

**A PROGRAMME SPONSORED BY  
PROFESSIONAL CONTRACTORS GROUP**  
(Individual Insureds attaching for a 12 month policy between  
1<sup>st</sup> July 2001 to 28<sup>th</sup> February 2002)

For **Engineers**

**Managed by  
Randell Dorling Limited  
(Manager)  
52 Lime Street  
London  
EC3M 7NP**

**POLICY DOCUMENT**

**SECTION A: EMPLOYER'S LIABILITY**

**AND/OR**

**SECTION B: PUBLIC LIABILITY**

**(THERE IS NO PRODUCTS LIABILITY COVERAGE. HOWEVER THIS COVER MAYBE  
AVAILABLE FROM THE MANAGER UPON APPLICATION)**

**AND/OR**

**SECTION C: PRIMARY PROFESSIONAL INDEMNITY**

**PLEASE READ AND REVIEW THE POLICY CAREFULLY.**

**OPTIONAL EQUIPMENT COVERAGE**

**IF YOU HAVE PURCHASED COVERAGE FOR EQUIPMENT, A SEPARATE POLICY HAS BEEN  
EFFECTED AND CAN BE FOUND ON THE RANDELL DORLING WEBSITE**

**[WWW.RANDELLDORLING.CO.UK](http://WWW.RANDELLDORLING.CO.UK) IF REQUIRED**

**1. PROFESSIONAL INDEMNITY**

NOTICE: THE ERRORS AND OMISSIONS PORTION OF THIS POLICY DOCUMENT IS A CLAIMS MADE POLICY, EXCEPT AS MAY BE OTHERWISE PROVIDED HEREIN, THE COVERAGE PROVIDED BY THIS POLICY IS LIMITED TO LIABILITY FOR ACTS FOR WHICH CLAIMS ARE FIRST MADE DURING THE PERIOD OF INSURANCE OR ANY DULY PURCHASED DISCOVERY PERIOD (IF APPLICABLE). PLEASE READ AND REVIEW THE POLICY CAREFULLY.

**2. PUBLIC LIABILITY AND/OR EMPLOYERS LIABILITY**

NOTICE: THE PUBLIC LIABILITY AND /OR EMPLOYERS LIABILITY PORTION IS UNDERWRITTEN ON AN OCCURRENCE BASIS EXCEPT AS MAYBE OTHERWISE PROVIDED HEREIN

EXCESS LAYERS ARE AVAILABLE FROM OUR MANAGER UPON APPLICATION

**N.B. BY STATUTE THE CERTIFICATE OF EMPLOYERS LIABILITY INSURANCE MUST  
BE RETAINED IN A SAFE PLACE FOR 40 YEARS AFTER THE DATE OF EXPIRY OF  
INSURANCE**

***NB: 1: EXCESS PUBLIC LIABILITY AND/OR PROFESSIONAL INDEMNITY***

Excess layers of up to £5,000,000 are available from the manager upon application.

***NB: 2: REPORT OF CLAIMS AND/OR CIRCUMSTANCES***

If you have a claim to report or if you are aware of a circumstance that might give rise to a claim that needs to be reported on any of the programmes managed by Randell Dorling Limited. Please refer to the Randell Dorling website - [www.randelldorling.co.uk](http://www.randelldorling.co.uk) button (Claims).

This button is also used if the Insured has purchased the optional equipment insurance and wishes to report a claim and/or circumstance.

***NB: 3: DIFFERENCE BETWEEN “CLAIMS MADE” AND “OCCURRENCE”***

Reference to the Randell Dorling Website [www.randelldorling.co.uk](http://www.randelldorling.co.uk) provides an explanation of the difference between “Claims Made” and “Occurrence”.

**Policy issued on behalf of  
MMA Insurance plc  
per Saturn Professional Risks Limited  
Saturn House  
130-132 High Street  
Chesham, Bucks  
HP5 1EF**

**IMPORTANT NOTES FOR GUIDANCE  
(NOT FORMING PART OF THE POLICY WORDING OR SCHEDULE)**

Thank you for choosing MMA Insurance plc per Saturn Professional Risks Limited, companies committed to providing service of the highest quality. We have prepared the following notes which are for your guidance only.

**CHANGE IN CIRCUMSTANCES**

Please let your Manager know if your circumstances change at any time, ie. new address, new e-mail address, change in partners or directors or a new line of business activity.

**AVOIDING CLAIMS**

As a professional we do not presume to tell you how to run your business. However many claims arise through misunderstandings which it may be difficult to disprove without evidence.

Please ensure if possible that all contracts and instructions are confirmed in writing. Written records of meetings and telephone conversations should also be retained on file.

**CLAIMS & NOTIFICATION**

The Randell Dorling website [www.randelldorling.co.uk](http://www.randelldorling.co.uk) contains an explanation of how to present a claim depending on whether a cover is Professional Indemnity (Claims Made) or Public Liability/Employers' Liability (Occurrence). In the event of any criticism by your client, or if you become aware of circumstances which could give rise to a claim against you, it is essential that you notify us immediately, even if you believe that your actions have been beyond reproach and that a claim could never succeed.

The Claims Reporting Form can be accessed via the button on the Randell Dorling website [www.randelldorling.co.uk](http://www.randelldorling.co.uk) headed "Claims".

Warning signs include;

- verbal complaints from a dissatisfied customer, or threats to take the matter further
- letters of complaint alleging neglect error or omission
- a client refusing to settle or delaying settlement of fees
- a client wanting to change professional adviser

Once we have been notified of a possible claim we will assist you in providing guidance on how best to conduct future dealings with the client. Depending on the nature of the situation we may appoint professional advisers to assist you.

In the event of a claim or notification please do not advise the third party that you hold Professional Indemnity and/or Public Liability and/or Employer's Liability insurance as this may prejudice the position.

Do not discuss or admit liability. Any correspondence should be passed to us as soon as possible although you should send the Client an acknowledgement of receipt of his letter of complaint. If you require help in the drafting of this letter, please do not hesitate to contact us.

## **LAW APPLICABLE TO THIS CONTRACT**

You and the Insurer are free to choose the law applicable to this contract, but in the absence of agreement to the contrary, English Law will apply.

