidator or receiver is appointed to the **Company**.

Wrongful Act

Any actual or alleged act, error or omission committed solely in the performance of or failure to perform **Professional Services**.

Cover

A Professional Liability Coverage

The **Insurer** will pay on behalf of an **Insured** all **Loss** resulting from any **Claim** first made against an **Insured** during the **Period of Insurance** and notified to the **Insurer** as required by this **Section** for a civil liability arising from an **Insured's Professional Services**.

B Appointed Representatives

The **Insurer** will pay on behalf of the **Insured** all **Loss** for any **Wrongful Act** of:

- i** an **Appointed Representative**; and
- ii** the employees of an **Appointed Representative**

of the **Insured** engaged in the performance of the **Insured's Professional Services**.

C Asbestos

The **Insurer** will pay on behalf of any **Insured** all **Loss** resulting from any **Claim** (other than detailed in the Exclusions) for any **Wrongful Act** committed or alleged to have been committed by an **Insured**, in connection with, based upon or attributable to the presence or release of asbestos containing materials in whatever form or quantity.

This Cover will be subject to a sub-limit of liability of £250,000 any one **Claim** and in the annual aggregate.

D Collateral Warranty

The **Insurer** will pay on behalf of any **Insured** all **Loss** resulting from any **Claim** for any **Wrongful Act** of an **Insured** arising from any collateral warranties, duty of care or similar agreements provided by an **Insured**, but only to the extent that the benefits of such warranties or agreements are not greater or longer lasting than those given to the party with whom an **Insured** originally contracted to provide **Professional Services**, and only to the extent that such liability would have attached to an **Insured** in the absence of such contractual duty, term or agreement.

Professional Indemnity Insurance Section (Surveyors) continued

E Court Attendance

For any person described in **i** and **ii** below who actually attends a court or an arbitration or an adjudication hearing as a witness in connection with a **Claim** notified under and covered by this **Section**, the **Insurer** will pay 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 an **Insured**: £300
- ii** for any **Employee**: £150

No **Retention** shall apply to this Cover.

F Cyber

The **Insurer** will pay on behalf of any **Insured** all **Loss** resulting from any **Claim** which gives rise to a **Cyber Liability** of an **Insured** transacted via:

- i** the internet;
- ii** the extranet;
- iii** an **Insured's** own web-site, internet site, web address(es); or
- iv** transmission of electronic mail or documents by electronic means.

This Cover will be subject to a sub-limit of liability of £250,000 any one **Claim** and in the annual aggregate.

G Fraud and Dishonesty

The **Insurer** will pay on behalf of any **Insured**, who is not the actual perpetrator, all **Loss** resulting from any **Claim** first made against any **Insured** during the **Period of Insurance** and notified to the **Insurer** as required by this **Section** for **Fraud/Dishonesty** of any **Employee** and/or past or present partner, director, officer or **Member** (however designated) of the **Company** up to the date of discovery by an **Insured** of reasonable cause of suspicion of **Fraud/Dishonesty**.

H Health & Safety Legislation

The **Insurer** will pay on behalf of any **Insured** all reasonable costs and expenses incurred with the prior written consent of the **Insurer** for defence of any proceedings first brought against an **Insured** under the **Health & Safety Legislation** by any regulatory body or similar body where in the **Insurer's** opinion defending such proceedings could prevent a concurrent or subsequent **Claim**.

The **Insurer** shall not be liable to pay such reasonable costs and expenses:

- a** unless the proceedings shall have arisen from a **Wrongful Act** committed by an **Insured** in the performance of **Professional Services**; or
- b** where there is a subsequent plea of finding of guilt on the part of an **Insured**; or
- c** where in the **Insurer's** opinion on the balance of probabilities the proceedings are unlikely to be defended successfully.

This Cover will be subject to a Sub-limit of Liability of 80% of the **Defence Costs** incurred up to a maximum amount of £250,000 in the annual aggregate.

