

PROFESSIONAL INDEMNITY INSURANCE (Commercial)  
POLICY WORDING

*UNDERWRITTEN BY*  
Royal Sundaram General Insurance Co. Limited

*Professional & Financial Risks Practice*

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Policy Schedule & Endorsements

**Introduction**

Please read this Policy carefully to ensure that it meets your requirements. It is written on a Claims made and notified basis, which means that, subject to the Continuous Cover clause, it will only respond to Claims first made against the Insured and notified to the Company during the Period of Insurance or arising from circumstances notified in terms of the Continuous Cover clause or of the Claims Notification General Condition.

This Policy, the Schedule and any Endorsements shall be considered as one document. Any word or expression to which a specific meaning has been attached in any of them shall bear that specific meaning wherever it may appear.

**Definitions**

For the purpose of this Policy:

**Claim**

means any demand made by a third party upon the Insured for compensation, however conveyed, including a writ, statement of Claim, application or other legal or arbitral process.

**Company**

means [Royal Sundaram General Insurance Co. Limited](#)

**Documents**

means deeds, wills, agreements, maps, plans, records, written or printed books, letters, certificates, written or printed documents or forms of any nature (excluding any bearer bonds, coupons, bank or currency notes or other negotiable instruments) which is the property of the Insured or for which the Insured is responsible.

**Excess**

means the amount shown in the Schedule and represents the first amount which is payable by the Insured in respect of compensation and claimant's costs and expenses and the Insured's Costs arising out of any one Claim made against the Insured.

**Insured**

means;

- i. the legal entity or entities specified in the Schedule; and/or
- ii. past and/or present employees of the legal entity or entities specified in the Schedule; and/or
- iii. any past and/or present Principal of the legal entity or entities specified in the Schedule; and/or
- iv. the estate, heirs, legal representatives or legal assigns of any natural person insured under this Policy in the event of the death or legal incapacity of such person.

<b>Policy</b>	<p>means:</p> <ol style="list-style-type: none"><li>1. this policy wording and the Schedule,</li><li>2. and any endorsement attaching to and forming part of this Policy during the Period of Insurance</li></ol>
<b>Proposal</b>	<p>means the written proposal containing particulars and statements together with all information provided by or on the behalf of the Insured to the Company which are the basis of this Policy and are considered as incorporated herein.</p> <p>means the Limit of Indemnity as shown in the Schedule.</p>
<b>Limit of Indemnity</b>	<p>means the Period of Insurance as shown in the Schedule.</p>
<b>Period Of Insurance</b>	<p>means a sole practitioner, a partner of a firm or a director of a company.</p>
<b>Principal</b>	<p>means the professional business of the Insured as described in the Schedule and no other.</p>
<b>Professional Services</b>	<p>means the Retroactive Date shown in the Schedule.</p>
<b>Retroactive Date</b>	<p>means the current Schedule issued by the Company to the Insured.</p>
<b>Schedule</b>	<p>means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), which from its nature or context is done for, or in connection with, political, religious, ideological, ethnic or similar purposes or reasons, including the intention to influence any government and/or to put the public, or any section of the public, in fear.</p>
<b>Act of Terrorism</b>	
<b><u>Insurance Preamble</u></b>	<p>The Insured and the Company agree that:</p> <ol style="list-style-type: none"><li>1. the Company will provide insurance as set out in the Policy subject to the Policy's terms; and</li><li>2. the signed Proposal together with all information provided by or on behalf of the Insured to the Company are the basis of this Policy and are considered as incorporated herein.</li></ol>
<b><u>Insuring Clause</u></b>	<p>The Company will indemnify the Insured against liability at law for compensation and claimant's costs and expenses arising from any Claim or Claims first made against the Insured and notified to the Company during the Period of Insurance resulting from any civil liability incurred in connection with the Professional Services but not in respect of any such Claim or Claims</p>

resulting from any act, error or omission occurring or committed prior to the Retroactive Date.

### **Limit of Indemnity**

The liability of the Company for compensation and claimant's costs and expenses and Inquiry Costs (as provided by Automatic Extension) arising from all Claims (including circumstances notified in terms of the Continuous Cover Clause or of the Claims Notification General Condition) first made against the Insured and notified to the Company during the Period of Insurance shall not exceed the Limit of Indemnity.

