

Institute of Linguists Professional Indemnity Insurance

Policy Wording

1. WHAT IS COVERED?

1.1 Claims Against You

- 1.1.1 If during the Period of Insurance, and as a result of Your Business Activity within the Geographical Limits for clients, any party brings a claim against You for:
 - 1.1.1.1 negligence or breach of a duty of care,
 - 1.1.1.2 negligent misstatement or negligent misrepresentation,
 - 1.1.1.3 infringement of intellectual property rights including copyright, patent, trademark or moral rights or any act of passing-off,
 - 1.1.1.4 defamation,
 - 1.1.1.5 dishonesty of Your individual partners, directors, employees or self-employed freelancers directly contracted to You and under Your supervision,
- 1.1.2 We will indemnify You against the sums You have to pay as compensation.
- 1.1.3 We will pay Defence Costs but We will not pay costs for any part of a claim not covered by this section.

1.2 Avoiding a Potential Claim

- 1.2.1 If Your client has reasonable grounds for being dissatisfied with the work You have done, refuses against You to pay for any or all of it, including amounts You legally owe to sub-contractors at the date of the refusal, and threatens to bring a claim against You for more than the amount owed, it may be possible to settle the dispute with the client by Your agreeing not to press for the disputed amount. If so, We will pay You the amount owed to You at that time if We believe that this will avoid a legitimate claim for a greater amount and We have given Our prior written approval to settling in this way and for this amount.
- 1.2.2 Alternatively, if it is not possible to reach agreement with the client on this basis but We still believe that by not pressing for the disputed amount You will avoid a legitimate claim or counterclaim for a greater amount, We will pay the amount owed to You at that time. If a claim is still brought, We will deal with it but Our total payment, including what We have already paid You or on Your behalf, will not exceed the applicable limit of indemnity shown in the schedule. You must return the amount We have paid if You eventually recover the debt less Your reasonable expenses.
- 1.2.3 Once We agree to make this payment You will assign to Us such rights as You have in relation to the amounts owed to You.
- 1.2.4 We will not make any payment for any part of a claim not covered by this section.

1.3 Your Own Losses

- 1.3.1 Loss of Documents
 - If during the Period of Insurance any document, information or data of yours which is necessary for the performance of Your Business Activity is lost, damaged or destroyed while in Your possession, We will cover You against the cost of restoring or replacing it.

2. SPECIAL DEFINITIONS FOR THIS SECTION

2.1 Business Activity

The activities shown in the Schedule, which You perform in the course of Your Business.

2.2 Defence Costs

Costs incurred with Our prior written agreement to investigate, settle or defend a claim against You.

2.3 You/Your

Also includes any person who was, is or during the Period of Insurance becomes Your partner or director or senior manager in actual control of Your operations.

3. GENERAL DEFINITIONS

The words defined below are used throughout this Policy. Any other definitions are shown in the section to which they apply.

3.1 Asbestos Risks

- 3.1.1 the mining, processing, manufacturing, use, testing, ownership, sale or removal of asbestos, asbestos fibres or material containing asbestos; or
- 3.1.2 exposure to asbestos, asbestos fibres or materials containing asbestos; or
- 3.1.3 the provision of instructions, recommendations, notices, warnings, supervision or advice given, or which should have been given, in connection with asbestos, asbestos fibres or structures or materials containing asbestos

3.2 Business

Your business or profession as shown in the schedule.

3.3 Confiscation

Confiscation, nationalisation, requisition or destruction of or damage to property by or under the order of any government or public or local authority.

3.4 Date Recognition

Any failure by any equipment (including any hardware or software) to correctly recognise any given date or to process any data or to operate properly due to any failure to correctly recognise any given date.

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3.5 Endorsement

A change to the terms of the Policy.

3.6 Excess

The amount You must bear as the first part of each agreed claim.

3.7 Geographical Limits

The geographical area shown in the schedule.

3.8 Nuclear Risks

3.8.1 Any sort of nuclear material, nuclear reaction, nuclear radiation or radioactive contamination;

3.8.2 any products or services which include, involve or relate in any way to anything in (2.8.1) above, or the storage, handling or disposal of anything in (2.8.1) above;

3.8.3 all operations carried out on any site or premises on which anything in (2.8.1) or (2.8.2) above is located.