## **COMPLAINTS PROCEDURE**

It is always our intention to provide a first class standard of service. However if you have any cause for complaint, you should in the first instance, contact either the Manager who arranged the policy for you or Saturn who issue the policy on behalf of the MMA Insurance plc. Please be ready to quote your policy number. Should the matter not be resolved to your satisfaction, please write to the Directors of Saturn Professional Risks Limited.

If you consider the matter still unresolved, the following options are open to you:

- a) Contact the Association of British Insurers for assistance at: Consumer Information, Dept. 51, Gresham Street, London, EC2V 7HQ.
- b) In the case of a complaint concerning a member of the General Insurance Standards Council contact the General Insurance Standards Council at 110 Cannon Street, London, EC4N 6EU

## **QUERIES**

If you have any query regarding this insurance please contact your insurance broker.

Saturn Professional Risks Limited  
Saturn House  
130-132 High Street  
Chesham  
Buckinghamshire  
HP5 1EF  
info@saturnprl.co.uk

## **SECTIONS A and B: LIABILITY INSURANCE**

Whereas the Insured named in the Schedule has made to MMA Insurance plc (hereinafter described as the Insurer), the proposal and declaration bearing the date specified in the Schedule which shall be the basis of this part of the contract and incorporated herein, and has paid the premium specified in the Schedule.

The Insurer hereby agrees to indemnify the Insured and if the Insured requests, any director, partner or Employee of the Insured against their legal liability to pay compensation including interest, up to the Limits of Indemnity specified in the Schedule and subject to the terms, exclusions, definitions, limits, conditions and endorsements specified in the Policy and Schedule in connection with any Occurrence for which indemnity is provided to the Insured by the Policy.

In addition the Insurer will indemnify the Insured and, if the Insured requests, any director, partner, or employee of the Insured in respect of the costs of legal representation arising out of any Occurrence which may be the subject of indemnity under this Policy, including:

- (i) any Coroner's inquest, or Fatal Accident Enquiry in Scotland, in respect of any death, and
- (ii) criminal proceedings in any Court arising out of any alleged breach of statutory duty resulting in Bodily Injury, and
- (iii) all other costs and expenses in relation to any matter which may be the subject of a claim under this Policy

PROVIDED that all such costs are incurred with Insurer's prior written consent.

However, no such indemnity will be provided:

- (i) for fines, prosecution costs or penalties of any kind
- (ii) where indemnity is provided by any other insurance
- (iii) in respect of proceedings consequent upon any deliberate act or omission by the Insured or any person for whom the Insured are responsible.

## **GENERAL DEFINITIONS**

1. **BUSINESS** means the business specified in the Schedule and shall include the ownership and disposal of premises and the provision and management of canteen, social, sports and welfare organisations for the Insured's employee's, first aid, fire and ambulance services and private work carried out with the consent of the Insured for any director, partner or senior official of the Insured by an Employee.
2. **BODILY INJURY** shall include illness, disease, death and nervous shock.
3. **PROPERTY** shall mean material property.
4. **EMPLOYEE** shall mean any person under a contract of service or apprenticeship with the Insured, any labour only sub-contractor or person supplied by them, any person hired or borrowed by the Insured from another Employer to be employed by the Insured, or any trainee under a Government sponsored scheme, while engaged in working for the Insured in connection with the Insured's business, provided that any payments made to same are declared to the Insurer for premium purposes.
5. **PRODUCT** shall mean any goods manufactured, installed, sold, supplied, erected, distributed, treated, serviced, altered repaired or let on hire by the Insured (including containers, labelling, instructions or advice provided in connection therewith) after they have ceased to be in the Insured's care, custody or control.

6. TERRITORIAL LIMITS shall mean:

Section A - Great Britain, Northern Ireland, the Isle of Man, the Channel Islands and temporary visits by non-manual Employees outside such territories.

Section B - As shown above, but anywhere in the world other than the United States of America or Canada.

7. OCCURRENCE shall mean any one occurrence or all occurrences of a series consequent on or attributable to one source or original cause.

8. PRINCIPAL shall mean any Person, Company, Firm or Public Authority with whom the Insured has entered into a contract for work or services.

9. OFFSHORE

It is understood and agreed that for the purpose of this Policy the Insureds' employees shall be deemed to be "offshore" as from the time when they embark onto a conveyance at the point of final departure to an offshore rig or an offshore platform. All such employees shall continue to be "offshore" until such time as they disembark from the conveyance onto land upon their return from an offshore rig or an offshore platform.

## **SECTION A: EMPLOYER'S LIABILITY**

### **THE INSURED EVENT**

Bodily Injury caused during the Period of Insurance and within the Territorial Limits to any Employee and arising out of and in the course of employment by the Insured in the Insured's Business.

This indemnity extends to include liability as herein defined assumed under contract or agreement by the Insured and/or any Principal but only in respect of liability as defined herein to any Employee.

### **EMPLOYER'S LIABILITY COMPULSORY INSURANCE CLAUSE**

The indemnity granted by this Insurance is deemed to be in accordance with the provisions of any law relating to compulsory insurance of liability to Employees in Great Britain, Northern Ireland, the Isle of Man, the Channel Islands, but the Insured shall repay to the Insurer all sums paid by the Insurer which the Insurer would not have been liable to pay but for the provisions of such law.

### **HEALTH AND SAFETY DEFENCE COSTS**

The Insurer will pay with their consent the costs and expenses of defence in a Court of Summary Jurisdiction in respect of any prosecution occurring during the Period of Insurance for breach of duty under Part 1 of the Health and Safety at Work Act 1974 or similar duty imposed under legislation in Northern Ireland, the Isle of Man or the Channel Islands, but only insofar as such prosecution relates to health, safety or welfare of Employees. The liability of the Insurer under this extension shall not exceed an aggregate limit of £100,000 in the Period of Insurance.

The Insurer will also pay any legal expenses incurred in the United Kingdom for:

- (i) representation at any Coroner's Inquest or Fatal Accident Inquiry
- (ii) defending in any Court of Summary Jurisdiction any proceedings in respect of any act or omission causing or relating to any event which may be the subject of indemnity under this Policy

provided all such costs and expenses are incurred with the Insurer's consent.

