

PI03 Professional Liability Insurance

This is a brief summary of the cover we provide under our Professional Liability Certificate. 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: PI03
 Insurance Type: Professional Indemnity/Public Liability/Products Liability

Type of insurance and cover

The Certificate provides the following covers unless they are listed as Not Insured in the Certificate schedule

Section 1 - Professional Indemnity - provides cover for third party claims made against you as a result of a breach of your professional duty

Section 2 - Public and Products Liability - provides cover for accidental injury, damage to physical property and consequential economic loss arising out of any product provided by you (Products Liability) or otherwise in connection with your business (Public Liability)

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 on page 2 of this summary. There are also a small number of exclusions that apply only to the specific Section in which they feature.

Section 1 Professional Indemnity

Section 1 - 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 and notified within 14 days 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

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

- Economic loss, accidental injury and property damage resulting from your negligence, error or omission
- Breach of your implied statutory duty to provide your services with reasonable care and skill and to provide goods which are fit for their intended purpose and of merchantable quality
- Breach of third party intellectual property rights (other than patents)
- Loss of third party documents or data in your custody or control
- Dishonesty of your employees (other than that which you knew about) but please note that we do not provide indemnity for the dishonest persons themselves
- Defamation
- Breach of confidential third party information
- Computer virus or other malware transmission (provided this is not written by you or your employee or contractor)

Under this Section of cover we limit or exclude cover for the following

- 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 documents or data)
- Pollution
- Claims arising from Products supplied by you
- Claims made by related entities (ie. where your principals have a controlling interest) unless the claim results from a totally independent third party
- Your participation in partnerships or joint ventures that are not insured under this Certificate
- Contracts where you have waived or limited your rights of subrogation against a third party
- Your infringement of any patent

Section 2 Liability

Section 2 - Public and Products Liability. This cover is underwritten on a losses-occurring basis. This means that we will only handle and settle claims that first occur during the period of insurance - even if the actual negligent act took place at some time in the past. All claims must be notified within 14 days 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.

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

- Accidental injury and property damage and consequential economic loss arising from your business or products supplied by you
- Your liability for nuisance, trespass or interference with a third party's right of way or right to water, light or air
- The personal liability of your employees or their spouses or partners whilst working overseas on business
- Liability for vehicles: damage to third party vehicles in your car parks, the loading or unloading of your vehicles, your use of wheeled plant as a tool of trade at your premises or work site and damage to a building, bridge or weighbridge caused by the vibration of your vehicle or the weight of its load
- Your liability for injury or damage caused by a vehicle used in connection with your business and not owned by you or driven by you

Under this Section of cover we limit or exclude cover for the following

- Claims for breach of your professional duty
- Product recall
- Property you own or have in your custody or control (other than rented premises and employees' and visitors' personal effects)
- Contracts where you have waived or limited your rights of subrogation against a third party
- The use or ownership of animals, aircraft, watercraft or vehicles licensed for road use
- Pollution other than sudden, identifiable, unintended and unexpected pollution which takes place in its entirety at a specific place and time during the period of insurance
- Computer Virus Transmission

Section 3 Certificate Exclusions (applying to both sections above)

In addition to the Section-specific exclusions the following exclusions will apply to your Certificate

- Any of the Certificate covers that you have chosen not to insure under this Certificate
- Activities not included within the business description
- Claims resulting from deliberate acts or known defects in your services or products provided
- Fines, penalties and liquidated damages and punitive or exemplary damages
- Claims arising from asbestos
- Claims that arise solely because you have extended your liability in a contract with another party
- Employers Liability claims
- Your insolvency or trading losses
- Claims that should have been notified to a previous insurer under their policy or certificate
- Claims covered by other policies or certificates of insurance
- Your directors' and officers' fiduciary duties to manage your business
- Breach of anti-trust or competition law or unconscionable or unethical conduct
- Claims made in the United States of America or Canada
- Claims for war, government action, terrorism, radioactive contamination and sonic bangs

Section 4 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

Conditions Precedent

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

- take all reasonable precautions to prevent or minimise loss
- maintain the premises and all machinery in a good state of repair
- exercise reasonable care in the selection of competent employees
- comply with relevant statutory requirements, manufacturer's instructions or other regulations regarding the safety of property and persons
- pay the premium within the period specified by your insurance broker or advisor
- not admit liability or settle any claim made against you

Section 5 Claims Conditions

- Claims must be notified as set out under the sections above
- We can conduct the defence of any claim in your name
- It is a condition precedent that you do not admit liability or settle any claim made against you
- You must provide us with all information and assistance we require within 7 days of request and at your own cost
- 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

Section 6 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.

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.

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
5th 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.

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.