3.9 Period of Insurance

The time for which this Policy is in force as shown in the schedule.

3.10 Policy

This insurance document and the schedule, including any Endorsements.

3.11 Terrorism

3.11.1 An act, or the threat of an act, by any person or group of persons, whether acting alone or on behalf of or in connection with any organisation or government, that is committed for political, religious, ideological or similar purposes; and

3.11.2 Is intended to influence any government or to put the public, or any section of the public, in fear; and

3.11.2.1 Involves violence against one or more persons; or

3.11.2.2 Involves damage to property; or

3.11.2.3 Endangers life other than that of the person committing the action; or

3.11.2.4 Creates a risk to health or safety of the public or a section of the public; or

3.11.2.5 Is designed to interfere with or to disrupt an electronic system.

3.12 Virus

A piece of unauthorised executable code which propagates itself through Your computer system or network.

3.13 War

War, invasion, act of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power.

3.14 We / Us / Our

Hiscox Insurance Company Limited.

3.15 You / Your

The insured named in the schedule

4. WHAT IS NOT COVERED?

We will not make any payment for any claim or loss directly or indirectly due to:

4.1 Matters Specific To Your Business

4.1.1 any investment of, or direct advice on the investment of, client funds.

4.1.2 any survey or valuation of physical property or any construction or erection work, other than heating, lighting, electrical, venting and other work normally undertaken by a building services engineer.

4.1.3 Your operation or administration of any pension or employee benefit scheme or trust fund, or the sale or purchase of or dealing in any stocks, shares or securities or the misuse of any information relating to them, or Your breach of any legislation or regulation related to these activities.

4.1.4 Your liability for any breach of any taxation, competition, restraint of trade or anti-trust legislation or regulation.

4.1.5 any pollution or contamination, including noise, electromagnetic fields, radiation and radio waves.

4.1.6 the work of any personnel supplied by You to a client, unless You have breached a duty of care in supplying them.

4.1.7 transmission of a computer Virus.

4.1.8 Your liability under any contract which is greater than the liability You would have at law without the contract.

4.2 Matters Insurable Elsewhere

4.2.1 the death or any bodily or mental injury or disease suffered by anyone, unless arising directly from Your breach of a duty of care in the performance of a Business Activity.

4.2.2 anyone's employment with or work for You, or any breach of an obligation owed by You as an employer or any kind of discrimination, harassment or unfair treatment.

4.2.3 the ownership, possession or use of any land or building, any animal, any aircraft, watercraft or any motor vehicle.

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4.2.4 the loss, damage or destruction of any tangible property:

4.2.4.1 other than documents in Your care, custody or control in connection with a Business Activity for a client or;

4.2.4.2 unless arising directly from Your breach of a duty of care in the performance of a Business Activity.

This clause does not apply to Your own loss under the Loss of Documents cover in What is Covered.

4.2.5 the loss, damage or destruction of any bearer bonds, coupons, share certificates, stamps, money or other negotiable paper.

4.2.6 the loss or distortion of any data held electronically.

4.2.7 any personal liability incurred by a director or officer of Yours when acting in that capacity or managing Your business, or Your breach of any fiduciary duty, or any statement, representation or information concerning You or Your business contained in Your accounts, reports or financial statements.

4.2.8 Your supply, manufacture, sale, installation or maintenance of any product.

4.3 Deliberate, Reckless or Dishonest Acts

4.3.4 any statement You knew, or ought reasonably to have known, was defamatory at the time of publication.

4.3.5 any act, breach, omission or infringement You deliberately, spitefully, dishonestly or recklessly commit, condone or ignore. This does not apply to any claim or Your own loss under the dishonesty cover in What is covered, but We will not in any event provide cover to any party who actually commits, condones or ignores any dishonesty.

4.4 Pre-Existing Problems

any shortcoming, or alleged shortcoming, in Your work which You knew about, or ought reasonably to have known about, before We agreed to insure You.

4.5 Date Recognition

Date Recognition.

4.6 War, Terrorism and Nuclear

War, Terrorism or Nuclear Risks.

4.7 Asbestos

Asbestos Risks.