I Joint Ventures

The **Insurer** will pay on behalf of any **Insured** all **Loss** resulting from any **Claim** first made against any **Insured** during the **Period of Insurance** and notified to the **Insurer** as required by this **Section** where liability results directly from a **Wrongful Act** of an **Insured** arising out of the **Professional Services** carried out by an **Insured** for and in the name of any joint venture of which an **Insured** forms part, provided that an **Insured** has declared in the **Submission** all fees/turnover received from any joint venture.

Professional Indemnity Insurance Section (Surveyors) continued

The liability of the **Insurer** shall be proportionate to the lowest of:

- i the percentage of the share capital of the joint venture owned by an **Insured**; or
- ii the percentage of the voting control of the joint venture exercised by an **Insured**;

unless the **Insurer's** written agreement has been first obtained to an alternative proportion and an endorsement made upon this **Section**.

This Cover shall apply to an **Insured** only. No other participant in such joint venture, and no other **Third Party**, shall have any rights under this **Section**, and neither shall the Insurer be liable to pay a contribution to any insurer of any other participant in such joint venture.

J Legal Representation Costs

The **Insurer** will pay on behalf of any **Insured** up to 80% of any reasonable costs and expenses incurred during the **Period of Insurance** with the prior consent of the **Insurer** for representation at properly constituted hearings, tribunals or proceedings arising out of any **Claim** which are not indemnified as **Defence Costs**.

This Cover will be subject to a Sub-Limit of Liability of £10,000 in the annual aggregate.

K Lost Documents

The **Insurer** shall indemnify an **Insured** for costs and expenses reasonably incurred with the **Insurer's** prior written consent in replacing or restoring any **Documents** which are the property of an **Insured** and which during the **Period of Insurance** have been destroyed, damaged, lost, distorted, erased or mislaid provided that:

- i such loss or damage is sustained while the **Documents** are either: **1** in transit; or **2** in the custody of an **Insured** or of any person to whom an **Insured** has entrusted them in the ordinary course of their **Professional Services**;

- ii the **Documents** have been the subject of a diligent search by or on behalf of an **Insured**;
- iii 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 **Policyholder**; and
- iv the **Insurer** shall not be liable for any costs and expenses arising out of wear, tear and/or gradual deterioration, moth and vermin.

This cover will be subject to a Sub-limit of Liability of £100,000 in the aggregate during the **Period of Insurance**. A **Retention** of £250 each and every claim shall apply to this Cover.

L Specialist Consultants

The **Insurer** will pay on behalf of an **Insured** all **Loss** resulting from any **Claim** first made against an **Insured** during the **Period of Insurance** and notified to the **Insurer** as required by this **Section** for any **Wrongful Act** of specialist consultants, designers or sub-contractors of an **Insured** who are engaged in the performance of an **Insured's Professional Services**.

The **Insurer** will only pay **Loss** to the extent that an **Insured** has not waived or otherwise impaired any rights of recourse against such specialist designers, consultants or sub-contractors.

Professional Indemnity Insurance Section (Surveyors) continued

Limit and Retention

Limit of Liability

- A** the total amount payable by the **Insurer** under this **Section** (excluding **Defence Costs**) for any one **Claim**, for any one **Wrongful Act**, during the **Period of Insurance** shall not exceed the **Limit of Liability**.
- B** Sub-limits of liability are part of and not payable in addition to the **Limit of Liability**.
- C** **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 the **Limit of Liability** for any one **Claim**, then this **Section** shall only cover the same proportion of **Defence Costs** as the **Limit of Liability** for any one **Claim** bears to the total amount paid to dispose of the **Claim** (exclusive of **Defence Costs**).
- D** Where a **Claim** is made against more than one **Insured** under this **Section**, this shall not operate to increase the total amount payable by the **Insurer** for any one **Claim** under this **Section**.
- E** The **Limit of Liability** is the total sum payable by the **Insurer** for any one **Claim**. Any **Damages** paid by the **Insurer** under this **Section** in respect of a **Claim** shall erode the **Limit of Liability** for that **Claim**. In no circumstances shall the liability of the **Insurer** for any one **Claim** exceed the **Limit of Liability**.

