



CONSTRUCTION

Complete Professional Indemnity policy wording



Chartered

Contents

Thank you for choosing Allianz Insurance plc. We are one of the largest general insurers in the UK and part of the Allianz Group, one of the world's foremost financial services providers.

With Allianz Insurance plc, you can be confident that you're insured by a company which is relentless in its commitment to protecting and serving you. You can trust us to insure your business, as we've been providing leading insurance solutions in the UK for over 100 years.

We work in partnership with your insurance adviser to ensure you receive the highest levels of product and service excellence. Our technical experts understand how best to protect you against the risks your business faces.

If you need to make a claim you will be in safe hands. Our professionally trained staff aim to treat you, as you would expect, both promptly and fairly. By listening to you, and understanding your needs we will provide you with the most appropriate solutions to get your business trading again as quickly as possible.

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IMPORTANT
The insurance cover provided by this Policy may be varied by clauses printed in the Schedule.

Please read both the Policy and Schedule to make sure that you have the insurance cover required.

Introduction

Your Complete Professional Indemnity Policy is made up of several parts which must be read together as they form your contract of insurance with Allianz Insurance plc. Please take time to read all parts of the Policy to make sure they meet and continue to meet your needs and that you understand the terms, exclusions and conditions. If you wish to change anything or if there is anything you do not understand, please let your insurance adviser know.

The parts of the Policy are:

- the Statement of Fact or Proposal Form
- this Introduction; the Insuring Clause; the Policy Definitions; the Policy Exclusions and the General Conditions, all of which apply to the Policy
- the Schedule, which includes any additional clauses applied to the Policy.

Any word or expression in the Policy which has a specific meaning has the same meaning wherever it appears in the Policy, unless stated otherwise.

Changes to your circumstances

Please tell your insurance adviser as soon as reasonably possible if there are any changes to your circumstances which could affect your insurance.

If your circumstances change and you do not tell your insurance adviser, you may find that you are not covered if you need to claim.

Financial Services Compensation Scheme

Allianz Insurance plc contributes to the Financial Services Compensation Scheme (FSCS).

The Insured may be entitled to compensation from the FSCS if the Insurer is unable to meet their liabilities. Further information about compensation scheme arrangements is available at [fscs.org.uk](https://www.fscs.org.uk), by emailing enquiries@fscs.org.uk or by phoning the FSCS on **0800 678 1100** or **0207 741 4100**.

Insuring Clause

The Statement of Fact or Proposal Form where applicable together with any information supplied by or on behalf of the Insured forms the basis of this contract of insurance between the Insured and the Insurer.

All cover under the Professional Liability, Fraud or Dishonesty, Joint Venture and Specialist Consultants clauses is afforded solely with respect to Claims first made against an Insured during the Policy Period and notified to the Insurer as required by this policy.

For Allianz Insurance plc.

A handwritten signature in black ink, appearing to read 'SMG', with a horizontal line extending to the right.

Simon McGinn
Chief Executive Allianz Commercial

Policy Definitions

The following definitions apply to this Policy and are denoted by a capital first letter throughout this Policy.

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

Asbestos Inspections means 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 means 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 means any:

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

Company means 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.

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.

Damages means any amount that an Insured will 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.

Policy Definitions (continued)

Defence Costs means 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 will not include any element of an Insured's own time costs or lost profits incurred in dealing with a Claim.

Documents means 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 means any natural person who is, has been or during the Policy Period becomes expressly engaged under a contract of employment with the Company.

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

Excess means the amount specified as such in the Schedule.

Fitness for Purpose Warranty means any warranty given by an Insured in the course of their Professional Services with respect to the implied fitness for purpose of the design and specification of any Works.

Fraud or Dishonesty means fraudulent or dishonest conduct:

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

Health & Safety Legislation means:

- 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; and
- v The Construction (Design and Management) Regulations 2007;

or any re-enactment thereof.

Insured means the Company or any Insured Person.

Insured Person means:

- i any natural person, who is or has been a principal, partner, director or Member of the Company in their capacity as such;
- ii any Employee;
- iii 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;
- iv 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 i, ii, iii above;
- v 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 i, ii, iii above.

Insurer/Allianz means Allianz Insurance plc.

Legal Panel means the firms of solicitors appointed from time to time by the Insurer to provide representation on behalf of an Insured under this Policy.

Limit of Liability means the amount specified as such in the Schedule.