### **Insured's Costs**

The Company will pay all other costs and expenses incurred by the Company, or by the Insured with the Company's written consent arising from any Claim or Claims (not being Inquiry Costs as set out in the Automatic Extensions). The Insured's Costs will not be taken into account when calculating the Limit of Indemnity but will be paid in addition.

In the event that the Insured's liability to any party for compensation [and claimant's costs and expenses] is in excess of the amount of the Limit of Indemnity, the Company's liability in respect of Insured's Costs will be in the same proportion which the Limit of Indemnity bears to the sum which would be eligible for payment but for the restriction of the Limit of Indemnity.

### **Aggregation of Claims**

All Claims arising out of, based upon or attributable to a single act, error or omission or series of acts, errors or omissions consequent upon or attributable to one source or original cause shall be considered to be a single Claim and shall attract one Excess.

### **Insurance**

For the purposes of clarifying the scope of cover under the Insuring Clause of this Policy, the Insuring Clause includes civil liability for:

### **Clarification**

Libel or Slander, provided that:

### **Libel or Slander**

1. the libel or slander is committed by the Insured in the course of carrying on their Professional Services;
2. the Insured did not intend to publish the libel and slander with express malice.

**Contractual Liability**

Contractual liability, provided that:

1. the Company will not be liable for any liability assumed by the Insured under any express warranty, guarantee, hold harmless agreement, indemnity clause or the like unless such liability would have attached to the Insured in the absence of such agreement;
2. where a Claim is brought in contract the Company will not reduce their liability by the mere fact that contributory negligence is not available as a defence.

**Trade Practices Legislation**

Claims made under any Trade Practices Legislation, provided that the Company will not indemnify the Insured for Claims made where such Claim arises:

1. under the penal or criminal provisions of any of the Trade Practices Legislation or similar legislation;
2. from conduct of the Insured which is fraudulent or intended to mislead or deceive.

However the Company will only exclude such Claims where it is established by final adjudication that the Insured breached the penal or criminal provisions of the Legislation, or where the conduct was established by final adjudication to be fraudulent or intended to mislead or deceive

**Intellectual Property**

Infringement of rights of intellectual property, provided that the act, error or omission by the Insured is unintentional and is committed in the course of carrying on the Professional Services.

**Sub-contractors and Consultants**

Acts, errors or omissions of sub-contractors and consultants, provided that the Company will only indemnify the Insured for its civil liability in connection with the Professional Services provided by the sub-contractor and/or consultant. Indemnity will not extend to the sub-contractor and/or consultant who committed the act, error or omission.

**Automatic Extensions**

These automatic extensions form part of the Policy and are subject otherwise to its terms, Conditions and Exceptions.

**Continuous cover**

Where the Insured:

1. first became aware of facts or circumstances as described in Claims Notification General Condition, prior to the Period of Insurance; and
2. had not notified the Company or any insurer of such facts or circumstances prior to the Period of Insurance,

then the Prior Claims or Circumstances exception will not apply to any notification of such facts or circumstances, or any Claim arising from such facts or circumstances, provided that:

- (a) there is an absence of fraudulent non-compliance with the Insured's duty of disclosure and an absence of fraudulent misrepresentation by the Insured in respect of such facts or circumstances; and
- (b) the Insured has been continuously insured, without interruption, under a professional indemnity policy issued by the Company and was insured by the Company at the time when the Insured first became aware of such facts or circumstances; and
- (c) the Company may reduce its liability under the Policy to the extent of any prejudice the Company may suffer in connection with the Insured's failure to notify the facts or circumstances giving rise to a Claim prior to the Period of Insurance; and
- (d) if the Indemnity or cover available under this Policy is greater or wider than the Insured would have been entitled to under the policy to which the notification should have been made, then the Company shall only be liable to indemnify the Insured to the extent to which indemnity would have been afforded by the policy to which the notification should have been made.

**Principals Previous  
Business**

The Professional Services shall include any Professional Services that were previously provided by any Principal.

**Lost Documents**

The Company will, in the event of loss of or damage to Documents occurring in connection with the Professional Services, indemnify the Insured in respect of:

1. all sums which the Insured shall become legally liable to pay as a direct consequence of such loss or damage and Insured's Costs on the basis already set out in this Policy; and
2. all costs and expenses reasonably incurred by the Insured in replacing or restoring such Documents.