## **EXTENSIONS TO SECTION A**

### **UNSATISFIED COURT JUDGEMENT**

The Insurer will pay to the Employee or the legal personal representatives of the Employee at the request of the Insured the amount of any such damages and any awarded costs to the extent that they remain unsatisfied in whole or in part six months after the date of such judgement for compensation being obtained in any court within the Territorial Limits

- (i) by any Employee or personal representatives or any Employee in respect of Bodily Injury to that Employee caused during the Period of Insurance and arising out of and in the course of employment by the Insured in the Insured's Business, and
- (ii) against any company or individual operating from premises within Great Britain, Northern Ireland, the Isle of Man and the Channel Islands and

Provided that

- (i) there is no appeal outstanding
- (ii) if any payment is made under the terms of the extension the Employee or the legal personal representatives of the Employee shall assign the judgement to the Insurer
- (iii) the Insured and the Employee or the legal personal representatives of the Employee shall provide all necessary assistance to Insurer

## **SECTION B: PUBLIC LIABILITY EXCLUDING PRODUCTS LIABILITY**

### **THE INSURED EVENT**

Accidental Bodily Injury to any person or accidental loss of or damage to Property occurring during the Period of Insurance within the Territorial Limits in connection with the Insured's Business.

## **EXTENSIONS TO SECTION B**

### **1. CROSS LIABILITIES**

If indemnity is provided to more than one party the Insurer will provide indemnity to each in the same manner and to the same extent as if a separate Policy had been issued to each. Provided that the total amount payable in respect of compensation arising out of an Occurrence shall not exceed the Limit of Indemnity.

### **2. CONTINGENT MOTOR LIABILITY**

Notwithstanding Exclusion 1. (i) to this Section B the Insurer will provide indemnity to the Insured against legal liability as herein defined arising out of the use in the course of the Insured's Business of any motor vehicle not the property of, nor provided by, the Insured.

The indemnity will not apply to legal liability:

- (i) in respect of loss or damage to such vehicle or to property conveyed therein
- (ii) arising while such vehicle is being driven by the Insured
- (iii) in respect of which the Insured is entitled to indemnity under any other insurance
- (iv) arising while such vehicle is used outside Great Britain.

### **3. DEFECTIVE PREMISES ACT 1972**

This Policy is extended to include legal liability incurred by the Insured by virtue of Section 3 of the Defective Premises Act 1972 or similar legislation in Scotland, Northern Ireland, the Channel Islands or the Isle of Man in respect of any premises which have been disposed of by the Insured in connection with the Insured's Business

Provided that the Insurer shall not be liable

- (i) for the costs of remedying any defect or alleged defect in the premises
- (ii) if the Insured is entitled to indemnity from any other source
- (iii) for any liability assumed by the Insured under contract or agreement which would not have attached in the absence of such contract or agreement.

### **4. INDEMNITY TO PRINCIPAL**

Notwithstanding Exclusion 4 to Section B the Insurer will indemnify the Insured against liability as herein defined.

To the extent that any agreement entered into by the Insured with any Principal so requires the Insurer will

- (i) indemnify the Insured against liability assumed by the Insured
- (ii) indemnify the Principal in like manner to the Insured in respect of the liability of the Principal arising out of the performance by the Insured of such contract or agreement

Provided that:

- (i) the conduct and control of claims is vested in the Insurer

- (ii) the Principal shall observe, fulfil and be subject to the terms, exclusions, conditions and endorsements of this Policy so far as they can apply
- (iii) the Indemnity shall not apply to liability in respect of liquidated damages or under any penalty clause.

Where any Indemnity is provided to any Principal the Insurer will treat each Principal and the Insured as though separate Policy had been issued to each of them provided that nothing in this Extension shall increase the liability of the Insurer to pay any amount in respect of any one Occurrence or during the Period of Insurance in excess of the amount stated in the Limits of Indemnity.

## **5. HEALTH AND SAFETY DEFENCE COSTS**

The Insurer will pay their consent the costs and expenses of defence in a Court of Summary Jurisdiction in respect of any prosecution occurring during the Period of Insurance for breach of duty under Part 1 of the Health and Safety at Work Act 1974 or similar duty imposed under legislation in Northern Ireland, the Isle of Man or the Channel Islands, but only insofar as such prosecution relates to the health, safety or welfare of third parties. The liability of the Insurer under this extension shall not exceed an aggregate limit of £100,000 in the Period of Insurance.

The Insurer will also pay any legal expenses incurred in the United Kingdom for:

- (i) representation at any Coroner's Inquest or Fatal Accident Inquiry
- (ii) defending in any Court of Summary Jurisdiction any proceedings in respect of any act or omission causing or relating to any event which may be the subject of indemnity under this Policy

provided that all such costs and expenses are incurred with the Insurer's consent.

## **EXCLUSIONS TO SECTIONS A AND B**

This Policy excludes liability in connection with the following:

### Offshore

- (i) any work Offshore;

### Nuclear and War

- (ii) (a) loss or destruction or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss
- (b) any legal liability of whatsoever nature

directly or indirectly caused by or contributed to by or arising from

- (i) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- (ii) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
- (iii) directly or indirectly occasioned by, happening through or in consequence of war, invasion, act of foreign enemies, hostilities (whether war be declared or not) civil war, rebellion, revolution, insurrection or military or usurped power or confiscation or nationalisation or requisition or destruction of or damage to Property by or under the order of any Government or public or local authority.

### Terrorism

- (iii) Bodily injury, loss or damage occasioned by or happening through or in consequence directly or indirectly of terrorism as defined in the UK Terrorism act 2000 except up to the amount necessary to meet the requirements of Employers Liability legislation.

## **EXCLUSIONS TO SECTION B**

This Section will not apply to legal liability for:-

### **1. VEHICLES AND CRAFT**

- (i) Bodily Injury or loss of or damage to Property arising out of the ownership possession or use including loading and unloading by or on behalf of the Insured of any
  - (a) mechanically propelled vehicle for which insurance or security is required under the Road Traffic Acts or similar legislation, or
  - (b) aircraft or other airborne device, or
  - (c) hovercraft or water-borne craft (other than hand propelled or sailing craft in inland or territorial waters)
- (ii) Loss of or damage to any aircraft, hovercraft, airborne or water-borne craft, arising out of work carried out therein or thereon by or on behalf of the Insured.
- (iii) Bodily injury loss of or damage arising out of any Product which with the Insured's knowledge is incorporated into the structure, machinery or controls of any aircraft, ship or the running parts of any motor vehicle.

