## Financial Services
### Professional Indemnity Policy
#### Schedule

**Policy No:**

**The Assured:**

**Address:**

**Assured’s Business:** As more fully described in the **Proposal**

**Limit of Indemnity:**

**Excess:** each and every **Claim** (but each and every claimant for any **Claim** in respect of **Regulated Activities**,)

**Period of Insurance:**

From: To: (both dates inclusive)

**Premium:** (+IPT@6%) =

**Retroactive Date:**

**Jurisdiction:** £

**Date of Proposal:**

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**Disclaimer**
This is an example policy wording and does not represent the cover provided to any particular Assured. For details of the cover applicable to specific entities/individuals please refer to the policy documents issued to them including all endorsements.
Insuring Clauses

1. Legal Liability

Underwriters agree, subject to the terms, limitations, exclusions and conditions of this Policy, to indemnify the Assured against all sums which the Assured shall become legally liable to pay as damages and claimant’s costs as a result of any Claim first made against the Assured during the Period of Insurance by reason of:

[a] any negligent act, negligent error or negligent omission by the Assured or by any Director, Partner, Member or Employee of the Assured;

[b] any libel or slander by the Assured or by any Director, Partner, Member or Employee of the Assured;

[c] any unintentional breach of confidentiality or copyright by the Assured or by any Director, Partner, Member or Employee of the Assured committed in the conduct of the Assured's Business.

2. Costs and Expenses

Underwriters further agree, subject to the terms, limitations, exclusions and conditions of this Policy, to indemnify the Assured against:

[a] necessary and reasonable legal costs and expenses incurred with Underwriters’ prior written consent, such consent not to be unreasonably withheld, in the investigation, defence or settlement of any Claim which falls to be dealt with under Insuring Clause 1 of this Policy;

[b] necessary and reasonable costs and expenses incurred with Underwriters’ prior written consent, such consent not to be unreasonably withheld, in the replacement or reconstruction of any Documents held in the course of the Assured’s Business which are discovered during the Period of Insurance to have been physically destroyed or damaged or lost or mislaid and which after diligent search cannot be found.

Costs and expenses do not include:

(i) damages or costs awarded against the Assured

(ii) remuneration, overheads or expenses of the Assured or of any Director, Partner, Member or Employee thereof.
Definitions

(The following words shall have the same meaning throughout this Policy, whether expressed in the singular or the plural. Words in the masculine gender shall include the feminine. References to Acts of Parliament include any amendment or re-enactment thereof and include any similar legislation elsewhere within the Jurisdiction.)

“Assured” shall mean
i) the person or entity stated in the Schedule;
ii) in the event of the death, incompetence or bankruptcy of any natural person in (i) above, their estate, heirs, legal representatives or assigns for legal liabilities incurred by those within (i) above and costs and expenses which are indemnifiable under this Policy.

“Assured's Business” shall mean the professional activities stated in the Schedule.

“Claim” shall mean
i) any claim form, writ or summons or other application of any description whatsoever or cross-claim or counter claim issued against or served upon the Assured,
ii) any complaint made to the Ombudsman Scheme established under Part XVI of the Financial Services and Markets Act 2000, provided that this sub-paragraph shall apply only in respect of the Compulsory Jurisdiction (as defined in section 226 of the Financial Services and Markets Act 2000), or
iii) any written communication received by the Assured by or on behalf of an identified individual claimant alleging any of the matters described in Insuring Clause 1(a) to (c).
   a) All claims consequent upon or attributable to one originating source or cause shall be deemed to be one Claim.
   b) Paragraph (a) above shall not however apply to the provisions of the Policy relating to the Excess/Retention, or to Condition 1 (Claims Notification).

“Compensation” shall mean any commissions, payments, fees, compensation or any other type of remuneration. “Compensation” shall also mean kickbacks, bribes or any other similar type of payments.

“Computer” shall mean any computer or other electronic data processing device, equipment or system, any hardware, software, programme, instruction, data or component utilised or intended to be utilised therein or thereby, or any actual or intended function of or process performed by any of the foregoing.
“Criminal Property” shall have the meaning given by section 340 of the Proceeds of Crime Act 2002.