Provided that:

- (a) such loss or damage is sustained during the Period of Insurance 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 in the course of the normal conduct of the Professional Services; and
- (b) the amount of any Claim for such costs and expenses shall be supported by bills and accounts which shall be subject to approval by a solicitor to be nominated by the Company with the consent of the

**Inquiry Costs**

- Insured or if such consent is withheld, by the President of the Law Society of whatever State where the Policy was issued; and
- (c) the Company shall not be liable in respect of loss or damage caused by riot or civil commotion.

The Company will indemnify the Insured for their reasonable legal costs and expenses arising out of any notice requiring the Insured's attendance at an inquiry, prosecution or hearing of a disciplinary nature held before a legally constituted industry or professional disciplinary board and first received by the Insured during the Period of Insurance and notified to the Company.

Provided that:

1. such indemnity is subject to the written consent of the Company prior to the incurring of the legal costs and expenses;
2. regular or overtime wages, salaries or fees of the Insured are excluded from this indemnity; and
3. the total liability of the Company under this clause shall not exceed **INR** during the Period of Insurance;
4. For the avoidance of doubt such reasonable costs and expenses under this Extension shall form part of the Limit of Indemnity and will not be paid in addition.

The Excess does not apply to this extension.

**Dishonesty of Employees and/or Principals**

The Company will, notwithstanding the Dishonest, Fraudulent or Criminal Acts Exception, indemnify the Insured on the basis already set out in this Policy in respect of Claims made against the Insured and notified to the Company during the Period of Insurance resulting from any dishonest, fraudulent, criminal or malicious act or omission by any Insured occurring or committed in connection with the Professional Services.

Provided that nothing in this Automatic Extension shall require the Company to indemnify any Insured who has perpetrated and/or commissioned the perpetration of and/or recklessly failed to prevent the perpetration of any such dishonest, fraudulent, criminal or malicious act or omission or who by act or omission has condoned any such act or omission.

**Automatic Reinstatement**

In the event of exhaustion or partial exhaustion of the Limit of Indemnity set out in the Schedule by reason of the notification of Claims made during the Period of Insurance (or of circumstances in terms of the Continuous Cover clause or of the Claims Notification General Condition), the Company agrees to reinstate the Limit of Indemnity from the time of such notification until the expiry of the same Period of Insurance.



**Joint Venture Liability**

Provided that:

1. the Limit of Indemnity having been so reinstated, the reinstatement shall not apply in relation to Claims made or circumstances notified of which the Insured was aware prior to the effective date of the said reinstatement; and
2. the aggregate of the amounts so reinstated shall be limited in the Period of Insurance to an amount equal to the Limit of Indemnity applicable at the inception of the Period of Insurance; and
3. the Limit of Indemnity so reinstated shall represent the total liability of the Company for compensation and claimant's costs and expenses and Inquiry Costs for all Claims made (including circumstances notified in terms of the Continuous Cover clause or of the Claims Notification General Condition), during the time from the effective date of the reinstatement until the expiry of the Period of Insurance.

The Company will indemnify the Insured up to the Limit of Indemnity in respect of Claims made against the Insured and notified to the Company during the Period of Insurance resulting from the Insured's participation in any joint venture in connection with the Professional Services.

Provided that:

1. the indemnity given shall only relate to the Insured's proportion of any liability incurred by such joint venture; and
2. the Insured's income derived from participation in such joint venture shall have been included in the calculation of income furnished by the Insured for the purposes of calculating the premium for this Policy.

**Exceptions****Directors And Officers Liability**

The Company shall not be liable in respect of any Claim or Inquiry Costs:

resulting from any act, error or omission of the Insured, not undertaken as part of the Professional Services and where such Claim or Claims or Inquiry Costs arise in connection with the Insured's functions and duties as a director and/or officer of any (i) legal entity; and/or (ii) corporation; and/or (iii) incorporated body.

**Trading Debt**

in respect of or arising out of any trading debt incurred, or any guarantee in respect of such debt given, by the Insured.

**Dishonest, Fraudulent or Criminal Acts**

directly or indirectly arising from any dishonest, fraudulent, criminal or malicious act or omission by the Insured.

**Employers' Liability**

**Radioactivity**

directly or indirectly arising out of the death, bodily injury, disease or illness of the Insured arising out of or in the course of his/her employment.

**Prior Claims Or Known Circumstances**

directly or indirectly caused by or contributed to or arising from ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel or from the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear device or assembly, or a nuclear component thereof.