We will not make any payment for:

4.8 Claims Brought By A Related Party

any claim brought by an insured within the definition of You or any party with a financial, related party executive or managerial interest in You, including any parent company or any party in which You have a financial, executive or managerial interest, including any subsidiary company. This does not apply to a claim based on a liability to an independent third party directly arising out of the performance of Your Business Activity.

4.9 Restricted Recovery Rights

that part of any claim where Your right of recovery is restricted by any contract.

4.10 Consequential Loss

Your lost profit, mark-up or liability for VAT or its equivalent.

4.11 Trading Losses

any trading loss or trading liability including those arising from the loss of any client, account or Business.

4.12 Non-Compensatory Payments

finances and contractual penalties, aggravated, punitive or exemplary damages, and additional damages under section 97(2) of the Copyright, Designs and Patents Act 1988 or any statutory successor to that section.

4.13 Claims Outside the Applicable Courts

any claim, including arbitration, brought outside the countries set out in the schedule under Applicable Courts.

This applies to proceedings in the applicable courts to enforce, or which are based on, a judgment or award from outside the applicable courts.

5. HOW MUCH WE WILL PAY

5.1 The most We will pay for the total of all claims, losses and Defence Costs is the single limit of indemnity shown in the schedule, irrespective of the number of claims. You must pay the Excess shown in the schedule for each claim, including Defence Costs.

5.2 For lost, damaged or destroyed documents, information or data, We will pay the reasonable expenses You incur with Our prior written consent in restoring or replacing them

5.3 At any stage of a claim We can pay You the applicable limit of indemnity or what remains after any earlier payment from that limit. This includes Defence Costs already incurred at the date of Our payment. We will then have no further liability for any claim, loss or costs.

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6. YOUR OBLIGATIONS

If a Problem Arises

We will not make any payment under this section:

- 6.1 unless You notify Us promptly of the following within the Period of Insurance or at the latest within 14 days after it expires for any problem You first become aware of in the seven days before expiry:
 - 6.1.1 Your first awareness of a shortcoming in Your work for a client which is likely to lead to a claim against You. This includes any criticism of Your work even though regarded by You as unjustifiable.
If We accept Your notification We will regard any subsequent claim as notified to this insurance.
 - 6.1.2 any claim or threatened claim against You.
 - 6.1.3 Your discovery, or the existence of reasonable grounds for Your suspicion, that any partner, director, employee or self-employed freelancer has acted dishonestly.
 - 6.1.4 Your discovery that any document, information or data of yours has been lost, damaged or destroyed.
- 6.2 if, when dealing with Your client or a third party, You admit that You are liable for what has happened or make any offer, deal or payment, unless You have Our prior written agreement. You must also not reveal the amount of cover available under this insurance, unless You had to give these details in negotiating a contract with Your client or have Our prior written agreement.

7. CONTROL OF DEFENCE

- 7.1 We have the right, but not the obligation, to take control of and conduct in Your name, the investigation, settlement or defence of any claim. If We think it necessary We will appoint an adjuster, solicitor or any other appropriate person to deal with the claim. We may appoint Your own solicitor but on a similar fee basis as Our solicitor and only for work done with Our prior written approval. Proceedings will only be defended if there is a reasonable prospect of success and taking into account the commercial considerations of the costs of defence.

8. GENERAL CLAIMS CONDITIONS

The following claims conditions apply to the whole of this Policy. Any other claims conditions and procedures are shown in the section to which they apply.

8.1 Your Obligations

We will not make any payment under this Policy unless You:

- 8.1.1 give Us prompt notice of anything which is likely to give rise to a claim under this Policy, in accordance with the terms of each section;
- 8.1.2 give Us, at Your expense, any information which We may reasonably require and co-operate fully in the investigation of any claim under this Policy;
- 8.1.3 make every reasonable effort to minimise any loss, damage or liability and take appropriate emergency measures immediately if they are required to reduce any claim;
- 8.1.4 give Us all assistance which We may reasonably require to pursue recovery of amounts We may become liable to pay under this Policy, in Your name but at Our expense.

8.2 Fraud

If You, or anyone on Your behalf, tries to deceive Us by deliberately giving Us false information or making a fraudulent claim under this Policy then We will treat this Policy as if it had never existed.