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

Policy Definitions (continued)

Loss means Damages or Defence Costs, however Loss will not include and this Policy will not cover any:

- i taxes;
- ii non-compensatory damages, including punitive, multiple, exemplary or liquidated damages;
- iii fines or penalties unless insurable by law;
- iv the costs and expenses of complying with any order for, grant of or agreement to provide injunctive or other non-monetary relief;
- v benefits or overheads of, or charges or expenses incurred by any Insured including but not limited to the cost of any Insured's time;
- vi 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
- vii any matters which may be deemed uninsurable under the law governing this Policy or the jurisdiction in which a Claim is brought.

Member means a member of a Limited Liability Partnership.

Notice of Intention to Adjudicate means a notice of intention to refer a dispute to adjudicate pursuant to an Adjudication Contract.

Policy means the document described in the Introduction.

Policyholder means the entity specified as such in the Schedule.

Policy Period means the period of time specified in the Schedule.

Pollutants means 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 means the services performed by any Insured under a contract for any professional design or specification, as building or engineering contractors including but not limited to supervision of construction, feasibility studies, technical information, calculation or survey subject to any surveys being performed by a Properly Qualified Person. Professional Services will not include supervision by an Insured of its own or its subcontractors' workmanship where such supervision is no different from that which would be expected of an Insured if it only had a workmanship and/or a management obligation.

Professional Services will also include the duty to warn of defects in the professional activities of others.

Properly Qualified Person means 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;
- ii the Incorporated Society of Valuers and Auctioneers;
- iii the Architects and Surveyors Institute;
- iv the Faculty of Architects and Surveyors;
- v the Royal Institute of British Architects; or
- vi the Royal Incorporation of Architects in Scotland.

Property Damage means damage to or loss of or destruction of tangible property or loss of use thereof.

Related Claim means 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.

Retroactive Date means the date specified as such in the Schedule.

Schedule means part of this Policy that details information forming the basis of this contract and that shows the operative parts of this Policy.

Policy Definitions (continued)

Settlement Value means in respect of any Claim covered under this Policy:

- i the full amount claimed; or
- ii 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 means:

- i each and every statement of fact, signed proposal form, the statements, warranties, and representations therein, its attachments;
- ii the financial statements of any Company; and
- iii other documents of any Company filed with a regulator and all other material information;

submitted to the Insurer in connection with this Policy.

Subsidiary means any entity in which the Company, either directly or indirectly through one or more entities;

- i controls the composition of the board of directors;
- ii controls more than half of the voting power; or
- iii holds more than half of the issued share capital;

on or before the inception date of this Policy.

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

Terrorism means 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.

Third Party means 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 Policyholder or any Subsidiary.

Transaction means any one of the following events:

- i 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;
- ii an administrator, liquidator or receiver is appointed to the Company.

Works means

- i the permanent works to be constructed and completed; and/or
- ii any temporary works required for construction and completion of the permanent works

in relation to the Professional Services.

Wrongful Act means any actual or alleged act, error or omission committed solely in the performance of or failure to perform Professional Services.

Cover

All cover under the Fraud or Dishonesty, Joint Venture, Professional Liability and Specialist Consultants clauses is afforded solely with respect to Claims first made against an Insured during the Policy Period and notified to the Insurer as required by this policy.

A Professional Liability

The Insurer will pay on behalf of an Insured all Loss resulting from any Claim against an Insured for a civil liability arising from Professional Services.

B Asbestos

The Insurer will pay on behalf of any Insured all Loss resulting from any Claim (other than as detailed in the exclusion section) for any Wrongful Act of 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 GBP 250,000 any one Claim and in the annual aggregate.

C Automatic Acquisition

If during the Policy period the Policyholder obtains, either directly or indirectly:

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

of another entity then the definition of Subsidiary will be extended to include such entity provided that:

- i the entity has annual revenue for the last complete accounting period prior to the acquisition, of less than 10% of the total annual revenue of the Company declared in the latest annual report and accounts as at inception;
- ii the entity is not incorporated, domiciled or providing Professional Services in the United States of America or Canada or any of their territories;
- iii the entity is not regulated by the US Securities and Exchange Commission;

- iv the entity is not aware of any claims either paid or notified or circumstances within the preceding five years of a type which may have been covered had they been notified under a professional liability Policy similar in scope and breadth of coverage to the cover afforded hereunder; and
- v the business activities of the entity fall within the definition of Professional Services.