Other Insurance/Indemnification

Unless otherwise required by law, cover under this **Section** is provided only as excess over any self-insurance or other valid and applicable insurance, unless such other insurance is written only as specific excess insurance over the **Limit of Liability**. This **Section** or **Policy** shall not cover **Defence Costs** of any **Claim** where another insurance policy imposes upon another **insurer** a duty to defend such **Claim**.

Retention

The **Insurer** shall be liable only for **Loss** which exceeds the **Retention**. For the avoidance of doubt, the **Retention** does not apply to **Defence Costs**. It is to be borne by an **Insured** and shall remain uninsured. The **Retention** is not part of the **Limit of Liability**. A single **Retention** shall apply per **Claim**.

Professional Indemnity Insurance Section (Surveyors) continued

Section Exclusions

This **Section** shall not cover **Loss** in connection with any **Claim**:

1 Asbestos

arising out of, based upon or attributable to:

- i **Bodily Injury** resulting from the presence or release or possible release of asbestos or asbestos containing materials in whatever form or quantity; or
- ii **Asbestos Inspections** carried out by an **Insured**.

2 Bodily Injury/Property Damage

arising out of, based upon or attributable to **Bodily Injury** or **Property Damage** unless arising from an actual or alleged failure to achieve the legally required standard of care, diligence and expertise in performing **Professional Services**.

3 Conduct

arising out of, based upon or attributable to any actual or alleged dishonest, fraudulent or criminal conduct of an **Insured**.

This exclusion shall not apply to Cover G Fraud and Dishonesty.

4 Contractual Liability

arising out of, based upon or attributable to any:

- i liability assumed or accepted by an **Insured** under any contract or agreement; or
- ii guarantee or warranty;

except to the extent such liability would have attached to an **Insured** in the absence of such contractual duty, term or agreement.

5 Cyber Event

arising out of, based upon or attributable to any **Cyber Event**.

6 Directors' and Officers' Liability

arising out of, based upon or attributable to any **Claim** made against an **Insured** in their capacity as a director, officer, trustee, **Member** or partner of the **Company** in respect of the performance or non – performance of their duties as a director, officer, trustee, **Member** or partner of the **Company**.

7 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 an **Insured** or for any breach of any obligation owed by an **Insured** as an employer.

8 Employment Practice Violation

arising out of, based upon or attributable to any act, error or omission with respect to any employment or prospective employment of any past, present, future or prospective employee or **Insured Person** of any **Company**.

9 Financial Services

arising out of, based upon or attributable to any **Claim** in respect of Regulated Activities as defined in the **FSMA**, however this Exclusion will not apply to mortgage mediation activity and insurance mediation activity relating to general insurance contracts only for which an **Insured** has permission pursuant to Part IV of the **FSMA**.

Professional Indemnity Insurance Section (Surveyors) continued

10 Infrastructure

arising out of, based upon or attributable to:

- i software or mechanical failure;
- ii electrical failure, including any electrical power interruption, surge, brown out or black out; or
- iii telecommunications or satellite systems failure;

outside the direct control of an **Insured**.

11 Insolvency

arising out of, based upon or attributable to the insolvency, liquidation, administration or receivership of the **Company**.

12 Market Fluctuation

arising out of, based upon or attributable to the financial return of any investment or the depreciation or loss of investments when such financial return, depreciation or loss is as a result of normal or abnormal fluctuations in any financial stock, commodity or other markets, which are outside the influence or control of an **Insured**.

However, this Exclusion shall not apply in respect of any survey or valuation of tangible property:

- i for the purpose of any sale, proposed sale, purchase or proposed purchase;
- ii for insurance or stock valuation purposes.

13 Nuclear

directly or indirectly, arising out of, based upon or attributable to:

- i ionizing 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.