## **2. EMPLOYER'S LIABILITY**

Bodily Injury sustained by an Employee as defined in Section A herein whether Section A is operative or not.

## **3. PROPERTY UNDER THE INSURED'S CONTROL**

Loss or damage to Property owned by or in the care, custody, possession or control of the Insured or an Employee other than

- (i) Personal Property of Employees, Directors, Partners or visitors.
- (ii) Premises and their contents not owned by, leased, licensed, loaned or rented to the Insured at which the Insured is undertaking work in connection with the Insured's Business.
- (iii) Premises and Landlord's fixtures and fittings leased, licensed, loaned or rented to the Insured provided that
  - (a) such liability would have attached to the Insured in the absence of any agreement for occupation
  - (b) notwithstanding the amount of the excess shown in the Schedule the indemnity shall not apply to the first £250 of each and every claim caused other than by fire or explosion

## **4. LIABILITY BY AGREEMENT**

Liability assumed by the Insured by agreement unless such liability would have attached in the absence of such agreement.

## **5. PROFESSIONAL ADVICE**

Bodily Injury or loss of or damage to Property arising out of or in connection with advice, design or specification provided by the Insured for a fee.

## **6. COMPUTER (LOSS OF DATA)**

This Policy excludes all liability arising out of loss of or damage to documents, data processing media and computer systems records and loss, distortion or erasure of information contained therein, how so ever caused.

NB: This Exclusion does not apply to liability for damage to the computer hardware itself.

## **7. POLLUTION OR CONTAMINATION**

- (i) This Policy excludes all liability in respect of Pollution or Contamination other than caused by sudden identifiable unintended and unexpected incident which takes place in its entirety at a specific time and place during the Period of Insurance.

All Pollution or Contamination which arises out of one incident shall be deemed to have occurred at the time such incident takes place.

- (ii) The liability of the Insurer for all compensation payable in respect of all Pollution or Contamination which is deemed to have occurred during the Period of Insurance shall not exceed the amount specified in the Schedule for Section B.

- (iii) For the purpose of this Exclusion "Pollution or Contamination" shall be deemed to mean

- (a) all pollution or contamination of buildings or other structures or of water or land or the atmosphere; and
- (b) all loss or damage or injury directly or indirectly caused by such pollution or contamination.

## **JURISDICTION CLAUSE**

No indemnity shall be given in respect of any judgement, award, or settlement made within countries which operate under the laws of the United States of America or Canada (or to any order made anywhere in the World to enforce such judgement, award or settlement either in whole or part).

## **GENERAL CONDITIONS**

### **1. LIMIT OF INDEMNITY**

The liability of the Insurer under Section B of this Insurance for all claims made against the Insured in respect of or arising out of any one occurrence or series of occurrences arising out of any one event shall not exceed the sum stated in the Limits of Indemnity but the Insurer will, in addition, in the event of their requiring any claims to be contested by the Insured pay all costs charges and expenses in connection therewith subject nevertheless to the following condition.

If a payment exceeding the Limit of Indemnity has to be made to dispose of a claim, the liability of the Insurer to pay any costs, charges and expenses in connection therewith shall be limited to such proportion of the said costs, charges and expenses as the limit of Indemnity bears to the total amount paid to dispose of the claim.

### **2. CONDITIONS PRECEDENT**

The due observance of the terms and conditions of this Policy relating to anything to be done or complied with by the Insured is a condition precedent to any liability of the Insurer except insofar as it necessary to comply with the requirements of any legislation enacted in Great Britain relating to compulsory insurance of legal liability to Employees.

### **3. PRECAUTIONS**

The Insured shall take reasonable precautions to prevent Bodily Injury to persons and damage to Property and to maintain all buildings, furnishings, ways, works, machinery, plant and vehicles in sound and safe condition.

### **4. CANCELLATION**

This Insurance may be cancelled by or on behalf of the Insurer by a Recorded Delivery letter sent to the Insured's last known address, giving not less than 30 days' notice of the Insurer's intention to cancel this Insurance, such notice to run from midnight of the day following that upon which the letter is posted.

## 5. CHANGE OF CIRCUMSTANCES

The Insured shall give the Insurer notice in writing as soon as reasonably practicable of any alteration which materially affects the risk insured. On receipt of such notice, the Insurer shall have the option to continue this Policy without amendment, to cancel this Policy with immediate effect to require payment of an additional premium or to apply appropriate conditions to reflect the change in circumstances.

In the event the Insurer require the payment of an additional premium and this is unacceptable to the Insured, this Policy shall be deemed to be cancelled with immediate effect.

## 6. NON-DISCLOSURE

This Policy shall be voidable in the event of misrepresentation, misdescription or non-disclosure of material facts.

## 7. DELIBERATE OR WILFUL ACTS AND FRAUD

If any loss, destruction or damage be occasioned by the deliberate or wilful act or with the connivance of the Insured or if any claim hereunder be fraudulent in any particular, all indemnity under this Policy shall be forfeited.

## 8. OTHER INSURANCE

If the Insured is entitled to indemnity in respect of any claim under this Policy in whole or in part under any other Policy of Insurance the liability of the Insurer hereon shall be limited to a rateable proportion of any such claim.

## 9. CLAIMS CONDITIONS AND PROCEDURES

- (i) The Insured shall give the Insurer
  - (a) **immediate written notice** with full particulars of any Occurrence which may give rise to a claim for indemnity by the Insured under this Policy
  - (b) **immediately** upon receipt every letter, claim, writ, summons and process in connection therewith
  - (c) notice of **immediately** any prosecution inquest or enquiry in connection therewith.
- (ii) No admission offer promise payment or indemnity shall be made or given by or on behalf of the Insured without the written consent of the Insurer who shall be entitled to take over and conduct in the name of the Insured the defence or settlement of any claim in the name of the Insured for their own benefit and shall have full discretion in the conduct of any proceedings and in the settlement of any claim.
- (iii) The Insured shall give to the Insurer all necessary information and assistance as the Insurer may reasonably require to investigate and/or conduct any proceedings.