In all other circumstances, the Company may request an extension of this Policy for such entity. The Insurer will have the right but not the duty to offer cover for such entity and the Company will give the Insurer sufficient details to permit the Insurer to assess and evaluate the potential increase in exposure. In the event that coverage is provided, the Insurer will be entitled to amend the Policy terms and conditions, during the Policy Period, including but not limited to, the charging of a reasonable additional premium.

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.

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 Policy, Insurers 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 Excess will apply to this clause.

Cover (continued)

F Fitness for Purpose

The Insurer will pay on behalf of any Insured all Loss resulting from any Claim arising out of any Fitness for Purpose Warranty solely with respect to the design and/or specification of any Works.

Provided always that the Fitness for Purpose Warranty is in accordance with practice conventionally accepted as appropriate at the time of the execution of the Works having regard to the size, scope and complexity of the project.

G Fraud or Dishonesty

The Insurer will pay on behalf of any Insured, who is not the actual perpetrator, all Loss resulting from any Claim for Fraud or Dishonesty of any Employee(s) of the Company provided that the relevant fraudulent or dishonest conduct occurred before the date of discovery by any principal, partner, director or Member of a Company of reasonable cause of suspicion of Fraud or Dishonesty on the part of the Employee(s), whether or not it is possible at that date to identify the Employee(s) involved in the Fraud or 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 will not be liable to pay such reasonable costs and expenses:

- a unless the proceedings will 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 Extension 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 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 Statement of Fact all Fees and Turnover received from any joint venture.

The liability of the Insurer will 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 Policy.

This clause will provide cover to an Insured only. No other participant in such joint venture, and no other Third Party, will have any rights under this Policy, and neither will the Insurer be liable to pay a contribution to any insurer of any other participant in such joint venture.

J Lost Documents

The Insurer will 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 Policy Period have been destroyed, damaged, lost, distorted, erased or mislaid

Cover (continued)

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 will be supported by evidence of expenditure that will be subject to approval by a competent person to be nominated by the Insurer with the consent of the Policyholder; and
- iv** the Insurer will 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 Policy Period. An Excess of £250 each and every claim will apply to this cover.

K Mitigation

Where the Insured first makes a determination during the Policy Period that it has committed a Wrongful Act requiring remediation or mitigation, the Insurer will pay the reasonable and direct cost of any remediation or mitigation, provided that:

- i** the Insurer will during the Policy Period have been informed in writing of the Wrongful Act and the work that is required to rectify it or mitigate its consequences;
- ii** the Insurer will be reasonably satisfied that an Insured has committed a Wrongful Act requiring remediation or mitigation and that such costs are necessary to prevent or reduce the amount of a Claim covered under the Professional Liability Cover, and that the amount of Damages prevented or reduced would be greater than the cost of the work;
- iii** such costs are supported by evidence of expenditure which will be subject to approval by a competent person to be nominated by the Policyholder with the consent of the Insurer;

- iv** such costs will not include any element of profit or loss of profit, nor any element of overheads, staff remuneration, standing idle time or management time of an Insured; and
- v** the Insurer has consented in writing to the payment of such costs before work is carried out, such consent not to be unreasonably withheld, however whilst awaiting the Insurers consent, the Insurers will indemnify an Insured for such expense incurred over a period not exceeding 14 days beginning from the time mitigation was undertaken by an Insured subject to condition (ii) above, being satisfied otherwise all pre approval costs will be borne by an Insured.

L Pollution

The Insurer will pay on behalf of any Insured all Loss resulting from any Claim for a Wrongful Act of an Insured arising out of the actual, alleged or threatened, sudden and accidental presence, discharge, dispersal, release, migration and escape of Pollutants other than asbestos, nuclear or radioactive material of any sort.

This cover will be subject to the Limit of Liability being in the aggregate during the Policy Period.

M Specialist Consultants

The Insurer will pay on behalf of an Insured all Loss resulting from any Claim 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.

Limit and Excess

Limit of Liability

- a The total amount payable by the Insurer under this Policy (excluding Defence Costs) for any one Claim during the Policy Period will 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 this Policy's Limit of Liability for any one Claim, then this Policy will only cover the same proportion of Defence Costs as this Policy's Limit of Liability for any one Claim bears to the total amount paid to dispose of the Claim (exclusive of Defence Costs).
- d Where a Claim is made against more than one Insured under this Policy, this will not operate to increase the total amount payable by the Insurer for any one Claim under this Policy.
- 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 Policy in respect of a Claim will erode the Limit of Liability for that Claim. In no circumstances will 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 Policy 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 policy will not cover Defence Costs of any Claim where another insurance policy imposes upon another insurer a duty to defend such Claim.