“Director” shall have the meaning given by section 741(1) of the Companies Act 1985.

“Document” shall mean

i) all documents excluding stamps, currency, coins, bank notes and bullion, travellers cheques, cheques, drafts, postal orders, money orders, bills of exchange, promisory notes, securities, negotiable instruments and the like, and

ii) separable programmes, instructions or data for physical incorporation into any

Computer

belonging to the Assured or for which the Assured is legally responsible, whilst in the custody of the Assured, or in the custody of any person to or with whom they have been entrusted, lodged or deposited by the Assured in the ordinary course of the Assured's Business.

“Employee” shall mean any person, other than a Director, Partner or Member of the Assured, who is

i) under a contract of service or apprenticeship with the Assured, or

ii) supplied to or hired or borrowed by the Assured, or

iii) under any work experience or similar scheme with the Assured

whilst employed or engaged by and under the control of the Assured in connection with the Assured's Business.

“Jurisdiction” shall mean those territories stated in the Schedule.

“Market Abuse” shall have the meaning given by the Financial Services and Markets Act 2000.

“Member” shall mean any person holding that position within a limited liability partnership.

“Occupational or Personal Pension Scheme” shall have the meaning given by the Pension Schemes Act 1993.

“Offering” shall mean the public or private sale of any company's stock, including, but not limited to an initial public offering, secondary offering or a private placement.

“Partner” shall have the meaning given by the Partnership Act 1890.

“Period of Insurance” shall mean the period stated in the Schedule.
“Pollution” shall mean actual, alleged or threatened discharge, dispersal, release or escape of any solid, liquid, gaseous, or thermal irritant or contaminant including, but not limited to, smoke, vapours, soot, dust, fibres, fungi, viruses, bacteria, fumes, acids, alkalis, chemicals and waste (including nuclear waste /material ), or any actual or alleged advice given or services performed in relation to such irritant or contaminant including but not limited to testing, monitoring, removal, treatment, containment, cleaning up, neutralising or detoxification thereof.

“Premium” shall mean the amount stated in the Schedule plus all applicable taxes at the rates from time to time in force.

“Proposal” shall mean the written proposal bearing the date stated in the Schedule and containing particulars and statements, together with any other information supplied to Underwriters.

“Regulated Activity” shall have the meaning given by section 22 of the Financial Services and Markets Act 2000 and all orders made thereunder from time to time and shall include all activities which would be regulated activities if they were done in the United Kingdom.

“Terrorism” shall mean the use of force or violence and/or the threat thereof, by 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.

“Unlawful Association” shall mean any organisation which is engaged in Terrorism and includes any organisation which at any relevant time is a proscribed organisation within the meaning of the Terrorism Act 2000.

“War” shall mean war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power.

Limit Of Indemnity

Underwriters’ total aggregate liability under this Policy including any endorsements hereto (inclusive of all costs and expenses) shall not exceed the Limit of Indemnity stated in the Schedule, irrespective of the number of Claims made and the number of parties against whom such Claims may be made.
Excess

Underwriters shall only be liable in excess of the Excess stated in the Schedule, which excess shall apply to each and every Claim (but each and every claimant for any Claim in respect of Regulated Activities,) and shall be inclusive of costs and expenses.

If any expenditure is incurred by Underwriters which by virtue of this clause is the responsibility of the Assured then such amount shall be reimbursed to Underwriters by the Assured forthwith.

Exclusions

(The heading of each exclusion is for ease of identification only)

Underwriters shall not be liable to indemnify the Assured against any Claim or costs and expenses

1. Circumstances Known At Inception

which results, directly or indirectly, from any Claim or circumstances existing prior to or at the inception of this Policy and which the Assured knew or ought reasonably to have known might give rise to a Claim or to the incurring of costs and expenses.

2. Other Insurance

in respect of which the Assured is entitled to indemnity under any other insurance.