14 Pollution

arising out of, based upon or attributable to the actual, alleged or threatened presence, discharge, dispersal, release, migration or escape of **Pollutants**, or directly or indirectly resulting from **Environmental Audits** undertaken by an **Insured**.

However, this Exclusion shall not apply in respect of an **Insured's** negligent structural design or specification or failure to report a structural defect in a property and which relates solely to the cost of re-designing, re-specifying, remedying and/or rectifying the defective structure, and the **Limit of Liability** for such cover will be in the aggregate for the **Period of Insurance**.

15 Prior Claims/Circumstances

made prior to the inception of this **Section** including any **Related Claims** thereto, or arising out of, based upon or attributable to a circumstance which has been properly notified under any other policy or certificate of insurance attaching prior to the inception of this **Section** including any **Related Claims** thereto.

16 Prior Acts

arising out of, based upon, attributable to or in any way involving any **Wrongful Act** which first takes place before the **Retroactive Date**.

Professional Indemnity Insurance Section (Surveyors) continued

17 Supply of Goods

arising out of, based upon or attributable to the supply of any goods by an **Insured** or products manufactured, constructed, altered, repaired, treated, sold, supplied or distributed by an **Insured**.

This Exclusion will not apply to project models or displays.

18 Surveys and Valuations (Properly Qualified Persons)

arising out of, based upon or attributable to any survey or valuation unless it was undertaken by, or under the direct supervision of, a **Properly Qualified Person**.

19 Trade Debts

arising out of, based upon or attributable to any: i trading debt incurred by an **Insured** or ii guarantee given by an **Insured** for a debt.

20 Transport and Property Owned

arising out of, based upon or attributable to the ownership, possession or use by or on behalf of an **Insured** of any:

- i aircraft, watercraft, hovercraft, motor vehicle or trailer; or
- ii buildings, structures, premises, land or property (mobile or immobile) or that part of any building leased, occupied or rented by an **Insured**

21 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.

22 War/Terrorism

arising out of, based upon or attributable to any war (declared or otherwise), **Terrorism**, warlike, military, terrorist or guerrilla activity, sabotage, force of arms, hostilities (declared or undeclared), rebellion, revolution, civil disorder, insurrection, usurped power, confiscation, nationalisation 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.

Professional Indemnity Insurance Section (Surveyors) continued

Section Claim Conditions

1 Adjudication Provisions

The **Insurer** shall have no liability under this **Section** to make any payment in respect of any **Loss** incurred in connection with any dispute or matter being referred to adjudication except liabilities of an **Insured** incurred in connection with their **Professional Services** for **Loss** arising from the adjudication of an **Adjudication Contract**. Provided always that it is a condition precedent to the **Insurer's** liability hereunder that every element of this Adjudication Provision **i** and **ii** are complied with:

- i** The **Adjudication Contract** must:
 - a** provide that the adjudicator must be independent of the parties to the dispute;
 - b** not allow for the adjudicator's decision to finally determine the dispute;
 - c** not allow the adjudicator to disregard the legal entitlements of the parties in order to reach a decision based on commercial consideration; and
 - d** not place any conditions upon the timing of commencement of legal or arbitration proceedings (for the avoidance of doubt, this does not apply to the adjudication proceedings).

ii An **Insured** must:

- a** ensure the **Insurer** receives notification in writing to:

Allianz Insurance plc
500 Avebury Boulevard
Milton Keynes
MK9 2XX

or by telephone to **0344 893 9500**

Lines are open from 9am to 5pm Monday to Friday

- 1** within 48 hours or two working days of receipt by an **Insured** of any **Notice of Intention to Adjudicate**; or

- 2** at least 30 days before service by an **Insured** of any **Notice of Intention to Adjudicate** in circumstances which will or may lead to a **Claim** being dealt with as part of the adjudication;

