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# Solicitors Professional Indemnity Insurance Policy Wording (PEL SOL 01 2020)

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## **IMPORTANT NOTICE**

Please read this policy carefully to ensure that it is in accordance with your requirements and that you understand its terms, exclusions and conditions. Please contact us immediately if any corrections are necessary.

You can find copies of the SRA Indemnity Insurance Rules and of the standard Participating Insurer's Agreement at the Solicitors Regulation Authority's website, at [www.sra.org.uk](http://www.sra.org.uk).

Any enquiries you have regarding your policy can be addressed either to the insurance broker who arranged the policy for you or directly to us.

This policy is underwritten by Pelican Underwriting Management Limited on behalf of Great Lakes Insurance SE.

## **COMPLAINTS PROCEDURE**

We aim to provide a first-class service. If you have any reason to complain about your insurance policy, or us, please use the complaints procedure below.

### **Our Commitment To You**

- We will acknowledge your complaint promptly,
- We will conduct a thorough investigation of your complaint,
- We will keep you informed of the progress of your complaint,
- We will do everything we can to resolve your complaint fairly,
- We will learn from our mistakes and use your feedback to continually improve our service.

If you wish to make a complaint, the first step is to contact us at Pelican Underwriting:

Forum House,  
15-18 Lime Street,  
London, EC3M 7AN

Email: [complaints@puml.co.uk](mailto:complaints@puml.co.uk)

Telephone: (0)207 933 9368

When you do this, please quote your policy or claim number as it will help us to deal with your complaint promptly.

If you remain dissatisfied after we have considered your complaint, you may be eligible to refer the matter to the Financial Ombudsman Service (FOS). The FOS is an independent service in the UK for settling disputes between consumers / small businesses and businesses providing financial services.

The FOS's contact details are as follows:

Financial Ombudsman Service

Exchange Tower

London

E14 9SR

Telephone: (0)800 023 4567

Website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

## **CLAIMS PROCEDURE**

Where there is a claim or a possible claim, you must tell us as soon as possible.

This policy requires that you notify insurers of any incident, occurrence, fact, matter or act or omission which may give rise to a claim in respect of civil liability. All circumstances and claims must be reported as soon as possible.

If you are not sure whether to notify a circumstance or claim, you should call your broker or the DAC Beachcroft Specialist Claims Service helpline on +44 (0)117 918 2636, details of which can be found in your policy.

Please contact us quoting your policy or claim number.

Contact details for DAC Beachcroft are as follows:

DAC Beachcroft LLP

Portwall Place

Portwall Lane

Bristol

BS1 6NA

Email: [pelican@dacbeachcroft.com](mailto:pelican@dacbeachcroft.com)

Telephone: +44 (0)117 918 2636

## **Privacy Notice**

The General Data Protection Regulation (GDPR) gives you rights over the processing of your personal data by whoever and wherever it is held.

Pelican Underwriting Management Limited (PUML), operate as an agent of its holding company Manchester Underwriting Management Limited (MUM)

PUML/MUM is the data controller of any personal data which it holds about you or processes and MUM will process your personal data in accordance with data protection laws. Details of who MUM is and where we can be contacted can be found on our website [www.pelicanunderwriting.com](http://www.pelicanunderwriting.com) and [www.manchesterunderwriting.com](http://www.manchesterunderwriting.com). This personal data includes details such as your name, address and contact details and any other information that we collect about you in connection with the insurance cover from which you benefit. This information may include special categories of personal data such as information about your health and any criminal convictions you may have and may be obtained from you, your representatives and public records (e.g. criminal records, regulatory records, anti-fraud databases).

We process your personal data for the purposes of providing insurance related services to you and for business purposes such as fraud prevention, record management and general day to day business operations. As an underwriting agent for insurers MUM will collect and transfer your personal data to various parties associated with the services MUM provides to you. The way insurance works means that your information may be shared with, and used by, a number of third parties in the insurance sector for example, our group companies, insurers, agents or brokers, reinsurers, loss adjusters, sub-contractors, regulators, law enforcement agencies, fraud and crime prevention and detection agencies and compulsory insurance databases. We will only disclose your personal information in connection with the insurance cover that we provide and to the extent required or permitted by law.

Details of what information PUML/MUM collects, its source, the legal basis for this, who PUML/MUM may pass it to and why PUML/MUM does this are set out in PUML/MUM's privacy notice which may be accessed on PUML/MUM's web site at <http://www.manchesterunderwriting.com/contact-us/privacy-notice/>. If you pass us personal data about any third party, you should ensure that they are aware of the content of this notice. PUML/MUM's policy is to keep any information obtained from you secure and confidential and only use it for the purposes of providing insurance, or as may be specifically agreed with you.

### **Claims Data**

Insurance companies share claims data:

- a) to ensure that more than one claim cannot be made for the same matter,
- b) to check that claims information matches what was provided when insurance cover was taken out, and
- c) when required, to act as a basis for investigating claims, when our recorded information is incorrect or when we suspect that insurance fraud is being attempted.

You should provide us with the correct information if you are making a claim under your own policy or, if you are a third party, a policy held by one of our customers.

### **Right of access and correction**

As a data subject, you have a right of access to, and correction of, information that we hold about you. If you would like to exercise either of these rights, you should contact our Compliance Officer at:

Forum House,  
15-18 Lime Street,  
London, EC3M 7AN  
Email: [enquiries@puml.co.uk](mailto:enquiries@puml.co.uk)  
Telephone: (0)207 933 9368

## DEFINITIONS

In this contract:

**approved regulator** means any body listed as an approved regulator in paragraph 1 of Schedule 4 to the *LSA* or designated as an approved regulator by an order under paragraph 17 of that Schedule.

**assets** includes money, documents, wills, deeds, investments and other property.

**authorised body** means:

- (a) a body that has been authorised by the *SRA* to practise as a *licensed body* or a *recognised body*; or
- (b) a *sole practitioner's* practice that has been authorised by the *SRA* as a *recognised sole practice*.

**body corporate** means a *company*, an *LLP* or a *partnership* which is a legal person in its own right.

**building society** means a building society within the meaning of the Building Societies Act 1986.

**cessation** means where the *insured firm's practice* ceases during the *period of insurance* or after the *period of insurance* in circumstances where the *insured firm* has not obtained insurance complying with the *MTC* and incepting on and with effect from the day immediately following the expiration of the *policy period*.