3. Dishonest And Malicious Acts

which results, directly or indirectly, from any dishonest, fraudulent, criminal or malicious act or omission of the Assured or of any Director, Partner, Member or Employee of the Assured.

4. Judgement Against Assured

by any underwriter or insurance company by reason of any negligent act, negligent error or negligent omission committed in the course of any activities of the Assured as insurance agents unless that underwriter or insurance company has obtained a judgment in any court against the Assured.

5. Pensions

arising out of or in connection with

i) the holding by the Assured or by any Director, Partner, Member or Employee of the Assured of any office as trustee of any Occupational or Personal Pension Scheme or director of any corporate pension scheme trustee; or
ii) any activities of the Assured in relation to the direction, management or administration of any Occupational or Personal Pension Scheme for the benefit of the Directors, Partners, Members or Employees of the Assured.

6. Financial

arising out of or in connection with

i) advice to insure or to make any investment, or the arranging, dealing in or managing of any investment or the negotiation of any insurance, with any insurance or investment company or undertaking not eligible for compensation under the Financial Services Compensation Scheme of the United Kingdom, unless such advice, insurance or investment was preceded by a written warning to the Assured's client that the Scheme offered no protection in respect of such insurance or investment;

ii) the insolvency of any person or undertaking in respect of whom the Assured has advised or with whom the Assured has arranged, directly or indirectly, any insurances, investments or deposits, including any insurance company, building society, bank, investment manager, stockbroker or investment intermediary;

iii) advice to make any investment or the arranging, dealing in or managing of any investment (as defined in the Financial Services and Markets Act 2000) in which the Assured or any Director, Partner or Member of the Assured has any financial interest, unless such advice or investment was preceded by full written disclosure to the Assured's client of the Assured's (or, as the case may be), the Director's, Partner's or Member's interest;

iv) the failure to account for monies;

v) the depreciation, failure to appreciate or loss of investments when such depreciation, failure to appreciate or loss is a result of normal or abnormal fluctuations in any financial, stock or commodity or other markets which are outside the influence or control of the Assured;

7. Market Abuse

arising directly or indirectly as a result of or in connection with Market Abuse.

8. Offerings Of Securities

arising from or connected with any

i) solicitation or receipt of any excessive, additional, undisclosed, improper or illegal Compensation relating to an Offering, or Compensation greater than that disclosed in the prospectus or registration statements relating to the Offering;

ii) improper solicitations or agreements, whether express or implied, relating to any Offering, including, but not limited to, solicitations or tie-in agreements to purchase: (i) additional shares of the company's stock at pre-determined prices; or (ii) shares of another undertaking's stock.
9. **Money Laundering**

arising from or connected with the concealment, disguise, conversion or transfer of Criminal Property or with any act, error or omission facilitating the acquisition, retention, use or control of Criminal Property.

10. **Fees, Commissions Etc**

for the reimbursement of fees, commissions, costs or other charges paid or payable to the Assured, or any Claim based upon allegations against the Assured of excessive or undisclosed fees, commissions, costs or other charges.

11. **Shares In The Assured**

arising out of or in connection with from any actual or attempted
i) merger, purchase or acquisition of another business by the Assured, or
ii) purchase or sale transactions in the shares of the Assured except when the Assured is acting for or on the instructions of a client.

12. **Fines/Penalties**

in respect of any fine or penalty, punitive, exemplary, restitutionary or non-compensatory damages (provided that this exclusion shall not apply to any exemplary damages awarded by a Court in the United Kingdom in respect of libel, slander or defamation).

13. **Bodily Injury/Property Damage**

for bodily injury, mental injury, mental anguish, shock, sickness, disease or death sustained by any person (except liability for compensation for emotional distress arising from any libel, slander or defamation), or for any loss, damage or destruction of property, including loss of use thereof (other than as provided by Insuring Clause 2(b)), unless such Claim directly results from negligent advice given in the course of the Assured's Business.

14. **Employers Liability**

for any breach of any obligation owed by the Assured as an employer or potential employer to any Employee or prospective Employee.