- b** as soon as reasonably practical, supply to the **Insurer** all details relating to any reference to adjudication, including copies of all documentation made available to an **Insured**, or subsequently by an **Insured** to the adjudicator;
- c** allow the **Insurer** to appoint advisers from the **Legal Panel** and to have conduct of the adjudication as they deem appropriate and to co-operate with the **Insurer** in the conduct of the adjudication; any appointments made by the **Insurer** shall be at an **Insured's** expense, save always that they shall also constitute **Defence Costs** under this **Section**;
- d** meet any request, direction or timetable of the adjudicator;
- e** satisfy the **Insurer** that any liability or costs incurred or awarded pursuant to the adjudication proceedings for which indemnity is being sought, is as a direct result of a **Wrongful Act** of an **Insured** solely in the performance of an **Insured's Professional Services**;
- f** institute legal proceedings or arbitration in accordance with the terms of the **Adjudication Contract** to challenge or reopen or stay of the enforcement of the adjudicator's decision if reasonably requested to do by the **Insurer** and allow the **Insurer** to appoint appropriate advisers as they may deem necessary to have conduct of such proceedings if appropriate. However, any such steps taken by an **Insured** shall be at the **Insurer's** expense, but subject always to the application of the **Retention**; and
- g** not agree to accept the decision of the adjudicator as finally determining the dispute without the prior consent of the **Insurer**.

Professional Indemnity Insurance Section (Surveyors) continued

2 Claim Allocation

In the event that any **Claim** involves both covered matters and matters or persons not covered under this **Section**, 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 **Section**.

3 Circumstances

The **Policyholder** shall as soon as reasonably practicable during the **Period of Insurance** notify the **Insurer** at the address listed in the Section Claim Notification Condition of any circumstance of which any **Insured** becomes aware during the **Period of Insurance** which is reasonably expected to give rise to a **Claim**.

The notice must include at least the following:

- i a statement that it is intended to serve as a notice of a circumstance of which an **Insured** has become aware which is reasonably expected to give rise to a **Claim**;
- ii the reasons for anticipating that **Claim** (including full particulars as to the nature and date(s) of the potential **Wrongful Act(s)**);
- iii the identity of any potential claimant(s);
- iv the identity of any **Insured** involved in such circumstance; and
- v the date on and manner in which an **Insured** first became aware of such circumstance.

Provided that notice of any such circumstance has been given in accordance with the requirements of this Condition, any later **Claim** arising out of such notified circumstance (and any **Related Claims**) shall be deemed to be made at the date when the circumstance was first notified to the **Insurer**.

4 Claim Notification

The **Policyholder** shall give written notice to the **Insurer** of any **Claim** first made against an **Insured** as soon as practicable and during the **Period of Insurance**.

All notifications must be in writing to:

Allianz Insurance plc
500 Avebury Boulevard
Milton Keynes
MK9 2XX

or by telephone to **0344 893 9500**

Lines are open from 9am to 5pm Monday to Friday

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

5 Cooperation

An **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 **Section**; and
- 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 **Section**.

Professional Indemnity Insurance Section (Surveyors) continued

6 Claim Defence

The **Insurer** does not assume any duty to defend, and an **Insured** shall defend and contest any **Claim** made against them unless the **Insurer**, in its sole and absolute discretion, elects in writing to take over and conduct the defence and settlement of any **Claim**. If the **Insurer** does not so elect, it shall be entitled, but not required, to participate fully in such defence and the negotiation of any settlement that involves or appears reasonably likely to involve the **Insurer**. 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 an **Insured** shall select one of the **Legal Panel** to provide such legal representation.

7 Insured's Consent

The **Insurer** may make any settlement it deems expedient of any **Claim** against any **Insured**, subject to such **Insured's** written consent. Where an **Insured** does not consent the **Insurer** may elect to pay to an **Insured** the **Settlement Value** less the applicable **Retention** that the **Insurer** wishes to accept. Upon such payment being made there is no further cover available under this **Section** for that **Claim**.