**cessation period** means the period commencing on the expiry of the *extended indemnity period* where, during the *extended indemnity period* the relevant *insured firm* has not ceased *practice* or obtained a *policy of qualifying insurance* incepting with effect on and from the day immediately following expiration of the *policy period*, and ending on the date which is the earlier to occur of:

- a) the date, if any, on which the *insured firm* obtains a *policy of qualifying insurance* incepting with effect on and from the from the day immediately following expiration of the *policy period*;
- b) the date which is 90 days after the commencement of the *extended indemnity period*; or
- c) the date on which the *insured firm's practice* ceases.

**circumstances** means an incident, occurrence, fact, matter, act or omission which may give rise to a *claim* in respect of civil liability.

**claim** means a demand for, or an assertion of a right to, civil compensation or civil damages or an intimation of an intention to seek such compensation or damages. For these purposes, an obligation on an *insured firm* and/or any *insured* to remedy a breach of the *SRA Accounts Rules*, or any rules which replace them in whole or in part, shall be treated as a claim, and the obligation to remedy such breach shall be treated as a civil liability for the purposes of clause 1, whether or not any *person* makes a demand for, or an assertion of a right to, civil compensation or civil damages or an intimation of an intention to seek such compensation or damages as a result of such breach, except where any such obligation may arise as a result of the insolvency of a bank (as defined in section 87 of the *SA*) or a *building society* which holds client money in a client

account of the *insured firm* or the failure of such bank or *building society* generally to repay monies on demand.

**claimant** means a *person* or entity which has made or may make a *claim* including a *claim* for contribution or indemnity.

**Companies Acts** means the Companies Act 1985 and the Companies Act 2006.

**company** means (i) a company incorporated in a state to which the Establishment of Lawyers Directive 98/5/EC applies and registered under the Companies Acts or (ii) a *societas Europaea*.

**documents** means all:

- a) documents whether written, printed or reproduced by any other method (excluding any bearer bonds, coupons, shares, bank or currency notes, stamps or other negotiable instruments).
- b) computer systems records (excluding any bearer bonds, coupons, shares, bank or currency notes, stamps or other negotiable instruments).

the property of the *insured* or for which the *insured* is responsible

**defence costs** means legal costs and disbursements and investigative and related expenses reasonably and necessarily incurred with the consent of the *insurer* in:

- a) defending any proceedings relating to a *claim*; or
- b) conducting any proceedings for indemnity, contribution or recovery relating to a *claim*; or
- c) investigating, reducing, avoiding or compromising any actual or potential *claim*; or
- d) acting for any *insured* in connection with any investigation, inquiry or disciplinary proceeding (save in respect of any disciplinary proceeding under the authority of the *SRA* or the *Tribunal*);

and does not include any internal or overhead expenses of the *insured firm* or the *insurer* or the cost of any *insured's* time.

**director** means a director of a *company*; and in relation to a *societas Europaea* includes:

- a) in a two-tier system, a member of the management organ and a member of the supervisory organ; and
- b) in a one-tier system, a member of the administrative organ.

**employee** means any person other than a *principal*:

- a) employed or otherwise engaged in the *insured firm's practice* (including under a contract for services) including, without limitation, as a *solicitor*, lawyer, trainee solicitor or trainee lawyer, consultant, *associate*, locum tenens, agent, *appointed person*, office or clerical staff member or otherwise;
- b) seconded to work in the *insured firm's practice*; or

c) seconded by the *insured firm* to work elsewhere;

but does not include any person who is engaged by the *insured firm* under a contract for services in respect of any work where that person is required, whether under the SRA Indemnity Insurance Rules or under the rules of any other professional body, to take out or to be insured under separate professional indemnity insurance in respect of that work.

**Establishment Directive Profession** means any profession listed in Article 1.2(a) of the Establishment of Lawyers Directive 98/5/EC, including a *solicitor*, barrister or advocate of the United Kingdom

**excess** means the first amount of a *claim* which is not covered by the insurance.

**existing instructions** means instructions to carry out *legal activities* received by an *insured firm* from a client, which the *insured firm* has accepted, on terms that have been agreed by the client, prior to the *firm* becoming subject to cover under the *cessation period*.

**extended policy period** means the period commencing at the end of the *policy period* and ending on the date which is the earlier to occur of:

- a) the date, if any, on which the *insured firm* obtains a *policy of qualifying insurance* incepting on and with effect from the day immediately following the expiration of the *policy period*;
- b) the date which is 30 days after the end of the *policy period*; or
- c) the date on which the *insured firm's practice* ceases.

**FSMA** means the Financial Services and Markets Act 2000.

**indemnity period** means the period of one year starting on 1 September 2000, 2001 or 2002, the period of 13 calendar months starting on 1 September 2003, or the period of one year starting on 1 October in any subsequent calendar year.

**insolvency event** means in relation to a *participating insurer*:

- a) the appointment of a provisional liquidator, administrator, receiver or an administrative receiver; or
- b) the approval of a voluntary arrangement under Part I of the Insolvency Act 1986 or the making of any other form of arrangement, composition or compounding with its creditors generally; or
- c) the passing of a resolution for voluntary winding up where the winding up is or becomes a creditors' voluntary winding up under Part IV of the Insolvency Act 1986; or
- d) the making of a winding up order by the court; or
- e) the making of an order by the court reducing the value of one or more of the *participating insurer's* contracts under section 377 of *FSMA*; or
- f) the occurrence of any event analogous to any of the foregoing insolvency events in any jurisdiction outside England and Wales

**insured** means each *person* and entity named or described as a *person* to whom cover under this contract extends and includes, without limitation, those referred to in clause 1.3

**insured firm** means the– *authorised body* which contracted with the *insurer* to provide the insurance.

**Insured firm’s practice** means:

- a) the legal *practice* carried on by the *insured firm* as at the commencement of the *period of insurance*; and
- b) the continuous legal *practice* preceding and succeeding the *practice* referred to in paragraph (i) (irrespective of changes in ownership of the *practice*)
- c) **insurer** means the underwriter(s) of the insurance as specified in the *policy schedule*.

**lawyer of England and Wales** means:

- a) a *solicitor*; or
- b) an individual who is authorised to carry on *legal activities* in England and Wales by an *approved regulator* other than the *SRA*, but excludes a member of an *Establishment Directive Profession* registered with the Bar Standards Board under the Establishment of Lawyers Directive 98/5/EC.

**Legal Ombudsman** means the scheme administered by the Office for Legal Complaints under Part 6 of the *LSA*.

**licensed body** means a body licensed by the *SRA* under Section 71(2) of the *LSA* in accordance with the *SRA Authorisation of Firms Rules*.

