

## **AC01 Professional Indemnity Insurance for Chartered Accountants**

This is a brief summary of the cover we provide under our Professional Indemnity Certificate for Chartered Accountants. The Certificate is designed to provide the minimum insurance required by the following professional bodies

The Institute of Chartered Accountants in England and Wales (the ICAEW)  
The Institute of Chartered Accountants of Scotland (the ICAS) or  
The Institute of Chartered Accountants in Ireland (the ICAI)

Full details of the cover, terms and conditions are found in the Certificate wording which we have provided to your insurance broker or agent.

Certificate Reference: AC01  
Insurance Type: Professional Indemnity

### **Section 1 Type of insurance and cover**

The Certificate provides cover for third party claims made against you as a result of a breach of your professional duty

We will insure you up to the Limits of Indemnity specified on the Certificate schedule.

There are a number of areas for which we exclude or limit cover - these are listed as Certificate Exclusions in this summary.

Professional Indemnity is underwritten on a claims-made basis. This means that we will only handle and settle claims that are first made during the period of insurance. In the event of any claim or intimation of a claim against you or of your becoming aware of circumstances that may result in a claim being made against you, you must notify us as soon as is reasonably practicable.

The payment of the costs of defending a claim against you is detailed in the Certificate schedule.

Where this states that such costs are payable in addition to the Limit of Indemnity, we will also reimburse you (in addition to the amount we pay to third parties) up to the Limits of Indemnity provided by your Certificate for the costs incurred in the defence or settlement of claims under the insurance. Where such costs are shown as being included in the Limit of Indemnity, this becomes the limit of our total liability under the Certificate.

#### **Cover is provided for the following**

- **Civil Liability**
- Loss of third party documents or data in your custody or control
- Ombudsman awards pursuant to the provisions of the Financial Services and Markets Act 2000 the Central Bank and Financial Services Authority of Ireland Act 2004 or any amendment or re-enactment thereof
- Dishonesty of your employees (other than that which you knew about)
- Any costs incurred in relation to any claim under the Certificate

### **Section 2 Certificate Exclusions**

The following exclusions will apply to your Certificate

- Bodily injury - unless arising directly from a breach of your professional duty
- Claims where you act in the capacity of Company Secretary Registrar or Director
- Claims that arise solely because you have extended your liability in a contract with another party
- Employers Liability claims
- Fines, penalties and liquidated damages and punitive or exemplary damages
- Fraud and dishonesty (which you knew about)
- Claims made against you by any Underwriter or Insurance Company arising out of your activities as their Insurance Agent
- Claims made by related entities (i.e. where your principals have a controlling interest) unless the claim results from a totally independent third party
- Claims arising from investment advice or activities
- Claims that should have been notified to a previous insurer under their policy or certificate
- The use or ownership of animals, aircraft, watercraft or vehicles licensed for road use
- Loss of or damage to property in your custody or control (other than third party documents or data)

## **Certificate Exclusions (Cont')**

- Pollution
- Claims covered by other policies or certificates of insurance
- Claims arising from Products supplied by you
- Damage to physical property
- Your insolvency or trading losses
- Pension or Trustee Liability claims
- Claims arising from your transmission of any computer virus
- Claims for war, government action, terrorism, radioactive contamination and sonic bangs
- Claims made in the United States of America or Canada

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## **Section 3 General Conditions**

The Certificate is voidable

- if you misrepresent any fact to us or make any claim, knowing it to be false as regards any amount claimed or otherwise
- if your interest ceases, the business is wound up, liquidated, in receivership or otherwise discontinued

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## **Section 4 Claims Conditions**

### **Conditions Precedent**

These are conditions with which you must comply as failure to do so will invalidate your right to indemnity under the Certificate. You must

- notify any claim or intimation of a possible claim against you or any circumstance which might give rise to a claim as soon as is reasonable practicable
- not admit liability for or settle any claim or incur any costs or expenses in connection therewith without our prior written consent

### **General Claims Conditions**

- We can conduct the defence of any claim in your name
- You must provide us with all information and assistance we require within 7 days of request and at your own cost
- Following a payment in respect of a claim made against you We may at our absolute discretion seek recovery from any other party
- Neither of us shall be required to contest any claim unless a Queen's Counsel advises that there is the reasonable prospect of success
- We may pay you the Limit of Indemnity at any time in the handling of a claim and have no further liability under the Certificate
- Where you have prejudiced the settlement or cost of a claim, our liability shall be reduced proportionately
- No cover shall apply where you breach a Certificate warranty
- If we disagree only in respect of how much should be paid for a particular claim, such dispute shall be referred to an arbitrator
- If you make any claim knowing it to be false or fraudulent the Certificate shall become void and all claims hereunder shall be forfeited

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## **Section 5 Further information about your Certificate**

### **Period Territorial Limits & Jurisdiction**

Your Certificate covers you for work you undertake anywhere in the world (unless stated otherwise on the Certificate schedule) and the Certificate period is set out in the Certificate schedule but will usually be for a period of 12 months from the date on which we agree to commence cover.

Any dispute between us concerning the cover provided will be settled using the law of England and Wales unless we have agreed otherwise.

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### **Cancelling your Professional Liability Insurance**

If you have not made a claim under the Certificate, you may cancel it at any time by returning the Certificate, schedule and any endorsements to your broker or agent with written instructions to cancel. You will be entitled to a proportionate refund of the premium for the outstanding period to the expiry date of the Certificate unless this would produce a premium less than the minimum amount at which we would have underwritten the cover. Full details of our minimum premiums are available from us.

If you have made a claim under the Certificate during the period of insurance in question, no refund of premium will be provided.

We may cancel your Certificate by giving 30 days notice by registered post to your last known address. In the event of us doing this, you will be entitled to a proportionate refund of the premium for the outstanding period to the expiry date of the Certificate unless this would produce a premium less than the minimum amount at which we would have underwritten the cover.

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### **Claiming under your Professional Liability Insurance**

All claims made under this Certificate are handled in the first instance by our partners, Devonshire Claims Services. If you believe that you have a claim under your Certificate you should therefore contact

Devonshire Claims Services  
5<sup>th</sup> Floor Minster House  
42 Mincing Lane  
London, EC3R 7AE

### **Your rights if things go wrong**

If you have a complaint about your Certificate you should write to The Managing Director of Glemham Underwriting Limited at the following address who will investigate the matter for you. Please remember to quote your Certificate or claim number.

1 Pound Farm Cottages  
Great Glemham  
Saxmundham  
Suffolk, IP17 2DQ

In the event that you remain dissatisfied, you can refer the matter to the Complaints Department at Lloyd's.

Complaints Department  
Lloyd's  
One Lime Street  
London EC3M 7HA  
Tel No: 020 7327 5693 Fax: 020 7327 5225 E-mail: [Complaints@Lloyds.com](mailto:Complaints@Lloyds.com).

You are also entitled to refer the dispute to The Financial Services Authority at

The Financial Services Authority  
25 The North Colonnade  
Canary Wharf  
London, E14 5HS

Please note that following any of these procedures will not affect your right to take legal action.

### **About your Insurer**

Your Certificate is underwritten by Underwriters at Lloyd's and arranged, under a binding authority from the Underwriters, by Glemham Underwriting Limited. Glemham Underwriting is authorised and regulated by the Financial Services Authority and is a Lloyd's Coverholder.

Glemham Underwriting Limited may be contacted at 1, Pound Farm Cottages, Great Glemham, Saxmundham, Suffolk, IP17 2DQ. Tel No 01728 664196. Fax 01728 664197.