## 10. E.U. DISCLOSURE CLAUSE (UK)

The parties, ie. the Insured and Insurer are free to choose the law applicable to this Insurance Contract, unless specifically agreed to the contrary this Insurance Contract shall be subject to the laws of the United Kingdom.

## SECTION C

### PROFESSIONAL INDEMNITY INSURANCE

#### PREAMBLE

Coverage applies, subject to the terms of this section of the Policy, only if notice of a Circumstance or of a Claim is given to the Insurer and/or Manager named on the first page of this Policy during the Policy Period. The date such notice is given is the date for determination of the applicable liability of Insurers, Excess and terms of this Policy.

Insurers do not have any duty to defend. Costs and Expenses are included within the Insurer's liability and the Excess. Insurer's liability for this policy is an annual aggregate.

The firm or individual named as the Insured in the Schedule shall be the sole agent of any act for all Insured in the giving of all notices to Insurer, the receiving of all notices from Insurers, the payment of the premium and the receiving of any return premiums that may become due under this policy.

*WHEREAS the person or persons or partnership or company named in the schedule (hereinafter referred to as "the Insured", which term shall include his/their executors or personal representatives) has/have submitted a written proposal as noted in the Schedule containing particulars and statements which (together with any other information which may have been supplied) it is agreed shall be the basis of this contract and are to be considered as incorporated herein, and have paid the premium stated in the Schedule.*

#### INSURING CLAUSE

**NOW THEREFORE**, We, General Star International Indemnity (hereinafter called the Insurer), hereby agree to indemnify the Insured up to but not exceeding the sum stated in the Schedule for any sum or sums which the Insured may become legally liable to pay arising from any claim or claims first made against them and notified to the Insurers during the period of this Policy as a direct result of any negligent act, error or omission in the professional conduct of their Business, as stated in the Schedule, by the Insured or any partner or previous partner or any person or party employed or engaged by the Insured including specialist designers or consultants acting on the Insured's behalf and for whom the Insured are responsible.

#### COSTS AND EXPENSES

The Insurer will pay Costs and Expenses which are incurred by the Insurer or by the Insured with the Insurers prior written consent in connection with any claim first made against the Insured and notified to the Insured during the Period of Insurance.

These Costs and Expenses will erode the Limit of Indemnity appearing in the attached Schedule.

The Excess will include these Costs and Expenses and/or the Insured's Legal Liability.

#### EXCESS

PROVIDED ALWAYS THAT the Insurers shall be liable only, in respect of any claim hereunder, for that part of the claim (which for the purpose of this clause shall include all costs and expenses incurred by Insurers in investigating and defending the claim) which exceeds the amount stated as "the Excess" in the Schedule.

#### INDEMNITY TO EMPLOYEES

IN THE EVENT of a claim being made against any employee of the Insured or former employee of the Insured whilst acting within the scope of his employment with the Insured which, if it had been made against the Insured, would have been the subject of indemnity under this insurance, Insurers agree to indemnify such employee in a like manner to the Insured unless the claim has been brought about or contributed to by any dishonest fraudulent criminal or malicious act of the employee.

## EXCLUSIONS

*This insurance does not cover any liability whatsoever arising out of:*

1. Any goods or products manufactured, constructed, altered, repaired, serviced, treated, sold, supplied or distributed by the Insured or from any other business or occupation even though the same may be carried on by the Insured in conjunction with their Business as stated in the Schedule. This exclusion does not apply to the supply of software and/or Website design and/or advise upon the conjunction or type of hardware required by a third party.
2. Death, Bodily Injury, Sickness sustained by any person arising out of and in the course of their employment by the Insured under a contract of service or apprenticeship with the Insured.
3. Any claim made against the Insured as a result of any dishonest, malicious or illegal acts of any present or previous director principal or partner of the Insured or their employees.
4. The ownership, use, occupation or leasing of property, mobile and/or immobile, by, to or on behalf of the Insured.
5. Where the action for damages is brought in a court of law that operates under the laws of the United States of America and/or Canada (or to any order made anywhere in the World to enforce such a judgement or settlement of damages in whole or part.
6. Loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss or any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from:
  - (i) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.
  - (ii) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.
7.
  - (i) Death, Bodily Injury, Sickness, or loss of, damage to, or loss of use of property directly or indirectly caused by seepage, pollution or contamination, provided always that this paragraph (i) shall not apply to liability for Death, Bodily Injury, Sickness, loss of, physical damage to or destruction of tangible property, or loss of use of such property damaged or destroyed, where such seepage, pollution or contamination is caused by a sudden, unintended and unexpected happening during the period of this Insurance.
  - (ii) The cost of removing, nullifying or cleaning-up seeping, polluting or contaminating substances unless the seepage, pollution or contamination is caused by a sudden, unintended and unexpected happening during the period of this Insurance.
8. Any consequences of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power. This exclusion shall not apply in respect of liability or loss caused by explosive devices provided that no state of war exists in the country where the contract is undertaken.
9. Libel and Slander.
10. Loss of Documents.
11. Any claim or circumstance known to the Insured prior to the inception of this Policy and which the Insured at such time knew or should have reasonably assumed might result in a claim against the Insured.
12. Fines, prosecution costs or penalties of any kind

13. Punitive or exemplary damages
14. Subcontractors that are retained to assist with the work of a specialist nature and/or required because of the volume of work arising from subcontracting unless they have been hired to cover the Insured for:
- (i) illness, sickness or disease or bereavement and / or
  - (ii) holidays, however for the waiver of this Exclusion to apply you
    - (a) must have received written confirmation that the specialist designer, consultant or subcontractor maintains Professional Indemnity Insurance for a limit of not less than £100,000, that insures their liability whilst acting as a specialist designer or subcontractor.
    - (b) not waive or otherwise allow to impair Insurer's right of recourse /subrogation against such specialist designer consultant or sub-contractor.
15. Any claims by any person, partnership or firm associated with the Insured (financially or otherwise) unless such claims emanate from an independent third party.

16. Year 2000 Exclusion

Any claim, loss, liability or costs and expenses directly or indirectly caused by or contributed to or arising from or in connection with any Computer System, whether or not the property of the Insured, not being Year 2000 Compliant.