Excess

The Insurer will be liable only for Loss or cover under the Mitigation Cover, which exceeds the Excess. For the avoidance of doubt, the Excess does not apply to Defence Costs. It is to be borne by an Insured and will remain uninsured. The Excess is not part of the Limit of Liability. A single Excess will apply per Claim.

Policy Exclusions

This Policy will 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 will not apply to Fraud or Dishonesty cover.

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 Costs Assessment

arising out of, based upon or attributable to any failure by any Insured or other party acting for an Insured to make an accurate pre-assessment of the cost of performing Professional Services.

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 Fitness for Purpose

arising out of, based upon or attributable to any of the following:

- i where the contract for the Works has not defined the intended purpose and use of such Works;
- ii any unforeseen ground conditions;
- iii process engineering other than where the process engineering relates to the structural integrity of the Works;
- iv Pollution; or
- v defective workmanship or materials;

This Exclusion will only apply in respect of any Fitness for Purpose Warranty.

Policy Exclusions (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 Manufacturing Liability

arising out of, based upon or attributable to any manufacturing defect in any product.

13 Pollution

arising out of, based upon or attributable to any direction, request or effort to: **a** test for, monitor, clean up, remove, contain, treat, detoxify or neutralise Pollutants, or **b** respond to or assess the effects of Pollutants.

14 Prior Claims/circumstances

made prior to the inception of this Policy 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 Policy including any Related Claims thereto.

15 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.

16 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.

17 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.

18 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.

19 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.

20 Sanctions

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

21 Cyber Event

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

Claims Conditions

1 Adjudication Provisions

The Insurer will have no liability under this Policy 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:

Claims Division
Allianz Insurance plc
500 Avebury Boulevard
Milton Keynes
MK9 2XX

or by telephone to **0344 893 9500**

- 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 will be at an Insured's expense, save always that they will also constitute Defence Costs under this Policy;
- 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 will be at the Insurer's expense, but subject always to the application of the excess; and
- g** not agree to accept the decision of the adjudicator as finally determining the dispute without the prior consent of the Insurer.

2 Allocation

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

Claims Conditions (continued)

3 Circumstances

The Policyholder will as soon as reasonably practicable during the Policy Period notify the Insurer at the address listed in the Claims Notifications clause below of any circumstance of which any Insured becomes aware during the Policy Period 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 has been given in accordance with the requirements of this clause, any later Claim arising out of such notified circumstance (and any Related Claims) will be deemed to be made at the date when the circumstance was first notified to the Insurer.

4 Claim Notifications

The Policyholder will give written notice to the Insurer of any Claim first made against an Insured as soon as practicable and during the Policy Period. All notifications must be in writing to:

Claims Division
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 will constitute the date that notice was given, and proof of posting will 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 Policy; 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 Policy.

6 Defence

The Insurer does not assume any duty to defend, and an Insured will 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 will 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 will 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 Excess that the Insurer wishes to accept. Upon such payment being made there is no further cover available under the Policy for that Claim.

8 Insurer's Consent

No Insured will 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.

Claims Conditions (continued)

9 Fraudulent Claims

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

10 Payment of Defence Costs

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

11 Related Claims

If during the Policy Period a Claim is made or a circumstance is notified in accordance with the requirements of this Policy any Related Claim made after expiry of the Policy Period 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 will 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 Settlement

The Insurer will be under no obligation (save where requested by the Policyholder) to make any payment to an Insured other than the Policyholder and will unless otherwise requested by the Policyholder make payment of all losses insured hereunder to the Policyholder and such payment will 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.

Policy Conditions

1 Assignment

This Policy 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

i Insurers Cancellation Rights

In addition to the Insurers' rights set out elsewhere in the Policy, where there is a valid reason for doing so the Insurer may cancel this Policy at any time by giving the Insured at least fourteen (14) days' notice in writing sent to the Insured's last known address. The notice will set out the reason for cancellation.