15. **Property**

which results, directly or indirectly, from the ownership, possession or use by or on behalf of the Assured of any land, buildings, aircraft, watercraft, vessel or mechanically propelled vehicle.
16. **Products**

which results, directly or indirectly, from goods or products sold, supplied, repaired, altered, manufactured, constructed, installed or maintained by the **Assured** or by any person, acting for or on behalf of the **Assured**.

17. **Contractual Liability**

which results, directly or indirectly, from any liability assumed by the **Assured** under any express warranty, agreement or guarantee unless such liability would have attached to the **Assured** notwithstanding such express warranty, agreement or guarantee.

18. **Trading Loss**

which results, directly or indirectly, from any trading losses or liabilities or debts incurred by any business managed by or carried on by the **Assured**.

19. **Consortia And Joint Ventures**

which results, directly or indirectly, from the operation or existence of any joint venture or consortia in which the **Assured** has an interest unless Underwriters’ written agreement to the **Assured**’s participation in such venture or consortia has been first obtained and an endorsement added to this Policy.

20. **Financial Interest**

made against the **Assured** by

i) any other person falling within the definition of the **Assured**, or

ii) any parent or subsidiary company of the **Assured**, or

iii) any person or entity having a financial, executive or controlling interest in the **Assured**, or

iv) any company or entity in which the **Assured** or any Director, Partner or Member of the **Assured** has a financial, executive or controlling interest

unless such Claim is for indemnity or contribution in respect of a claim made by an independent third party against such company, person or entity and directly results from breach of a professional duty owed by the **Assured** to that third party.

21. **Insolvency/Bankruptcy Of Assured**

which results, directly or indirectly, from the insolvency or bankruptcy of the **Assured**.

22. **Loss Of Data**

under Insuring Clause 2(b), which results, directly or indirectly, from the failure or inefficacy of any programme, instruction or data for use in any **Computer** occasioned other than through its physical destruction or damage.
23. **Computer Date Recognition**

which results, directly or indirectly, from any failure of any **Computer** (by whomsoever owned or operated) to recognise or respond, correctly and effectively, to any particular date or period of time (continuous or otherwise).

24. **Computer Viruses And Unauthorised Use**

which results, directly or indirectly, from, in consequence of or in any way involving computer viruses or the failure to prevent unauthorised use of or access to any **Computer**.

25. **Retroactive Date**

which results, directly or indirectly, from any act, error, event or omission occurring or alleged to have occurred prior to the Retroactive Date (if any) stated in the Schedule.

26. **Legal Action**

in a court or before an arbitration tribunal outside the **Jurisdiction**, made under laws of countries outside the **Jurisdiction** or where action is brought in a court within the **Jurisdiction** to enforce a foreign judgment whether by way of reciprocal agreement or otherwise.

27. **War And Terrorism**

which results, directly or indirectly, from, in consequence of or in any way involving:

i) **War**

ii) **Terrorism**

iii) Any unlawful, wanton or malicious act committed by a person or persons acting on behalf of or in connection with any **Unlawful Association**

regardless of any other cause or event contributing concurrently or in any other sequence to the **Claim** or loss.

Also excluded is loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing suppressing or in any way relating to (i) and/or (ii) and/or (iii) above.

If Underwriters allege by reason of this exclusion that any loss, damage, cost or expense is not covered by this Policy the burden of proving the contrary shall be upon the **Assured**.

In the event that any part of this exclusion is found to be invalid or unenforceable, the remainder shall still be of full force and effect.

28. **Radioactive Contamination Or Explosive Nuclear Assemblies**

brought about by or contributed to by or consequent upon

i) loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss
ii) 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.

29. Pollution

which results, directly or indirectly, from, in consequence of or in any way involving any
Pollution.

Conditions

(The heading of each condition is for ease of identification only)

1. Claims Notification

[a] The Assured, as a condition precedent to their right to indemnity under this Policy, shall give to Underwriters immediate notice in writing during the Period of Insurance of
(i) any Claim, or
(ii) the receipt of any notice from any person of an intention to make a Claim, or
(iii) any circumstances of which the Assured shall become aware which might reasonably be expected to give rise to a Claim, giving detailed reasons for the anticipation of such Claim, together with full particulars as to dates, persons and amounts involved, or
(iv) the destruction, damage or loss of any Documents.