In addition this Policy shall not indemnify the Insured in respect of any claim, loss, liability or costs and expenses directly or indirectly caused by or contributed to or arising from or in conjunction with any correction or any attempted correction, conversion, renovation, rewriting or replacement of any Computer System related to Year 2000 Compliance.

The following are added to the definitions section of the Policy:-

**“Year 2000 Compliant/Compliance”** shall mean that neither performance nor functionality of the Computer System is affected by dates prior to, during and/or after the Year 2000. In particular:-

Rule 1 No value for current date will cause or give rise to any interruption in operation of the Computer System

Rule 2 Date based functionality and performance of the Computer System must behave consistently for dates prior to, during and/or after the year 2000

Rule 3 In all interfaces and data storage of the Computer System the century in any date must be specified either explicitly or by unambiguous algorithms or inferencing rules

Rule 4 The year 2000 must be recognised as a leap year by the Computer System

**“Computer System”** shall mean any computer, data processing equipment media or part thereof, or system of data storage and retrieval, or communications system, network, protocol or part thereof, or storage device, microchip, integrated circuit, real-time clock system, or similar device or any computer software (including but not limited to application software, operating systems, runtime environments or compilers), firmware or microcode used owned operated or relied upon by the Insured.

## CONDITIONS

1. **INSURED'S DUTIES IN THE EVENT OF CLAIM:** It is a condition precedent to Insurer's liability under this insurance that:

- (i) (a) Upon receipt by or on behalf of the Insured of notice whether written or oral of intention by any person or body to make a claim against the Insured or of any allegation of negligent act, error or omission which might give rise to such a claim or on the discovery of any such negligent act, error or omission the Insured shall notify the person(s) named for that purpose in the Schedule, for transmission to the Insurer of such receipt, allegation or discovery as soon as practicable and shall provide full information respecting it so far as such information is in his/their possession.
- (b) If during the subsistence hereof the Insured shall become aware of any occurrence which may subsequently give rise to a claim against them by reason of any negligent act, error or omission and shall during the subsistence hereof give written notice to the person(s) named for that purpose in the Schedule, for transmission to the Insurer of such occurrence, any claim which may subsequently be made against the Insured arising out of that negligent act, error or omission shall be deemed for the purpose of this insurance to have been made during the subsistence hereof.
- (ii) The Insured shall not admit liability for or settle or make or promise any payment in respect of any claim which may be the subject of indemnity hereunder or incur any costs or expenses in connection therewith without the written consent of the Insurers who if they so wish shall be entitled to take over and conduct in the name of the Insured the defence and/or settlement of any such claim for which purpose the Insured shall give all such information and assistance as the Insurers may reasonably require.

2. **RETROACTIVE DATE**

Where a retroactive date is specified in the Schedule this Policy will not respond in respect of any claim or loss otherwise falling for indemnity under this Policy where the cause of such claim or loss occurred or was alleged to have occurred prior to the said Retroactive Date.

3. **AGREEMENT TO PAY CLAIMS**

The Insurer agrees to pay claims which may arise under this insurance without requiring the Insured to dispute any claim unless a Queens Counsel or lawyer of comparable standing in the territory concerned (to be mutually agreed upon by Insurer and the Insured) advise that the same could be contested with a reasonable prospect of success by the Insured and the Insured consents to such a claim being contested, but such consent is not to be unreasonably withheld. In the event of any dispute arising between the Insured and the Insurer as to what constitutes an unreasonable refusal to contest a claim at Law, the President for the time being of the Professional Body of which the Insured is a member shall nominate a referee to decide this point (only) and the decision of such referee shall be binding on both parties. In the event of the Insured not being a member of a Professional Body, the President for the time being of the Chartered Institute of Arbitrators shall nominate a referee to adjudicate as aforementioned.

4. **OTHER INSURANCE**

If at the time any claim arises under this insurance the Insured is or would but for the existence of this insurance be entitled to indemnity under any other policy or policies, the Insurer shall not be liable except in respect of any excess beyond the amount which would have been payable under such other policy or policies had this insurance not been effected.

## 5. **TIMBER DISEASE**

It is hereby understood and agreed that this policy shall apply to any claim arising or resulting from or in connection with timber disease of any description, woodworm, beetle infestation or any other vermin or insect or any consequential loss or damage arising therefrom provided that:

- (i) All reports shall be in writing and shall have been prepared by
  - (a) a Fellow or Professional Associate of the Royal Institution of Chartered Surveyors
  - (b) a qualified Architect or
  - (c) a person with not less than five years' experience of structural surveying and,
- (ii) The Insured or a qualified representative of the Insured shall have made a detailed inspection of the building and have fully reported on the condition of the timber and drawn attention to the existence of any defect observed and also of the possibility of such defect becoming more extensive. Further the report must include the following clause in respect of all timber or woodwork not surveyed:- "We have not inspected woodwork or other parts of the structure which are covered, unexposed or inaccessible and we are therefore unable to report that any such part of the property is free from defect."

## 6. **SUBROGATION**

If any payment is made under this insurance in respect of a claim hereunder Insurer are thereupon subrogated to all the Insured's rights of recovery thereto however Insurer shall not exercise any such rights against any employee or former employee of the Insured unless the claim has been brought about or contributed to by any dishonest fraudulent criminal or malicious act of the employee, it being understood that Insurer shall at all times retain all the Insured's rights of recovery against any person or party who is not an employee of the Insured or former employee of the Insured.

## 7. **FRAUDULENT CLAIMS**

If the Insured shall make any claim knowing the claim to be false or fraudulent, as regards amount or otherwise, this insurance shall become void and all claims thereunder shall be forfeited.

## 8. **DISCLAIMER OF LIABILITY BY INSURER**

In the event of Insurers at any time being entitled to avoid this insurance ab initio by reason of any materially inaccurate or misleading information given to Insurer in the Proposal Form or at any time during the negotiations leading to the inception of this insurance or as a result of failure to disclose material facts before the conclusion of the insurance or for any other reason at law, Insurer may at their election instead of avoiding this insurance ab initio give notice to the Insured that they regard this insurance as of full force and effect save that there shall be excluded from the indemnity afforded hereunder any claim which has arisen or which may arise and which is related to circumstances which ought to have been disclosed to the Insurer in the Proposal Form or which arises out of materially inaccurate or misleading information given to Insurer. This insurance shall then continue as if the same had been specifically endorsed ab initio excluding the particular claim or possible claim referred to in the said notice.