Valid reasons for cancellation may include but are not limited to:

- Non payment of premium (including if the premium for this Policy is paid by instalments and in the event that the Insured fails to pay one or more instalments whether in full or in part). In the event that a premium payment is missed the Insurer will write to the Insured notifying them that a payment has been missed and requesting payment by a specific date. If payment is not received by the Insurer by the specific date the Insurer will send a final letter to the Insured requesting payment by a final date which will be set out in the final letter. If payment is not received by the final date the Insurer will cancel the policy with immediate effect. The Insured will be notified in writing if the policy is cancelled;
- Continued failure by the Insured to comply with the terms and conditions of this Policy;
- Failure by the Insured to allow the Insurer to complete a survey (where the Policy has been issued or renewed subject to a survey);
- Failure by the Insured to adhere to, or implement, any risk improvement requirements or conditions required by the Insurer, including any changes required by any survey or claims adjusters report, within a reasonable period of time as advised by the Insurer;

- Material change in the risk or the sums insured;
- Failure by the Insured to co-operate with the Insurer or provide the Insurer with information or documentation reasonably required by the Insurer and the lack of co-operation by the Insured affects the Insurers ability to process a claim or defend the Insurers interests or make risk based underwriting decisions. In this case the Insurer will write to the Insured giving notice of cancellation of this Policy in the event that the Insured does not cooperate to provide the information or documentation reasonably required within a period of fourteen (14) days starting from the date provided in the letter; or
- The Insureds use of threatening, abusive or intimidating behaviour or inappropriate language or bullying of the Insurers staff or suppliers.

If the Insurer does cancel this Policy, provided no claim has been made or incident has arisen which is likely to give rise to a claim during the current Period of Insurance the Insured will be entitled to a proportionate return of the premium in respect of the unexpired Period of Insurance. The amount of premium refund payable will be reduced by all unpaid premiums or unpaid premium instalments due.

ii Insureds Cancellation Rights

The Insured has the right to immediately cancel the cover within fourteen days of the commencement of cover or the receipt of Policy documentation, whichever is the later (this period is referred to as the "cooling off period").

The Insured should exercise this right by contacting their insurance intermediary or by writing to the Allianz office which issued the Policy documentation.

Policy Conditions (continued)

If the Insured does exercise their right to cancel during the “cooling off period”, and provided no claim has been made or incident has arisen which is likely to give rise to a claim during the current Period of Insurance, the Insured will be entitled to a return of premium calculated on a pro-rata basis, less an administration charge of £25 to cover operational costs. The amount of premium to be refunded under this condition will be reduced by all unpaid premiums or unpaid premium instalments outstanding at the date of cancellation.

If the “cooling off period” has expired, the Insured may cancel the Policy during the Period of Insurance by giving fourteen (14) days notice in writing to their insurance intermediary or the Allianz office which issued the Policy. Provided no claim has been made or incident has arisen which is likely to give rise to a claim during the current Period of Insurance the Insured will be entitled to a refund of the premium paid calculated on a pro-rata basis, less an administration charge of £25 to cover operational costs. The amount of any premium to be refunded under this condition will be reduced by all unpaid premiums or unpaid premium instalments due.

3 Change of Control

The Insurer will 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 Policy period an administrator, liquidator or receiver is appointed to a Subsidiary, then the cover provided under this Policy 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 Policy 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 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,

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

The Arbitration Tribunal (the “Tribunal”) will 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 will be appointed as soon as practicable (and no later than 28 days) after the appointment of the two party-appointed arbitrators. The Tribunal will be constituted upon the appointment of the third arbitrator.

The arbitrators will 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.

Policy Conditions (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 will have the widest discretion permitted under the law governing the arbitral procedure when making such orders or directions. The seat of arbitration will be London, England and the law governing the arbitration will be under the law of England & Wales.

6 Plurals, Headings and Titles

The descriptions in the headings and titles of this Policy are solely for reference and convenience and do not lend any meaning to this contract. Words and expressions in the singular will include the plural and vice versa. In this Policy, words defined under Definitions have special meaning and are denoted by a capital first letter throughout this Policy. Words that are not specifically defined in this Policy have the meaning normally attributed to them.

7 Premium Payment

The Policyholder undertakes that the premium (including mid-term amendment premium) will be paid to the Insurer on request (or, in respect of instalment premiums, when they are due). The Policyholder will 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 mid term amendment premium, by the date they are due) the Insurer will have the right to cancel this Policy by notifying the Policyholder in writing direct. 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 Policy.