8 Insurer's Consent

No **Insured** shall admit or assume any liability, enter into any settlement agreement, or consent to any judgment without the prior written consent of the **Insurer**, other than where provided for under the terms of the Mitigation Cover.

9 Fraudulent Claims

If any **Insured** shall give any notice or claim cover for any **Loss** under this **Section** of the **Policy** knowing such notice or claim to be false or fraudulent as regards amounts or otherwise, such **Loss** shall be excluded from cover under this **Section** of the **Policy**, and the **Insurer** shall have the right, in its sole and absolute discretion, to avoid its obligations under or void this **Section** and the **Policy** in its entirety, and in such case, all cover for **Loss** under this **Section** and the **Policy** shall be forfeited, all premium shall be deemed fully earned and non-refundable and the **Policyholder** shall reimburse the **Insurer** for any payments made under this **Section** and the **Policy**.

10 Payment of Defence Costs

The **Insurer** shall pay **Defence Costs** covered by this **Section** promptly after sufficiently detailed invoices for those costs are received by the **Insurer**. The **Policyholder** shall reimburse the **Insurer** for any payments which are ultimately determined not to be covered by this **Section**.

11 Related Claims

If during the **Period of Insurance** a **Claim** is made or a circumstance is notified in accordance with the requirements of this **Section** any **Related Claim** made after expiry of the **Period of Insurance** will be accepted by the **Insurer** as having been:

- i made at the same time as the notified **Claim** was made or the relevant circumstance was notified, and
- ii notified at the same time as the notified **Claim** or circumstance.

All **Related Claims** shall be deemed to be one single **Claim** and deemed to be made at the date of the first **Claim** of the series or at the first circumstance notified, whichever is first.

12 Claim Settlement

The **Insurer** shall be under no obligation (save where requested by the **Policyholder**) to make any payment to an **Insured** other than the **Policyholder** and shall unless otherwise requested by the **Policyholder** make payment of all losses **insured** hereunder to the **Policyholder** and such payment shall constitute a full and complete release and discharge of the **Insurer's** liabilities in respect of all and any such loss whether suffered directly by the **Policyholder** or not.

Professional Indemnity Insurance Section (Surveyors) continued

Section General Conditions

1 Assignment

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

2 Cancellation

This **Section** may be cancelled:

- i by the **Insurer** pursuant to the Premium Payment Condition for non-payment of premium; or
- ii if no notice of a **Claim** or circumstance which is reasonably expected to give rise to a **Claim** has been provided to the **Insurer** under this **Section**, by the **Policyholder** with effect immediately upon the **Insurer's** receipt of written notice of such cancellation; the **Insurer** shall retain the customary short rate proportion (unexpired portion of premium less handling charges) of the premium. If notice of a **Claim** or circumstance which is reasonably expected to give rise to a **Claim** has been provided to the **Insurer** under this **Section**, the premium shall not be returnable and shall be deemed fully earned at cancellation;
- iii by mutual agreement between the **Insurer** and the **Policyholder**.

3 Change of Control

The **Insurer** shall not be liable to make any payment or to provide any services in connection with any **Claim** arising out of, based upon or attributable to a **Wrongful Act** committed after the occurrence of a **Transaction**.

If during the **Period of Insurance** an administrator, liquidator or receiver is appointed to a **Subsidiary**, then the cover provided under this **Section** with respect to such **Subsidiary** is amended to apply only to **Wrongful Acts** committed prior to the date of such appointment.

4 Contract Rights

Nothing in this **Section** is intended to confer an enforceable benefit on any **Third Party**, whether pursuant to the Contract (Rights of Third Parties) Act 1999 or otherwise.

5 Dispute Resolution

Where, following receipt by the **Insurer** of all information reasonably required to provide such decision;

- i a final decision has been given by the **Insurer** regarding any aspect of this **Section** of the **Policy** or any matter relating to cover thereunder;
- ii that decision is disputed between the **Insurer** and an **Insured**; and
- iii such dispute can not be resolved within 14 days of the date on which such decision is communicated to the **Policyholder** or its insurance broker,

the dispute shall be referred to arbitration under The Insurance & Reinsurance Arbitration Society ("A.R.I.A.S (UK)") Arbitration Rules.