## 9. **INTERPRETATION CLAUSE**

The parties, ie. the Insured and Insurer are free to choose the law applicable to this Insurance Contract, unless specifically agreed to the contrary this Insurance Contract shall be subject to the laws of the United Kingdom. This Policy and the Schedule shall be read together as one contract and any word or expression to which a specific meaning has been attached in any part of this Policy or the Schedule shall bear such specific meaning wherever it may appear.

10. **DEFINITIONS**

- (i) **'Claim'** shall mean claim or series of claims resulting from:
- (a) one and the same act, error or omissions, or
  - (b) a series of acts, errors or omission arising out of the same cause, or
  - (c) the acts, errors or omissions of one person or persons acting together or in which such person or persons is/are concerned or implicated
- and shall be deemed to be one claim for all purposes of this Policy.
- (ii) 'Death, Bodily Injury, Sickness' shall be deemed to include mental stress.
- (iii) 'Business' shall mean those operational activities described in the Signed and Dated Proposal submitted to Insurers for the purposes of effecting this Policy

**Premium deemed earned at inception**

It is hereby understood and agreed that the premium is deemed earned at inception and that no return of premium shall be payable in the event that the Insured cancels this Policy

All other terms, exclusions, conditions and endorsements of this insurance remain unchanged.

**Libel and Slander Extension**

Insurers agree to indemnify the Insured against all sums which the Insured shall become legally liable to pay as damages and claimants' costs and expenses as a result of any Claim or Claims made against the Insured during the Period of Insurance for Libel or Slander or Defamation by reason of words written or spoken by: -

- (i) the Insured, or
- (ii) any employee of the Insured, or
- (iii) any director of the Insured

in or about the conduct of the Insured's business as specified in the Schedule.

All other terms, exclusions, conditions and endorsements of this insurance remain unchanged.

**Infringement of Copyright Extension**

Insurers agree subject otherwise to the terms, conditions and exclusions of this insurance to indemnify the Insured against all sums which the Insured shall become legally liable to pay as damages and claimants costs and expenses as a result of any Claim or Claims made against the Insured during the Period of Insurance alleging infringement of copyright, patent or registered design committed in good faith by: -

- (i) the Insured, or
- (ii) any employee of the Insured, or
- (iii) any director of the Insured

in or about the conduct of the Insured's business as specified in the Schedule.

All other terms, exclusions, conditions and endorsements of this insurance remain unchanged.

### **Loss of Documents Extension**

It is hereby understood and agreed that if during the Period of Insurance the Insured shall discover that any Documents (as hereafter defined) the property of or entrusted to the Insured, which may now or hereafter be, or be supposed or believed to be, in the custody of the Insured or in the custody of any other person to or with whom such Documents have been entrusted, lodged or deposited by the Insured in the ordinary course of business, have, whilst anywhere in the world been destroyed or damaged or lost or mislaid and after diligent search cannot be found, the Insurers will indemnify the Insured against:

- (i) legal liability which the Insured may incur to any other person in consequence of such Documents being destroyed, damaged, lost or mislaid.
- (ii) costs and expenses incurred by the Insured in replacing or restoring such Documents
- (iii) costs and expenses incurred with the written consent of the Insurers in the defence or settlement of any claim to establish the liability as described in (i) above.

### **Definition**

In this Extension "Documents" means deeds, wills, agreements, maps, plans, records, books, letters, certificates, forms, computer programmes or information stored, written or punched into card or tape or magnetic discs or taped or any other data media, and documents of any nature whatsoever, whether written, printed or reproduced by any other method (other bearer bonds, coupons, bank notes, currency notes and negotiable instruments).

### **Limit of Indemnity**

The Insurers liability in respect of this Extension shall be £10,000 and not as otherwise stated herein, subject always to Condition 4 of this Extension.

In respect of this Extension the Insurers shall not be liable for the first £500 of each and every Claim and shall include all costs and expenses incurred.

## **Exclusions**

This Extension shall not indemnify the Insured against any liability, costs or expenses

- (i) for which the Insured are entitled to an indemnity under this Policy apart from this Extension,
- (ii) for which the Insured are entitled to an indemnity, under any other policy or certificate of insurance,
- (iii) brought about or contributed to by any dishonest, fraudulent or criminal act or omission of the Insured, or of any person at any time employed by the Insured,
- (iv) directly or indirectly occasioned by, happening through or in consequence of war, invasions, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalisation or destruction of or damage to property by or under the order of any government or public or local authority.
- (v) Directly or indirectly caused by or contributed to or by or arising from:
- (vi) ionising radiation's or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel,
- (vii) the radioactive, toxic, explosive or other hazardous properties of any explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof,

## **Conditions**

1. The Insured shall not admit liability for or settle any Claims or incur any costs or expenses in connection therewith without the written consent of the Insurers, who shall be entitled at any time to take over and conduct in the name of the Insured the defence or settlement of any Claim.
2. The Insured shall, as a condition precedent to their right to be indemnified under this Extension, give to the Insurers immediate notice in writing of any circumstance which is likely to give rise to a Claim hereunder.
3. Any claim for costs and expenses incurred by the Insured in replacing or restoring Documents shall be supported by bills or accounts which shall be subject to approval by a competent person to be nominated by the Insurers with the approval of the Insured.
4. The Insurers' total liability under this Policy shall not be increased by reason of this Extension.
5. The Insured shall, as a condition precedent to their right to be indemnified under this Extension, keep all Documents in a suitable secure fire proof safe or cabinet outside of normal business hours and shall maintain duplicates of all computer related records off site

All other terms, exclusions, conditions and endorsements of this insurance remain unchanged.

### **Unintentional Breach of Confidentiality Extension**

Notwithstanding anything contained herein to the contrary, it is hereby understood and agreed that this Policy/Certificate extends to indemnify the Insured for claims made against the Insured during the Period of Insurance arising from an unintentional breach of confidentiality.

It is also hereby understood and agreed that notwithstanding anything contained in the foregoing extension Insurers total aggregate liability remains unaltered.