It is agreed that the Insurer will give 14 days prior notice of cancellation under this condition to the Policyholder in writing direct. If the premium due is paid in full to the Insurer before the notice period expires, notice of cancellation will automatically be revoked. If not, the Policy will 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 Policy, this Policy will apply to any Claim made against any Insured anywhere in the world. Any interpretation of this Policy relating to its construction, validity or operation will be made exclusively in accordance with the laws of England and Wales and in accordance with the English text as it appears in this Policy.

9 Subrogation

An Insured will take all steps necessary or such steps as are required by the Insurer before or after any payment by the Insurer under this Policy to preserve the rights and remedies which an Insured may have to recover the Loss. If any payment is to be made under this Policy in respect of a Claim, the Insurer will 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 will be entitled to pursue and enforce such rights in the name of an Insured, who, both before and after payment under this Policy, will provide the Insurer with all reasonable assistance and co-operation in doing so, including the execution of any necessary instruments and papers. An Insured will 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.

Policy Conditions (continued)

Any amounts recovered in accordance with this condition will 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 Excess under this Policy).

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 will be considered incorporated into and constitute part of this Policy.

The Insurer will not exercise its right to avoid this 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 will 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 Policy, the Insurer will be entitled to charge a reasonable additional premium and/or amend Policy terms and conditions in light of such prejudice.

Should an Insured have failed to inform the Insurer before inception of this 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 Policy will 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 Policy, the Insurer will be entitled to reduce the indemnity afforded under this 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 Policy Administration

The Policyholder will act on behalf of each and every Insured 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 Policy; and
- iii** all notices; and
- iv** premiums; and
- v** endorsements to this 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 Policy.

Complaints Procedure

Our aim is to get it right, first time every time. If you have a complaint we will try to resolve it straight away but if we are unable to we will confirm we have received your complaint within five working days and do our best to resolve the problem within four weeks. If we cannot we will let you know when an answer may be expected.

If we have not resolved the situation within eight weeks we will issue you with information about the Financial Ombudsman Service (FOS) which offers a free, independent complaint resolution service.

If you have a complaint, please contact our Customer Satisfaction Manager at:

Customer Satisfaction Manager
Allianz Insurance plc
57 Ladymead
Guildford
Surrey
GU1 1DB

Telephone number: **01483 552438**
Fax number: **01483 790538**
Email: accsm@allianz.co.uk

You have the right to refer your complaint to the Financial Ombudsman, free of charge – but you must do so within six months of the date of the final response letter.

If you do not refer your complaint in time, the Ombudsman will not have our permission to consider your complaint and so will only be able to do so in very limited circumstances. For example, if the Ombudsman believes that the delay was as a result of exceptional circumstances.

The Financial Ombudsman Service
Exchange Tower
London
E14 9SR

Website: financial-ombudsman.org.uk
Telephone: **0800 023 4567** or **0300 123 9123**
Email: complaint.info@financial-ombudsman.org.uk

Using our complaints procedure or contacting the FOS does not affect your legal rights.

Privacy Notice Summary

Please find below a summary of our Privacy Notice.
The full notice can be found on the Allianz UK website:
allianz.co.uk/privacy-notice.html.

If you would like a printed copy of our Privacy Notice, please contact the Data Rights team using the details below.

Allianz Insurance plc is the data controller of any personal information given to us about you or other people named on the policy, quote or claim. It is your responsibility to let any named person know about who we are and how this information will be processed.

Allianz Insurance plc, Allianz Engineering Inspection Services Limited, Petplan Ltd and VetEnvoy are companies within the Allianz Holdings.

Anyone whose personal information we hold has the right to object to us using it.

They can do this at any time by telling us and we will consider the request and either stop using their personal information or explain why we are not able to.

If you wish to exercise any of your data protection rights you can do so by contacting our Data Rights team:

Telephone: **0208 231 3992**
Email: datarights@allianz.co.uk
Address: Allianz Insurance Plc, Allianz,
57 Ladymead, Guildford,
Surrey, GU1 1DB

Any queries about how we use personal information should be addressed to our Data Protection Officer:

Telephone: **0330 102 1837**
Email: dataprotectionofficer@allianz.co.uk
Address: Data Protection Officer, Allianz,
57 Ladymead, Guildford,
Surrey, GU1 1DB

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Allianz Insurance plc.

Registered in England number 84638
Registered office: 57 Ladymead, Guildford,
Surrey GU1 1DB, United Kingdom.

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Prudential Regulation Authority and regulated
by the Financial Conduct Authority and
the Prudential Regulation Authority.

Financial Services Register number 121849.