**LLP** means a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000.

**LSA** means the Legal Services Act 2007.

**manager** means:

- a) a *member* of an *LLP*;
- b) a *director* of a *company*;
- c) a *partner* in a *partnership*; or
- d) in relation to any other body, a member of its governing body.

**member** means:

- a) in relation to a *company*, a *person* who has agreed to be a member of the *company* and whose name is entered in the *company's* register of members; and
- b) in relation to an *LLP*, a member of that *LLP*.

**MTC** means the minimum terms and conditions with which a *policy of qualifying insurance* is required by the SRA Indemnity Insurance Rules to comply.

**MUM** shall mean Manchester Underwriting Management Limited whose address is Link House, St Mary's Way, Chesham, Buckinghamshire, HP5 1HR

**non-SRA firm** means a *sole practitioner, partnership, LLP or company* which is not authorised to practise by the *SRA*, and which is either:

- a) authorised or capable of being authorised to practise by another *approved regulator*; or
- b) not capable of being authorised to practise by any *approved regulator*.

**overseas** means outside England and Wales.

**participating insurer** means an *authorised insurer* which has entered into a *participating insurer's agreement* with the ~~Society~~ *SRA* which remains in force for the purposes of underwriting new business at the date on which the relevant contract of *qualifying insurance* is made.

**participating insurer's agreement** means an agreement in such terms as the *SRA* may prescribe setting out the terms and conditions on which a *participating insurer* may provide professional indemnity insurance to *solicitors* and others in *private legal practice* in England and Wales.

**partner** means a *person* who is or is held out as a partner in a *partnership*.

**partnership** means an unincorporated *insured firm* in which *persons* are or are held out as *partners* and does not include an *insured firm* incorporated as an *LLP*.

**period of insurance** means the period for which the insurance operates, as stated in the schedule, but excluding the *extended policy period* and the *cessation period*.

**person** includes a body of persons (corporate or unincorporated).

**policy** means a contract of professional indemnity insurance made between one or more *persons*, each of which is a *participating insurer*, and an *authorised body*.

***policy default***

- a) means a failure on the part of an *insured firm* or any *principal* of that *firm*:
- A. to pay for more than two months after the due date for payment all or any part of the premium or any other sum due in respect of a *policy*; or
  - B. to reimburse within two months a *participating insurer* in respect of any amount falling within an *insured firm's policy* excess which has been paid on an insured's behalf to a claimant by a *participating insurer*,
- b) for the purposes of this definition, the due date for payment means, in respect of any *policy* or any payment to be made under any *policy*:
- A. the date on which such payment fell due under the terms of the *policy* or any related agreement or arrangement; or
  - B. if an *insured firm* was first required under the Solicitors' Indemnity Insurance Rules 2000 to 2010, the SRA Indemnity Insurance Rules 2011 to 2012, the SRA Indemnity Insurance Rules or any rules subsequent thereto to effect such a *policy* prior to the date on which it did so, the date if earlier on which such payment would have fallen due had such *policy* been effected by the *insured firm* when it was first required to do so under any such rules.

***policy period*** means the *period of insurance* in respect of which risks may attach under a *policy*, but excluding the *extended policy period* and the *cessation period*.

***policy schedule*** means the schedule provided together with this *policy* which sets out details relating to the insurance provided under this contract.

***practice*** means the whole or such part of the *private legal practice* of an *authorised body* as is carried on from one or more offices in England and Wales.

***principal*** means:

- a) where the *authorised body* is or was:
- A. a *recognised sole practice* – the *sole practitioner*
  - B. a *partnership* - each partner;
  - C. a *company* with a share capital - each *director* of that *company* and any *person* who:
    - (i) is held out as a *director*; or
    - (ii) beneficially owns the whole or any part of a share in the *company*; or
    - (iii) is the ultimate beneficial owner of the whole or any part of a share in the *company*;
  - D. a *company* without a share capital – each *director* of that *company* and any *person* who:

- (i) is held out as a *director*; or
- (ii) is a *member* of the *company*; or
- (iii) is the ultimate owner of the whole or any part of a *body corporate* or other legal person which is a *member* of the *company*;

E. an *LLP* – each *member* of that *LLP*, and any *person* who is the ultimate owner of the whole or any part of a *body corporate* or other legal person which is a *member* of the *LLP*.

- b) where a *body corporate* or other legal person is a *partner* in the *authorised body*, any *person* who is within paragraph (a)(C) of this definition (including sub paragraphs (i) and (iii) thereof), paragraph (a)(D) of this definition (including sub paragraphs (i) and (iii) thereof), or paragraph (a)(E) of this definition.

**prior practice** means each *practice* to which the *insured firm's practice* is ultimately a *successor practice* by way of one or more mergers, acquisitions, absorptions or other transitions, but does not include any such *practice* which has elected to be insured under run-off cover in accordance with clause 5.6(a).

**private legal practice** means the provision of services in private *practice* as a *solicitor* or *REL* in an *authorised body* including, without limitation:

- a) providing such services in England, Wales or anywhere in the world, in a *recognised sole practice*, a *recognised body* or a *licensed body* (in respect of an activity regulated by the *SRA* in accordance with the terms of the *body's* licence) and
- b) the provision of such services as a secondee of the *insured firm*; and
- c) any *insured* acting as a personal representative, *trustee*, attorney, notary, insolvency practitioner or in any other role in conjunction with a *practice*; and
- d) the provision of such services by any *employee*; and
- e) the provision of such services pro bono ;

but does not include:

- f) discharging the functions of any of the following offices or appointments:
  - A. judicial office;
  - B. Under Sheriffs;
  - C. members and clerks of such tribunals, committees, panels and boards as the *Council* may from time to time designate but including those subject to the Tribunals and Inquiries Act 1992, the Competition Commission, Legal Services Commission Review Panels and Parole Boards;
  - D. Justices' Clerks; or

- E. Superintendent Registrars and Deputy Superintendent Registrars of Births, Marriages and Deaths and Registrars of Local Crematoria.

**PUML** shall mean Pelican Underwriting Management Limited whose address is Forum House 15-18 Lime Street, London EC3M 7AN

**qualifying insurance** means a *policy* that provides professional indemnity insurance cover in accordance with the *MTC* but only to the extent required by the *MTC*.

**recognised body** means a body recognised by the *SRA* under section 9 of the Administration of Justice Act 1985.

**recognised sole practice** means the practice of a sole *solicitor* or *REL* which is recognised by the *SRA* under section 9 of the Administration of Justice Act 1985.