Such notice having been given as required by (ii) or (iii) above, any subsequent Claim made shall be deemed to have been made during the Period of Insurance.

[b] The Assured, as a condition precedent to their right to indemnity under this Policy, shall give Underwriters such information and co-operation as Underwriters may reasonably require including all reasonable assistance in identifying locations and securing the co-operation of any appropriate individual to sign a Statement of Truth or any other document necessary to comply with the Civil Procedure Rules current at the material time.

2. Claims Handling

[a] The Assured, as a condition precedent to their right to indemnity under this Policy, shall not admit liability for or settle or attempt to settle any Claim or incur any costs
and expenses in connection with any **Claim** without Underwriters’ prior written consent (such consent not to be unreasonably withheld).

[b] Underwriters shall be entitled, but not obliged, at any time to take over and conduct in the name of the **Assured** the defence or settlement of any **Claim** or to prosecute in the name of the **Assured** for their own benefit any claim for payment, indemnity or damages or otherwise against any third party.

[c] The **Assured** shall not be required to contest any **Claim** unless Leading Counsel (to be mutually agreed upon by the **Assured** and Underwriters or, in default of agreement, to be appointed by the President for the time being of the Law Society) shall advise that such **Claim** should be contested.

[d] Underwriters shall not settle any **Claim** without the consent of the **Assured**. If however the **Assured** shall refuse to consent to any settlement recommended by Underwriters and shall elect to contest a **Claim**, then Underwriters’ liability for such **Claim** (including costs and expenses) shall not exceed the amount for which the **Claim** could have been settled inclusive of costs and expenses incurred with their consent up to the date of such refusal, and then only up to the Limit of Indemnity stated in the Schedule. If the amount for which the **Claim** could have been settled inclusive of costs and expenses is less than the Excess then Underwriters shall have no liability.

[e] The **Assured**, as a condition precedent to their right to indemnity under this Policy, shall not, except insofar as may be required by law, disclose to anyone the existence of this Policy without Underwriters’ prior written consent. For the avoidance of doubt, a requirement to disclose the existence of this Policy is not a requirement to disclose its terms and conditions.

3. Indemnification

If the **Assured** so requires, Underwriters will indemnify any **Director**, **Partner**, **Member** or **Employee** of the **Assured** against his liability to pay any **Claim** made against that **Director**, **Partner**, **Member** or **Employee** personally and necessary and reasonable legal costs and expenses incurred with Underwriters’ prior written consent, such consent not to be unreasonably withheld, in the investigation, defence or settlement of any such **Claim** to the same extent as if the **Claim** were made against the **Assured** and subject to the terms, limitations, exclusions and conditions of this Policy, provided always that such **Director**, **Partner**, **Member** or **Employee** shall observe, fulfil and be subject to all the terms, conditions and exclusions of this Policy as if he were the **Assured**, and provided also that this Condition shall not increase the Limit of Indemnity under this Policy, and provided also that the **Director**, **Partner**, **Member** or **Employee** does not have any direct or indirect financial interest in the proceeds of the **Claim** and has not made any profit or gain out of the transaction giving rise to the **Claim**.

4. Subrogation

Underwriters shall be subrogated to all the **Assured’s** rights of recovery against any person before or after any payment or indemnity under this Policy and the **Assured**, as a condition precedent to their right to indemnity under this Policy, shall take all steps necessary to
preserve Underwriters’ rights of subrogation and shall give all such assistance in the exercise of rights of recovery as Underwriters may require.

Underwriters agree not to exercise any such rights against any Director, Partner, Member or Employee of the Assured unless the Claim is brought about or contributed to by the dishonest, fraudulent, criminal or malicious act or omission of that Director, Partner, Member or Employee.

5. **Fraudulent Claims**

If the Assured shall make any request for payment or indemnity knowing the same to be false or fraudulent as regards amount, or otherwise, this Policy shall be void and all payment and indemnity hereunder shall be forfeited.