The Arbitration Tribunal (the "Tribunal") shall consist of three arbitrators, one to be appointed by an **Insured** party involved in the arbitration, one to be appointed by the **Insurer** and the third to be appointed by the two appointed arbitrators. The third member of the Tribunal shall be appointed as soon as practicable (and no later than 28 days) after the appointment of the two party-appointed arbitrators. The Tribunal shall be constituted upon the appointment of the third arbitrator.

The arbitrators shall be persons (including those who have retired) with not less than ten years' experience of insurance or reinsurance within the industry or as lawyers or other professional advisers serving the industry.

Where a party fails to appoint an arbitrator within 14 days of being called upon to do so or where the two party-appointed arbitrators fail to appoint a third within 28 days of their appointment, then upon application, A.R.I.A.S (UK) will appoint an arbitrator to fill the vacancy. At any time prior to the appointment by A.R.I.A.S (UK) the party or arbitrators in default may make such appointment.

Professional Indemnity Insurance Section (Surveyors) continued

The Tribunal may at its sole discretion make such orders and directions as it considers necessary for the final determination of the matters in dispute. The Tribunal shall have the widest discretion permitted under the law governing the arbitral procedure when making such orders or directions. The seat of arbitration shall be London, England and the law governing the arbitration shall be under the law of England & Wales.

6 Plurals, Headings and Titles

The descriptions in the headings and titles of this **Section** 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 **Section**, words in bold typeface have special meaning and are defined. Words that are not specifically defined in this **Section** or the **Policy** have the meaning normally attributed to them.

7 Premium Payment

The **Policyholder** undertakes that the premium (including mid-term amendment premium) shall be paid to the **Insurer** on request (or, in respect of instalment premiums, when they are due). The **Policyholder** shall have the burden of establishing that such payment has been made.

If the premium (including mid-term amendment premium) has not been paid to the **Insurer** as requested (and, in respect of instalment premiums, by the date they are due) the **Insurer** shall have the right to cancel this **Section** of the **Policy** by notifying the **Policyholder** in writing direct or via the insurance broker as appropriate. In the event of cancellation by the **Insurer** pursuant to this Condition, premium is due to the **Insurer** on a pro-rata basis for the period that the **Insurer** was on risk but the full premium is due to the **Insurer** in the event that prior to the date of termination a **Claim** is made, or a circumstance is notified in accordance with the requirements of this **Section** of the **Policy**.

It is agreed that the **Insurer** shall give not more than 7 days prior notice of cancellation under this Condition to the **Policyholder** in writing direct or via the insurance broker as appropriate. If the premium due is paid in full to the **Insurer** before the notice period expires, notice of cancellation shall automatically be revoked. If not, this **Section** of the **Policy** shall automatically terminate and be of no effect at the end of the notice period.

8 Scope and Governing Law

Where legally permissible and subject to all terms and conditions of this **Section**, this **Section** shall apply to any **Claim** made against any **Insured** anywhere in the world. Any interpretation of this **Section** of the **Policy** relating to its construction, validity or operation shall be made exclusively in accordance with the laws of England and Wales and in accordance with the English text as it appears in this **Section** and the **Policy**.

9 Subrogation

An **Insured** shall take all steps necessary or such steps as are required by the **Insurer** before or after any payment by the **Insurer** under this **Section** to preserve the rights and remedies which an **Insured** may have to recover the **Loss**. If any payment is to be made under this **Section** in respect of a **Claim**, the **Insurer** shall be subrogated to all rights of recovery of an **Insured** whether or not payment has in fact been made and whether or not an **Insured** has been fully compensated for its actual **Loss**. The **Insurer** shall be entitled to pursue and enforce such rights in the name of an **Insured**, who, both before and after payment under this **Section**, shall provide the **Insurer** with all reasonable assistance and co-operation in doing so, including the execution of any necessary instruments and papers. An **Insured** shall do nothing to prejudice the **Insurer's** rights under this Subrogation Condition.