**REL** means a European lawyer registered in the register of European lawyers.

**relevant licensed body** means a *licensed body* other than:

- a) an unlimited company, or an *overseas* company whose members' liability for the company's debts is not limited by its constitution or by the law of its country of incorporation; or
- b) a nominee company only, holding *assets* for clients of another *practice*; and
  - (i) it can act only as agent for the other *practice*; and
  - (ii) all the individuals who are *principals* of the *licensed body* are also *principals* of the other *practice*; and
  - (iii) any fee or other income arising out of the *licensed body* accrues to the benefit of the other *practice*; or
- c) a *partnership* in which none of the *partners* is a limited company, an *LLP* or a legal person whose *members* have limited liability.

**relevant recognised body** means a *recognised body* other than:

- (a) an unlimited company, or an *overseas* company whose members' liability for the company's debts is not limited by its constitution or by the law of its country of incorporation; or
- (b) a nominee company only, holding *assets* for clients of another *practice*; and
  - (i) it can act only as agent for the other *practice*; and
  - (ii) all the individuals who are *principals* of the *recognised body* are also *principals* of the other *practice*; and

- (iii) any fee or other income arising out of the *recognised body* accrues to the benefit of the other *practice*; or
- (c) a *partnership* in which none of the *partners* is a limited company, an *LLP* or a legal person whose *members* have limited liability; or
- (d) a sole practitioner that is a recognised body.

**SA** means the Solicitors Act 1974.

**societas Europaea** means a European public limited liability company within the meaning of Article 1 of Council Regulation 2157/2001/EC.

**sole practitioner** means a *solicitor* or an *REL* who is the sole *principal* in a *practice* (other than an incorporated *practice*)

**solicitor** means a person who practises as a solicitor whether or not he or she has in force a practising certificate and also includes practice under home title of a former *REL* who has become a solicitor.

**SRA** means the Solicitors Regulation Authority

**SRA Accounts Rules** means the SRA Accounts Rules 2011.

**SRA Authorisation Rules** means the SRA Authorisation Rules 2011.

**successor practice**

- a) means a *practice* identified in this definition as 'B', where:
  - A. 'A' is the *practice* to which B succeeds; and
  - B. 'A's owner' is the owner of A immediately prior to transition; and
  - C. 'B's owner' is the owner of B immediately following transition; and
  - D. 'transition' means merger, acquisition, absorption or other transition which results in A no longer being carried on as a discrete legal *practice*.
- b) B is a *successor practice* to A where:
  - A. B is or was held out, expressly or by implication, by B's owner as being the successor of A or as incorporating A, whether such holding out is contained in notepaper, business cards, form of electronic communications, publications, promotional material or otherwise, or is contained in any statement or declaration by B's owner to any regulatory or taxation authority; and/or
  - B. (where A's owner was a *sole practitioner* and the transition occurred on or before 31 August 2000) - the *sole practitioner* is a *principal* of B's owner; and/or
  - C. (where A's owner was a *sole practitioner* and the transition occurred on or after 1 September 2000) - the *sole practitioner* is a *principal* or *employee* of B's owner; and/or

- D. (where A's owner was a *recognised body* or a *licensed body* (in respect of an activity regulated by the SRA in accordance with the terms of the body's licence)) - that body is a *principal* of B's owner; and/or
- E. (where A's owner was a *partnership*) - the majority of the *principals* of A's owner have become *principals* of B's owner; and/or
- F. (where A's owner was a *partnership* and the majority of *principals* of A's owner did not become *principals* of the owner of another legal *practice* as a result of the transition) - one or more of the *principals* of A's owner have become *principals* of B's owner and:
  - (i) B is carried on under the same name as A or a name which substantially incorporates the name of A (or a substantial part of the name of A); and/or
  - (ii) B is carried on from the same premises as A; and/or
  - (iii) the owner of B acquired the goodwill and/or assets of A; and/or
  - (iv) the owner of B assumed the liabilities of A; and/or
  - (v) the majority of staff employed by A's owner became *employees* of B's owner.
- c) Notwithstanding the foregoing, B is not a *successor practice* to A under paragraph (b)(B), (C), (D), (E) or (F) if another *practice* is or was held out by the owner of that other *practice* as the successor of A or as incorporating A, provided that there is insurance complying with the MTC in relation to that other *practice*.

**sum insured** means the *insurer's* limit of liability under a *policy* in respect of any one *claim* (exclusive of *defence costs*).

**supplementary run-off cover** means run-off cover provided by the Solicitors Indemnity Fund following the expiry of run-off cover provided to an *authorised body* in accordance with the SRA Indemnity Insurance Rules or otherwise under a *policy* (but subject to compliance with the MTC).

**Tribunal** means the Solicitors Disciplinary Tribunal which is an independent statutory tribunal constituted under section 46 of the SA

**General Interpretation**

In this contract, unless the context otherwise requires:

- (a) the singular includes the plural and vice versa;
- (b) words importing the masculine gender include the feminine and vice versa and references to the masculine or feminine include the neuter;
- (c) any headings are for ease of reference only;
- (d) "in writing" includes any form of written electronic communication normally used for business purposes, such as emails;
- (e) references to certificates, letters or other forms of written communication include references to those in both electronic and hard copy format; and
- (f) a reference to any statute, statutory provision, code or regulation includes any subordinate legislation (as defined by section 21(1) of the Interpretation Act 1978) made under it.

## **1. Scope of cover**

### **1.1 Civil liability**

Subject to the limits in clause 2, the *insurer* will indemnify each *insured* against civil liability to the extent that it arises from *private legal practice* in connection with the *insured firm's practice*, (including its *prior practice* and (unless run off cover is provided in accordance with Clause 4.3) any *successor practice*), provided that a *claim* in respect of such liability:

- (a) is first made against an insured during the period of insurance; or
- (b) is made against an *insured* during or after the *period of insurance* and arising from *circumstances* first notified to the *insurer* during the *period of insurance*.

### **1.2 Defence costs**

The *insurer* will also indemnify the *insured* against *defence costs* in relation to:

- (a) any *claim* referred to in clause 1.1 or
- (b) any *circumstances* first notified to the *insurers* during the *period of insurance*; or
- (c) any investigation or inquiry (save in respect of any disciplinary proceeding under the authority of the *SRA* and/or the *Tribunal*)) during or after the *period of insurance* arising from any *claim* referred to in clause 1.1, or from *circumstances* first notified to the *insurer* during the *period of insurance*.