6. **Premium Payment**

If the Premium has not been paid within 60 days of inception, Underwriters may cancel this Policy by giving 15 days written notice to the Assured or to the Broker. In the event of cancellation, premium is due to Underwriters on a pro rata basis for the period that Underwriters were on risk provided that if any Claim has been made or notice given under Condition 1, the Premium shall be deemed to have been fully earned and shall forthwith be paid in full by the Assured to Underwriters. If the Premium is paid in full to Underwriters before the notice period expires, notice of cancellation shall automatically be revoked. If not, the Policy shall automatically terminate at the end of the notice period.

7. **Merger, Purchase Or Acquisition**

In the event that the Assured purchases or otherwise acquires all or any of the business, undertaking, assets or liabilities of any other entity, then this Policy shall not provide any indemnity in respect of any Claim or costs and expenses arising out of or involving any business, undertaking, assets or liabilities so purchased or acquired unless Underwriters agree by endorsement to this Policy to extend this Policy, and then only upon such terms as are agreed by Underwriters after full disclosure of all material facts by the Assured.

8. **Third Party Rights**

The parties to this Policy are Underwriters and the person or entity named as the Assured in the Schedule. A person who is not a party to this contract has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this contract but this does not affect any right or remedy of a third party which exists or is available other than by virtue of the Act.

9. **Cancellation**

This Policy may be cancelled by or on behalf of Underwriters by thirty days notice given in writing to the Assured at the address specified in the Schedule (or to the Assured via the broker), and the Premium hereon shall be adjusted on the basis of Underwriters receiving or retaining pro rata premium, provided that if any Claim has been made or notice given under Condition 1, the Premium shall be deemed to have been fully earned.
10. Proposal Form

The Proposal is the basis of this Policy and is incorporated herein.

11. Law Of Contract

This Policy shall be governed by the laws of England and Wales and any dispute in connection herewith shall be submitted to the exclusive jurisdiction of the English Courts.

Notice

Complaints

Below are two complaints notices. If you are insured with Markel Syndicate 3000 at Lloyd’s please follow the procedure set out in (1) below. If you are insured with Markel International Insurance Company Ltd, please follow the procedure set out in (2)

1. Markel Syndicate 3000 at Lloyd’s

If at any time you have any questions or concerns regarding this Policy or the handling of a Claim, you should in the first instance refer to your insurance broker or intermediary, if any. If your problem cannot be resolved in this way, please write to the Claims Manager, Professional Liability Division, Markel International Limited, The Markel Building, 49 Leadenhall Street, London, EC3A 2EA. We will then advise you of Markel’s internal complaints handling procedure.

If you are still unable to resolve the situation and wish to make a complaint you can do so at any time by referring the matter to the Complaints Department at Lloyd’s. Their address is Complaints Department, Lloyd’s, One Lime Street, London, EC3M 7HA; Tel: 020 7327 5693; Fax: 020 7327 5225; e-mail: Lloyds-Regulatory-complaints@Lloyds.com

Complaints that cannot be resolved by our internal complaints handling procedure or by the Complaints Department at Lloyd’s may be referred to the Financial Ombudsman Service. Further details will be provided at the appropriate stage of the complaints process.

These complaints procedures do not affect your right to have recourse to legal action or to any other remedy available to you.

2. Markel International Insurance Company Ltd

If at any time you have any questions or concerns regarding this Policy or the handling of a Claim, you should in the first instance refer to your insurance broker or intermediary, if any. If your problem cannot be resolved in this way, please write to the Claims Manager, Professional Liability Division, Markel International Limited, The Markel Building, 49 Leadenhall Street, London, EC3A 2EA. We will then advise you of Markel’s internal complaints handling procedure.
Complaints that cannot be resolved by our internal complaints handling procedure may be referred to the Financial Ombudsman Service. Further details will be provided at the appropriate stage of the complaints process.

These complaints procedures do not effect your right to have recourse to legal action or to any other remedy available to you.