The **Insurer** agrees not to exercise any such rights of recovery against any **Employee** unless the **Claim** is brought about or contributed to by the dishonest, fraudulent, intentional criminal or malicious act or omission of the **Employee**. In its sole discretion, the **Insurer** may, in writing, waive any of its rights set forth in this Subrogation Condition.

Professional Indemnity Insurance Section (Surveyors) continued

Any amounts recovered in accordance with this Condition shall be applied in the following order:

- i to compensate the **Insurer** and an **Insured** for the costs incurred in making the recovery (such payment to be allocated between the **Insurer** and an **Insured** in the same proportions as they have borne the costs thereof); and
- ii to the **Insurer** up to the amount of the **Loss** paid by the **Insurer**; and
- iii to an **Insured** in respect of any uninsured element of the **Claim** (including the **Retention** under this **Section**).

10 Innocent Non Disclosure

In granting cover to an **Insured**, the **Insurer** has relied upon the material statements and particulars in the **Submission** together with its attachments and other information supplied. These statements, attachments and information are the basis of cover and shall be considered incorporated into and constitute part of this **Section** and the **Policy**.

The **Insurer** will not exercise its right to avoid this **Section** or the **Policy** on the grounds of any alleged non-disclosure or misrepresentation of facts or alleged untrue statements in any information supplied to it, provided that an **Insured** shall establish to the **Insurer's** reasonable satisfaction that such alleged non – disclosure, misrepresentation or untrue statement was free of any fraudulent conduct or intent to deceive. Where such non – disclosure, misrepresentation or untrue statement has prejudiced the **Insurer's** consideration of terms under this **Section** or the **Policy**, the **Insurer** shall be entitled to charge a reasonable additional premium and/or amend **Section** or **Policy** terms and conditions in light of such prejudice.

Should an **Insured** have failed to inform the **Insurer** before inception of this **Section** or the **Policy** or increase in cover or other variation of its terms of any circumstance of which an **Insured** was aware which might give rise to a **Claim** or payment of **Loss** hereunder, and such failure is accepted by the **Insurer** as having been free of any fraudulent conduct or intent to deceive, the **Insurer's** liability under this **Section** or the **Policy** shall not extend beyond that which would have been owed pursuant to the earliest such previous insurance under which the circumstance could have been notified or that which was available prior to any increase in cover or variation of terms. Furthermore, where such failure to notify a circumstance, as described above, results in prejudice to the handling or settlement of any **Claim** under this **Section** or the **Policy**, the **Insurer** shall be entitled to reduce the indemnity afforded under this **Section** or the **Policy** in respect of such **Claim** (including **Defence Costs**) to such sum as in the **Insurer's** reasonable opinion would have been payable by them in the absence of such prejudice.

11 Minimum Approved Wording

This **Section** is designed to provide the minimum insurance requirements in accordance with the last agreed policy wording of the Royal Institution of Chartered Surveyors General Council, in force at the inception date of this **Section** as stated in the **Schedule**. The minimum insurance requirements as set out in the last agreed policy wording of the Royal Institution of Chartered Surveyors will take precedence over any terms, conditions, exclusions or limitations contained herein.

Professional Indemnity Insurance Section (Surveyors) continued

12 Administration

The **Policyholder** shall act on behalf of each and every insured party with respect to:

- i** negotiating the terms and conditions of and binding cover; and
- ii** the exercise of all rights of **Insured's** under this **Section** or the **Policy**; and
- iii** all notices; and
- iv** premiums; and
- v** endorsements to this **Section** or the **Policy**; and
- vi** the appointment of a member of the **Legal Panel** to defend a **Claim**; and
- vii** dispute resolution; and
- viii** the receipt of all amounts payable to an **Insured** by the **Insurer** under this **Section**.