### **1.3 The insured**

For the purposes of the cover under clause 1.1, the *insured* includes:

- (a) the *insured firm*; and
- (b) each service, administration, trustee or nominee *company* owned as at the date of occurrence of relevant *circumstances* by the *insured firm* and/or the *principals* of the *insured firm*; and
- (c) each *principal*, each former *principal* and each *person* who becomes a *principal* during the *period of insurance* of the *insured firm* or a *company* referred to in paragraph (b); and
- (d) each *employee*, each former *employee* and each *person* who becomes during the *period of insurance* an *employee* of the *insured firm* or a *company* referred to in paragraph (b); and
- (e) the estate or legal personal representative of any deceased or legally incapacitated *person* referred to in paragraph (c) or (d).

#### **1.4 Award by regulatory authority**

The *insurer* will indemnify each *insured* against any amount paid or payable in accordance with the recommendation of the Office for Legal Complaints (including the *Legal Ombudsman* pursuant to section 137(2)(c) and section 137(4)(b) of the *LSA*) or any other regulatory authority to the same extent as it indemnifies the *insured* against civil liability provided that the *insurer* will have no liability in respect of any determination by the *Legal Ombudsman* pursuant to section 137(2)(b) of the *LSA* to refund any fees paid to the *insured*.

#### **1.5 Loss or damage to documents**

In the event of loss or damage to *documents* which is first discovered by the *insured* during the *period of insurance* and which is notified to the *insurer* during the *period of insurance*, the *insurer* will indemnify the *insured* in respect of costs and expenses reasonably incurred by the *insured* in replacing or restoring *documents* subject to an aggregate limit of £50,000 provided that:

- (a) such loss or damage is sustained while the *documents* are either in transit or in the custody of the *insured* or of any person to whom the *insured* has entrusted them; and
- (b) where the *documents* are in electronic format, the *insured* can demonstrate to the reasonable satisfaction of the *insurer* that the *insured* had in place sufficient and proper procedures for the security and the daily back-up of *documents*.

For the purposes of this clause *documents* means anything in which information of any description is recorded (excluding bearer bonds, coupons, bank or currency notes or other negotiable instruments) which are the property of the *insured* or which have been entrusted to the *insured*.

#### **1.6 Compensation for court attendance**

In the event of the legal advisers acting on behalf of the *insured* with the consent of the *insurer* requiring any of the *insured* to attend court as a witness in connection with a *claim* made against the *insured* and notified under this insurance, the *insurer* will provide compensation at the following amount for each day or part day on which attendance is required:

- |  |      |
|--|------|
| (a) any <i>principal</i> of the <i>insured</i> | £300 |
| (b) any <i>employee</i>                        | £150 |

subject to an aggregate limit of £25,000.

### **2. Limit of insurance cover**

#### **2.1 Any one claim**

The sum insured for any one *claim* (exclusive of *defence costs*), where the *insured firm* is a *relevant recognised body* or a *relevant licensed body* (in respect of activities regulated by the *SRA* in accordance with the terms of the *insured firm's licence*), is at least £3 million, and in all other cases, at least £2 million.

#### **2.2 No limit on defence costs**

There is no monetary limit on the cover for *defence costs*.

### **2.3 Proportionate limit on defence costs**

Notwithstanding clauses 2.1 and 2.2, liability for *defence costs* in relation to a *claim* which exceeds the *sum insured* is limited to the proportion that the *sum insured* bears to the total amount paid or payable to dispose of the *claim*.

### **2.4 No other limit**

There is no limit of liability to any monetary amount (whether by way of an aggregate limit or otherwise) except as contemplated by clauses 2.1 and 2.3.

### **2.5 One claim**

When considering what may be regarded as one *claim* for the purposes of the limits contemplated by clauses 2.1 and 2.3:

(a) all *claims* against any one or more *insured* arising from:

- (i) one act or omission;
  - (ii) one series of related acts or omissions;
  - (iii) the same act or omission in a series of related matters or transactions;
  - (iv) similar acts or omissions in a series of related matters or transactions
- and

(b) all *claims* against one or more *insured* arising from one matter or transaction

will be regarded as one *claim*.

## **3. Excesses**

### **3.1 The excess**

The *insured* will bear the first amount of each and every *claim* up to the amount of the *excess* as specified in the *policy schedule*.

### **3.2 No deductibles**

The *excess* does not reduce the limit of liability contemplated by clause 2.1.

### **3.3 Excess not to apply to defence costs**

The *excess* does not apply to *defence costs*.

### **3.4 Funding of the excess**

If an *insured* fails to pay to a *claimant* any amount which is within the *excess* within 30 days of it becoming due for payment, the *claimant* may give notice of the *insured's* default to the *insurer*, whereupon the *insurer* is liable to remedy the default on the *insured's* behalf. Any amount paid by the *insurer* to remedy such a default erodes the *sum insured*.

### **3.5 One claim**

All *claims* against any one or more *insured* which are regarded as one *claim* in accordance with clause 2.5 shall be regarded as one *claim* for the purposes of the *excess* under clause 3.1.

## **4. Special conditions**

### **4.1 No avoidance or repudiation**

The *insurer* is not entitled to avoid or repudiate this contract on any grounds whatsoever including, without limitation, any breach of the duty to make a fair presentation of the risk, or any misrepresentation, in each case whether fraudulent or not.

### **4.2 No adjustment or denial**

The *insurer* is not entitled to reduce or deny its liability under this contract on any grounds whatsoever including, without limitation, any breach of any term or condition of this contract, except to the extent that one of the exclusions contained in clause 6 applies.

### **4.3 No cancellation**

This contract cannot be cancelled except (in the case of (a), (b) or (c) below) by the agreement of both the

*insured firm* and the *insurer*, and in any event only in circumstances where:

- (a) the *insured firm's practice* is merged into a *successor practice*, provided that there is insurance complying with the *MTC* in relation to that *successor practice*, in which case cancellation shall have effect no earlier than the date of such merger; or
- (b) replacement insurance, complying with the *MTC* in effect at its commencement, commences, in which case cancellation shall have effect no earlier than the date on which such replacement insurance commences; or
- (c) it subsequently transpires that the *insured firm* is not required under the ~~SIR~~ Solicitors' Indemnity Insurance Rules 2000 to 2010, the SRA Indemnity Insurance Rules 2011 to 2012, the SRA Indemnity Insurance Rules or any rules subsequent thereto to effect a *policy of qualifying insurance*, in which case cancellation shall have effect from the later of (a) the start of the relevant *policy period* and (b) the date on which the *insured firm* ceased to be required to effect a *policy of qualifying insurance*, or such later date as the *insured firm* and the *insurer* may agree.