All other terms, exclusions, conditions and endorsements of this insurance remain unchanged.

### **Party Wall Act Extension**

It is hereby noted and agreed that this insurance extends to indemnify the Insured in respect of all sums which the Insured shall become legally liable to pay as a result of any claims which falls within the scope of the Insured's work which is defined within the Party Wall Act 1996.

All other terms, exclusions, conditions and endorsements of this insurance remain unchanged.

### **CONDAM and Defence Costs Extension**

It is hereby noted and agreed that where the Insured are appointed as a 'Planning Supervisor' or 'Designer' within the meaning of the CONDAM Regulations that such appointments will be deemed to be a professional activity for the purposes of the policy.

Provided always that the Insured's Third Party Policies have confirmed that they consider the above appointments form part of the normal business activity of the Insured and that the liability of the Insurers, in respect of a claim arising out of the breach of the above regulations, shall apply in excess of and not as contributory to any payments made under the Third Party Policies in respect of claims arising out of such appointments, where the Insured was or would be indemnified in respect of such claim under the aforementioned Third Party Policies.

It is also understood and agreed that this Policy is extended, subject to its terms, conditions and exclusions, to indemnify the Insured in respect of costs and expenses incurred with the Insurer's prior written consent, in the defence of any proceedings brought under the Construction (Design and Management) Regulations (CONDAM) made under the Health and Safety at Work Act 1974, but only where Insurers believe that defending such proceedings could protect the Insured against any subsequent or concurrent civil action.

It is further noted and agreed that any subsequent or concurrent civil action arising out of any proceedings notified hereunder shall be deemed to be notified hereunder.

Provided always that Insurers total aggregate liability under this Policy during any one Period for such claim(s) shall not exceed £100,000 including Costs and Expenses.

The Excess in respect of this extension is £1,000 each and every claim.

All other terms, exclusions, conditions and endorsements of this insurance remain unchanged.

### **Housing Grants Construction & Regeneration Act**

The Insurers shall indemnify the Insured for any liability under an adjudication made either in accordance with the Housing Grants Construction and Regeneration Act 1996 or the Scheme for Construction Contracts (England and Wales) Regulations 1998 (“Adjudication”) or the Scheme for Construction Contracts (Scotland) Regulations 1998

Provided that the following conditions precedent to liability apply:

- (i) The Insured shall give immediate notice (and in any event within 48 hours) directly to the Insurers of:
  - (a) receipt of a notice that a dispute is being referred to Adjudication
  - (b) becoming aware that a dispute is likely to be referred to Adjudication
  - (c) a decision by the Insured to refer a dispute to Adjudication
- (ii) The Insured shall immediately deliver full written details of the matter notified under (i) above (including any subsequent correspondence or notices received) directly to the Insurers.
- (iii) The Insured shall provide full and expeditious co-operation to the Insurers and/or its representatives and will comply with all their reasonable requests, in particular those relating to response times
- (iv) The Insurers shall at their discretion take over and control in the name of the Insured the conduct, defence or settlement of the dispute referred to Adjudication
- (v) The Insured shall not without the prior written consent of the Insurers
  - (a) make any admission in respect of the dispute being referred to Adjudication
  - (b) agree to accept the decision of the adjudicator as finally determining the dispute with no further reference to legal proceedings, arbitration or alternative dispute resolution
- (vi) In respect of any contract entered in to by the Insured
  - (a) The Insured shall not accept any adjudication provisions which are more onerous than those contained in the Schemes referred to in the Act(s)
  - (b) The Insured shall not accept the decision of the adjudicator as finally determining the dispute
  - (c) The Insured shall not waive their rights to refer the dispute to court of law

All other terms and conditions remain unaltered.

### **Project Managers Extension**

It is hereby agreed and understood that this Insurance is extended to include the Insured's activities as Project Managers.

Provided always that this extension shall only cover the Insured for their legal liability for negligent acts, errors or omissions as defined in the Policy as Managers of a project where they are remunerated for a fee for their services and shall be limited to the overall control and general supervision of the contract.

This extension shall not however cover claims made against the Insured for:

1. Any claim resulting from failure to procure or maintain any financing for the payment of contract work or services in connection therewith from any cause whatsoever.
2. Any claim which would normally be the responsibility of the Building Contractor if a separate Project Manager were not appointed.
3. Any claim as a result of failure to effect and maintain insurance.
4. Insolvency of any of the parties involved in the project.
5. Any liability assumed by the Insured under contract which would not have attached to them but for the existence of the Contract.
6. Error or omission of the Insured in estimates of probable construction cost or cost estimates being exceeded.

All other terms, conditions, exclusions or endorsements of this Insurance remain unaltered.

### **CONTRACTS (RIGHT OF THIRD PARTIES) ACT 1999**

It is hereby understood and agreed that this Policy shall not indemnify the Insured in respect of any claim, loss, liability or expense arising out of rights under the Contracts (Right of Third Parties) Act 1999, of any person or company who is not a party to this Policy to enforce any term of this Policy, other than any rights or remedies of any such person or company which may exist or be available regardless of the said Act.

All other terms, exclusions, conditions and endorsements of this Insurance remain unchanged

Endorsement Number: One

**Effective Date: Inception of the Policy Period or as otherwise agreed by the Insurers**

**Full Sub-Contractors Extension**

In consideration of the Premium stated in the Schedule being fully paid the Insurer agreed to delete Exclusion 14.

By virtue of the deletion of Exclusion 14 the Insured will not waive or otherwise allow to impair Insurer's right of recourse/subrogation against such specialist designers, consultants or sub contractors.

Moreover it is a condition precedent to the granting of the deletion of Exclusion 14 that the Insured has received written confirmation that the specialist designer, consultant or sub-contractor maintains professional indemnity insurance for a limit of not less than £ 100,000 that insures their liability whilst acting as a specialist designer, consultant or sub contractor other than in the event of illness, sickness or disease or bereavement where no such £100,000 of Professional Indemnity Insurance is required.

**ALL OTHER TERMS AND CONDITIONS REMAIN UNALTERED**

Issued by General Star International Indemnity Limited

Information: The coverage provided by this Endorsement is only available in the event that there is a charge of more than £1 under the heading **Premium Allocation For** Subcontractors appearing on the Policy Schedule.