9. CLAIMS NOTIFICATION

- 9.1 Initial notification of a claim or potential claim and request for a claim form must be made by the Insured in writing to:

Trafalgar Risk Management Ltd
The Lloyds Building
12 Leadenhall Street
London EC3V 1LP
Tel: 0333 800 0000
Fax: 0333 800 0001
E-mail: info@trafalgar.uk.com

10. CONDITIONS PRECEDENT

- 10.1 General Conditions 11.2, 11.3 and 11.4 below, General Claims Condition 8.1 and the conditions shown in each section under the heading Your Obligations are all conditions precedent to Our liability.
- 10.2 We will not make any payment under this insurance unless You comply with all the requirements of those conditions.

11. GENERAL CONDITIONS

The following conditions apply to the whole of this Policy. Any other conditions are shown in the section to which they apply.

11.1 Basis of Insurance

Because of its importance, all information which You or anyone on Your behalf provided before We agreed to insure You is incorporated into and forms the basis of this Policy.

All facts and matters which might be relevant to Our consideration of Your proposal must be disclosed and all material representations made to Us must be true, otherwise We are entitled to treat this insurance as if it had never existed.

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11.2 Change of Circumstances

You must tell Us as soon as reasonably possible of any change in circumstances during the Period of Insurance which may materially affect this Policy. (A material fact or circumstance is one which might affect Our decision to provide insurance or the conditions of that insurance.) We may then change the terms and conditions of this Policy.

11.3 Due Diligence

You must take reasonable steps to prevent accident or injury and to protect Your property against loss or damage. You must keep any property insured under this Policy in good condition and repair.

11.4 Premium Payment

We will not make any payment under this Policy unless You have paid the premium.

11.5 Cancellation

You or We can cancel the Policy by giving 30 days' written notice. We will give You a refund of the premium for the remaining period.

If You pay the premium by instalments and an instalment remains unpaid after 14 days, We may cancel this Policy from the date the last instalment was due.

11.6 Multiple Insured's

The most We will pay is the relevant amount shown in the schedule.

If more than one insured is named in the schedule, the total amount We will pay will not exceed the amount We would be liable to pay to any one of You. You agree that the insured named in the schedule, or if there is more than one insured named in the schedule the first of them, is authorised to receive all notices and agree any amendments to the Policy.

11.7 Aggregate Limit

Where this Policy specifies an aggregate limit, this means Our maximum payment for all relevant claims or losses covered under the Policy during the Period of Insurance.

If the Period of Insurance is continuous, the aggregate limit will apply to all relevant claims or losses covered under the Policy during the 12 months from the date the continuous cover starts. Each aggregate limit will be reinstated to the level shown in the schedule at each anniversary.

11.8 Rights of Third Parties

You and We are the only parties to this Policy. Nothing in this Policy is intended to give any person any right to enforce any term of this Policy which that person would not have had but for the Contracts (Rights of Third Parties) Act 1999.

11.9 Other Insurance

This Policy does not cover any loss or claim where You would be entitled to be paid under any other insurance if this Policy did not exist.

11.10 Governing Law

Unless some other law is agreed in writing, this Policy will be governed by the laws of England.

11.11 Arbitration

Any dispute arising out of or relating to this insurance, including over its construction, application and validity, will be referred to a single arbitrator in accordance with the Arbitration Act then in force.

11.12 Complaints Procedure

We pride ourselves on providing a first class, reliable and efficient service to all of Our customers. Complaints are a key to monitoring Our service and wherever possible, We seek to take action to prevent recurrence of a problem.

We define a complaint as any expression of dissatisfaction, whether oral or written, and whether justified or not, about a service or activity provided by the insurance company.

11.12.1 If You have a complaint, please contact Our customer services team:

Customer Services Telephone: 0870 084 3777

Email: customerservices@hiscox.com

Hiscox Insurance Company Ltd
1 Great St Helen's, London EC3A 6HX.

11.12.2 You may also, in accordance with the Rules of the Financial Services Authority, be able to refer Your complaint to the Financial Ombudsman Service without affecting Your legal rights.

The address is:

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall London E14 9SR
Telephone: 0845 080 1800