Cancellation will not affect the rights and obligations of the parties accrued under this contract prior to the date from which cancellation has effect.

### **4.4 No set-off**

Any amount payable by the *insurer* to indemnify an *insured* against civil liability to a *claimant* will be paid only to the *claimant*, or at the *claimant's* direction, and that the *insurer* is not entitled to set-off against any such amount any payment due to it by any *insured* including, without limitation, any payment of premium or to reimburse the *insurer*.

#### **4.5 No 'other insurance' provision**

The liability of the *insurer* under this contract is not reduced or excluded by reason of the existence or availability of any other insurance other than: (i) under clause 6.1; or (ii) where the *insured*, having entered the *extended policy period* or *cessation period*, obtains a *policy of qualifying insurance* that incepts from and with effect from the expiration of the *policy period*. For the avoidance of doubt and subject to the provisions of the *participating insurer's agreement*, this requirement is not intended to affect any right of the *insurer* to claim contribution from any other insurer which is also liable to indemnify any *insured*.

#### **4.6 No retroactive date**

This contract does not exclude or limit the liability of the *insurer* in respect of *claims* arising from incidents, occurrences, facts, matters, acts and/or omissions which occurred prior to a specified date.

#### **4.7 Successor practice - 'double insurance'**

If the *insured firm's practice* is succeeded during the *period of insurance* and, as a result, a situation of 'double insurance' exists between two or more insurers of the *successor practice*, contribution between insurers is to be determined in accordance with the relative numbers of *principals* of the owners of the constituent *practices* immediately prior to succession.

#### **4.8 Advancement of defence costs**

The *insurer* will meet *defence costs* as and when they are incurred, including *defence costs* incurred on behalf of an *insured* who is alleged to have committed or condoned dishonesty or a fraudulent act or omission, provided that the *insurer* is not liable for *defence costs* incurred on behalf of that *insured* after the earlier of:

- (a) that *insured* admitting to the *insurer* the commission or condoning of such dishonesty, act or omission; or
- (b) a court or other judicial body finding that that *insured* was in fact guilty of such dishonesty, act or omission.

#### **4.9 Resolution of disputes**

If there is a dispute as to whether a *practice* is a *successor practice* for the purposes of clauses 1.1 or 5.6, the *insured* and the *insurer* will take all reasonable steps (including, if appropriate, referring the dispute to arbitration) to resolve the dispute in conjunction with any related dispute between any other party which has insurance complying with the *MTC* and that party's insurer.

#### **4.10 Conduct of a claim pending dispute resolution**

Pending resolution of any coverage dispute and without prejudice to any issue in dispute, the *insurer* will, if so directed by the *SRA* conduct any *claim*, advance *defence costs* and, if appropriate, compromise and pay the *claim*. If the *SRA* is satisfied that:

- (a) the party requesting the direction has taken all reasonable steps to resolve the dispute with the other party/ies; and

- (b) there is a reasonable prospect that the coverage dispute will be resolved or determined in the *insured's* favour; and
- (c) it is fair and equitable in all the circumstances for such direction to be given;

it may in its absolute discretion make such a direction.

#### **4.11 Variation for multi-year policies**

The *insurer* shall vary the terms of this contract to give effect to any variation to the SRA Indemnity Insurance Rules, the Glossary and/or the *MTC*, such variation to be implemented by the *insurer*:

- (a) on the date of any renewal or replacement of the insurance or any extension to the *period of insurance* occurring in that *indemnity period*; or
- (b) on each date falling in 18 month intervals from the commencement of the *policy period* where no variation has occurred by reason of clause 4.11(a) within the immediately preceding 18 month period.

save that no variation shall be required under 4.11(b) where the date on which variation would have been required is a date within the *extended policy period* or the *cessation period*.

#### **4.12 Minimum terms and conditions to prevail**

This contract is to be construed or rectified so as to comply with the requirements of the *MTC* (including any amendment pursuant to clause 4.11) and any provision which is inconsistent with the *MTC* (including any amendment pursuant to clause 4.11) is to be severed or rectified to comply.

### **5. Extended policy period and run-off cover**

#### **5.1 Extended policy period**

This contract provides cover, complying with the *MTC* for the duration of the *extended policy period* where the *insured firm* has not, prior to the expiration of the *policy period*, obtained insurance complying with the *MTC* and incepting on and with effect from the day immediately following the expiration of the *policy period*.

#### **5.2 Cessation period**

This contract provides cover, complying with the *MTC* for the duration of the *cessation period* where an *insured firm* has not, prior to the expiration of the *extended policy period*, obtained insurance complying with the *MTC* and incepting on and with effect from the day immediately following the expiration of the *policy period*.

#### **5.3 Scope of cover during the extended policy period and the cessation period**

This contract provides cover in respect of the *extended policy period* referred to in clause 5.1 and the *cessation period* referred to in clause 5.2.

#### 5.4 Run-off cover

This contract provides run-off cover:

- (a) in the event of a *cessation* that occurs during or on expiration of the *policy period*;
- (b) in the event of a *cessation* that occurs during the *extended policy period* or the *cessation period*; or
- (c) from the expiration of the *cessation period*;

and for the purposes of this clause 5.4, an *insured firm's practice* shall (without limitation) be regarded as ceasing if (and with effect from the date upon which) the *insured firm* becomes a *non-SRA firm*.

#### 5.5 Scope of run-off cover

The run-off cover referred to in clause 5.4 will:

- (a) indemnify each *insured* in accordance with clauses 1.1 to 1.8 6;
- (b) provide a minimum level of insurance cover in accordance with clauses 2.1 and 2.3;
- (c) be subject to the exclusions and conditions set out in this contract; and
- (d) extend the *period of insurance* for an additional six years (ending on the sixth anniversary of the date upon which, but for this requirement, it would have ended, and for the avoidance of doubt, including the *extended policy period* and *cessation period*), save that in respect of run-off cover provided under clause 5.4(c), such run-off cover shall not operate to indemnify any *insured* for civil liability arising from acts or omissions of such *insured* occurring after the expiration of the *cessation period* .

The *insurer* may charge an additional premium in the event that run-off cover referred to in clause 5.4 is provided, calculated as set out in the *policy schedule*.

#### 5.6 Succession

If there is a *successor practice* to the *ceased practice*, the *insured firm* may elect before its *cessation*, whether it wishes the *ceased practice*:

- (a) to be insured under the run-off cover referred to in clause 5.4(a) or
- (b) provided that there is insurance complying with the *MTC* in relation to that *successor practice*, to be insured as a *prior practice* under such insurance.

If the *insured firm* fails to make an election and/or fails to pay any premium due under the terms of the *policy*, before its *cessation*, clause 5.6(b) above shall apply.

#### 5.7 Suspended practices

Where run-off cover has been activated in accordance with this clause 5, but where the *insured firm's practice* restarts, the *insurer* may (but shall not be obliged to) cancel such run-off cover, on such terms as may be agreed, provided that:

- (a) there is insurance complying with the *MTC* in relation to that *insured firm* in force on the date of cancellation;
- (b) the *participating insurer* providing such insurance confirms in writing to the *insured firm* and the *insurer* (if different) that:
  - (i) it is providing insurance complying with the *MTC* in relation to that *insured firm* for the then current *indemnity period*; and
  - (ii) it is doing so on the basis that the *insured firm's practice* is regarded as being a continuation of the *insured firm's practice* prior to *cessation* and that accordingly it is liable for *claims* against the *insured firm* arising from incidents, occurrences, facts, matters, acts and/or omissions which occurred prior to *cessation*.

## 5.8 Notification to the insurer

The *insured firm* will give notice in accordance with the instructions set out in the *policy schedule* as soon as practicable in the event of:

- (a) the *insured firm* failing to obtain insurance complying with the *MTC* prior to the expiration of the *policy period*; or
- (b) the *insured firm* failing to obtain insurance complying with the *MTC* prior to the expiration of any *extended policy period*; or
- (c) the *insured firm* obtaining insurance complying with the *MTC* prior to the expiration of any *extended policy period* or any *cessation period*; or
- (d) the cessation of the *insured firm's practice*; or
- (e) a *successor practice* succeeding to all or any part of the *practice* of the *insured firm*.

## 5.9 Transfer to another approved regulator

Clause 5.4 above does not apply where the *insured firm* becomes an *authorised non-SRA firm* provided that the *approved regulator* of the *authorised non-SRA firm* is a signatory to the switching between *approved regulators* protocol

## 6. Exclusions

The liability of the *insurer* under this contract is not excluded or limited except to the extent that any *claim* or related *defence costs* arise from the matters set out in this clause 6.

### 6.1 Prior cover

Any *claim* in respect of which the *insured* is entitled to be indemnified by the *SIF* or under a professional indemnity insurance contract for a period earlier than the *period of insurance*, whether by reason of notification of *circumstances* to *SIF* or under the earlier contract or otherwise.

## **6.2 Death or bodily injury**

Any liability of any *insured* for causing or contributing to death or bodily injury, except that the insurance must nonetheless cover liability for psychological injury or emotional distress which arises from a breach of duty in the performance of (or failure to perform) legal work.

## **6.3 Property damage**

Any liability of any *insured* for causing or contributing to damage to, or destruction or physical loss of, any property (other than property in the care, custody or control of any *insured* in connection with the *insured firm's practice* and not occupied or used in the course of the *insured firm's practice*), except that this contract must nonetheless cover liability for such damage, destruction or loss which arises from breach of duty in the performance of (or failure to perform) legal work.

## **6.4 Partnership disputes**

Any actual or alleged breach of the *insured firm's partnership* or shareholder agreement or arrangements, including any equivalent agreement or arrangement where the *insured firm* is an *LLP* or a company without a share capital.

## **6.5 Employment breaches, discrimination, etc.**

Wrongful dismissal, repudiation or breach of an employment contract or arrangement, termination of a training contract, harassment, discrimination or like conduct in relation to any *partnership* or shareholder agreement or arrangement or the equivalent where the *insured firm* is an *LLP* or a company without a share capital, or in relation to any employment or training agreement or arrangement.

## **6.6 Debts and trading liabilities**

Any:

- (a) trading or personal debt of any *insured*; or
- (b) legal liability assumed or accepted by an *insured* or an *insured firm* under any contract or agreement for the supply to, or use by, the *insured* or *insured firm* of goods or services in the course of the *insured firm's practice*, save that this exclusion 6.6(b) will not apply to any legal liability arising in the course of an *insured firm's practice* in connection with its or any *insured's* use of or access to the HM Land Registry network (including, without limitation, access under a Network Access Agreement made under the Land Registration (Network Access) Rules and the Land Registration (Electronic Communications) Order 2007) other than an obligation to pay search fees or other charges for searches or services provided by HM Land Registry to the *insured firm*; or
- (c) guarantee, indemnity or undertaking by any particular *insured* in connection with the provision of finance, property, assistance or other benefit or advantage directly or indirectly to that *insured*.

## 6.7 Fines, penalties, etc

Any:

- (a) fine or penalty; or
- (b) award of punitive, exemplary or like damages under the law of the United States of America or Canada, other than in respect of defamation; or
- (c) order or agreement to pay the costs of a complainant, regulator, investigator or prosecutor of any professional conduct complaint against, or investigation into the professional conduct of, any *insured*.

## 6.8 Fraud or dishonesty

The *insurer* is not liable to indemnify any particular *person* to the extent that any civil liability or related *defence costs* arise from dishonesty or a fraudulent act or omission committed or condoned by that *person*, except that:

- (a) This contract nonetheless covers each other *insured*; and
- (b) no dishonesty, act or omission will be imputed to a body corporate unless it was committed or condoned by, in the case of a company, all directors of that company, or in the case of an *LLP*, all members of that *LLP*.

## 6.9 Directors' or officers' liability

The *insurer* is not liable to indemnify any natural person in their capacity as a director or officer of a body corporate (other than a *recognised body, licensed body* (in respect of its *regulated activities*) or a service, administration, trustee or nominee company referred to in clauses (b), (b) or (b)) except that:

- (a) this contract nonetheless covers any liability of that *person* which arises from a breach of duty in the performance of (or failure to perform) legal work; and
- (b) this contract nonetheless covers each other *insured* against any vicarious or joint liability.

## 6.10 War and terrorism, and asbestos

The *insurer* is not liable to indemnify any insured in respect of, or in any way in connection with:

- (a) terrorism, war or other hostilities; or
- (b) asbestos, or any actual or alleged asbestos-related injury or damage involving the use, presence, existence, detection, removal, elimination or avoidance of asbestos or exposure to asbestos.

provided that nothing in this clause 6.10 shall exclude or limit any liability of the *insurer* to indemnify any *insured* against civil liability or related *defence costs* arising from any actual or alleged breach of duty in the performance of (or failure to perform) legal work or failure to discharge or fulfil any duty incidental to the *insured firm's practice* or to the conduct of *private legal practice*.

## **6.11 International trade sanctions**

The *insurer* does not provide cover and shall not be liable to pay any *claim* or provide any benefit under the insurance to the extent that the provision of such cover, payment of such *claim* or provision of such benefit would expose the *insurer* to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom, Australia or United States of America.

## **7. General conditions**

### **7.1 Special conditions**

To the extent of any inconsistency between the provisions of this clause 7 and the special conditions in clause 4, the special conditions in clause 4 shall prevail.

### **7.2 Notice of claims and circumstances**

The *insured* will give notice in writing to the *insurer* as soon as is reasonably practicable of any:

- (a) *claim* first made against any *insured* during the *period of insurance*; or
- (b) *circumstances* of which any *insured* first became aware during the *period of insurance*; or
- (c) investigation, enquiry or disciplinary proceedings against any *insured* during the *period of insurance* or after the *period of insurance* if in any way relevant to any *claim* made or *circumstances* notified during the *period of insurance*; or
- (d) reasonable suspicion that the *insured* may have of fraud or dishonesty on the part of any *insured* whether or not giving rise to a claim.

For the purposes of this clause 7.2, notice shall be given in accordance with the instructions set out in the *policy schedule*.

### **7.3 Co-operation and assistance**

Each *insured* will give the *insurer* and any intermediaries, investigators or solicitors appointed by the *insurer* all information and documents they reasonably require, and full co-operation and assistance in the investigation, defence, settlement, avoidance or reduction of any actual or possible *claim* or any related proceeding.

### **7.4 Conduct of any proceeding**

The *insurer* may at its option take over and conduct, in such manner as it in its absolute discretion thinks fit, in the name of any *insured* any proceeding arising out of or relating to any *claim* in respect of which the *insurer* is or may be liable to indemnify any *insured* under this contract.

### **7.5 No admission of liability**

The *insured* will not, without the prior consent in writing of the *insurer*, admit liability for or settle any *claim* in respect of which the *insurer* is or may be liable to indemnify any *insured* under this contract. If the *insured firm* wishes a *claim* to be settled, but the *insurer* does not, the *insurer* will brief senior counsel (to be mutually selected or, in default of agreement, to be selected by

the SRA) to advise on whether or not the *claim* against the *insured* is likely to succeed. If counsel's advice is that the *claim* is likely to succeed, the *insurer* shall take such steps as are mutually agreed to settle the *claim* on terms to be mutually agreed or, in default of agreement, such steps and such terms as counsel advises having due regard to the interests of both the *insured* and the *insurer*. Counsel's fee will in each case be payable by the party against whose contention counsel advised.

## 7.6 Subrogation

If any payment is made by the *insurer* in respect of a *claim* against any *insured*, the *insurer* will be subrogated to all rights of the *insured* of indemnity, contribution or recovery to the extent of that payment. The *insured* will not surrender any such right, or settle any such *claim* for indemnity, contribution or recovery, without the prior consent in writing of the *insurer*.

## 7.7 Reimbursement

Each *insured* who:

- (a) committed or condoned (whether knowingly or recklessly):
  - (i) any breach of the duty to make a fair presentation of the risk; or
  - (ii) any misrepresentation; or
  - (iii) any breach of the terms or conditions of this contract; or
  - (iv) dishonesty or any fraudulent act or omission; or
- (b) undertakes, either itself or by any of its *principals*, *employees*, consultants or agents or any person on its behalf, any activity during the *cessation period* in connection with *private legal practice* save to the extent that the activity is undertaken to discharge any of its obligations within the scope of its *existing instructions* or is necessary in connection with the discharge of any such obligation,

will reimburse the *insurer* to the extent that is just and equitable having regard to the prejudice caused to the *insurer's* interests by such failure to make a fair presentation of the risk, misrepresentation, breach, dishonesty, act or omission, provided that no *insured* shall be required to make any such reimbursement to the extent that any such breach of the terms or conditions of this contract was in order to comply with any applicable regulatory arrangements of the SRA.

No failure to make a fair presentation of the risk, misrepresentation, breach, dishonesty, act or omission will be imputed to a *body corporate* unless it was committed or condoned by, in the case of a *company*, all *directors* of that *company*, or in the case of an *LLP*, all members of that *LLP*. Any right of reimbursement under by this clause 7.7 against any *person* referred to in clauses (d), (d) or (d) (or against the estate or legal personal representative of any such *person* if they die or become legally incapacitated) is limited to the extent that is just and equitable having regard to the prejudice caused to the *insurer's* interests by that *person* having committed or condoned (whether knowingly or recklessly) the failure to make a fair presentation of the risk, misrepresentation, breach, dishonesty, or any fraudulent act or omission.

#### **7.8 Reimbursement of defence costs**

Each *insured* will reimburse the *insurer* for *defence costs* advanced on that *insured's* behalf which the *insurer* is not ultimately liable to pay.

#### **7.9 Reimbursement of the excess**

Those *persons* who are at any time during the *period of insurance principals* of the *insured firm*, together with, in relation to a *sole practitioner*, any *person* held out as a *partner* of that practitioner, will reimburse the *insurer* for any *excess* paid by the *insurer* on an *insured's* behalf. The *sum insured* must be reinstated to the extent of reimbursement of any amount which eroded it as contemplated by clause 3.4.

#### **7.10 Reimbursement of moneys paid pending dispute resolution**

Each *insured* will reimburse the *insurer* following resolution of any coverage dispute for any amount paid by the *insurer* on that *insured's* behalf which, on the basis of the resolution of the dispute, the *insurer* is not ultimately liable to pay.

#### **7.11 Withholding assets or entitlements**

The *insured firm* will account to the *insurer* for any asset or entitlement of any *person* who committed or condoned any dishonesty or fraudulent act or omission, provided that the *insured firm* is legally entitled to withhold that asset or entitlement from that *person*.

#### **7.12 Premium**

The premium will be calculated on such basis as the *insurer* determines and the *insured firm* accepts including, without limitation, a basis which recognises *claims* history, categories of work performed by the *insured firm*, numbers of *principals* and *employees*, revenue derived from the *insured firm's practice* and other risk factors determined by the *insurer*.

#### **7.13 Law and jurisdiction**

Any dispute or *claim* (including non-contractual disputes or *claims*) arising out of or in connection this Insurance shall be governed and construed in accordance with the law of England and Wales and (subject to clause 4.9) are subject to the exclusive jurisdiction of the courts of England and Wales.



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