**War**

- a) first made against the Insured prior to the inception of the Period of Insurance; or
- b) arising out of facts or circumstances which were:
  - I. known to the Insured prior to the inception of the Period of Insurance and which might give rise to a Claim; or
  - II. notified under any insurance that was in force prior to the inception of the Period of Insurance.

**Subrogation Waiver**

resulting from any consequence of war, invasion, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection or military or usurped power.

**Assumption of Liability**

for costs and expenses incurred solely by reason of the Insured at any time entering into a deed or agreement excluding, limiting or delaying the Insured's legal rights of recovery against another.

**Fines, Penalties, Punitive or Exemplary Damages**

for loss or damage in respect of or arising out of any civil liability which is assumed by the Insured outside the normal course of the Professional Services.

**Liquidated Damages**

for fines or penalties including civil penalties, punitive or exemplary damages.

**Controlling or Financial Interests**

for liquidated damages imposed upon the Insured by contract or agreement, except to the extent that the Insured would have been liable for that damage in the absence of any such contract or agreement.

directly or indirectly arising out of work undertaken for or on behalf of any company related to any Insured which for the purposes of this policy includes:

- 1. any other Insured; or
- 2. any subsidiary of an Insured; or
- 3. any company of which an Insured has or has held at least a 10% financial interest and has had or has board representation on that company.

**Terrorism**

arising directly or indirectly from or in connection with

- a) an Act of Terrorism regardless of any other cause or event contributing concurrently or in any other sequence; or
- b) any action taken in controlling, preventing, suppressing or in any way relating to any Act of Terrorism

**Asbestos**

for loss or losses directly or indirectly arising out of, in consequence of, or contributed to by, asbestos, asbestos fibres or derivatives of asbestos.

**General Conditions**

**Claims Notification**

Where during the Period of Insurance the Insured becomes aware of facts or circumstances which might give rise to a Claim under the Policy (whether or not the amount of such Claim is likely to be greater than the Excess), and elects to give written notice of such facts or circumstances to the Company during the Period of Insurance, any Claim arising from such facts or circumstances shall be deemed to have been made at the date on which such notice is given.

Every Claim made against the Insured and circumstance which the Insured becomes aware and elects to give written notice of shall be notified to the Company as soon as practicable, and every letter, demand writ summons and legal process pertaining to such Claim or circumstance shall be forwarded to the Company as soon as practicable after receipt.

Where the Insured wishes to notify the Company of a Claim or facts or circumstances the notification must be sent to

The Claims Manager  
Royal Sundaram General Insurance Co. Limited  
"Sundaram Towers"  
45 & 46 Whites Road,  
Chennai 600014

It is the Insured's responsibility to ensure that such notification has been forwarded to and has been received by the Claims Manager.

**No Admission Of Liability**

No admission, offer, promise or indemnity shall be made or given by or on behalf of the Insured without the written consent of the Company.

**Claims Conduct**

The Company shall be entitled to take over and conduct in the name of the Insured the defence or settlement of any Claim and shall have full discretion in the conduct of any proceedings and in the settlement of any Claim.

**Claims Settlement**

Should the Insured object to a proposal by the Company to settle or compromise any Claim indemnifiable under this Policy and wish to contest or litigate the matter, then the Insured may so elect, provided that the Company's liability in respect of any such Claim so contested or litigated shall not exceed the amount for which, but for such election, it could have been settled or compromised by the Company, together with costs and expenses payable in accordance with the terms of this Policy and incurred up to the time of such election, but subject always to the Excess and to the Limit of Indemnity.

**Assisting With Claims**

The Insured shall give all such assistance as the Company may reasonably require but none of them shall be required to contest any legal proceedings if it objects to doing so unless a Senior Counsel or a person of similar authority (appointed by mutual agreement between the Insured and the Company and paid for by the Company) shall advise such proceedings could be contested to the extent that there is a reasonable probability of success.

**Other Insurance**

If, in respect of any Claim under this Policy the Insured is entitled to indemnification from any other source, including any other policy or policies of insurance collectable or otherwise or would, but for the existence of this Policy be so entitled, this Policy shall only apply in excess of the amount of indemnity available from such other source, policy or policies, or which would have been available but for the existence of this Policy. The Insured shall promptly notify to the Company full details of such other sources, policy or policies of insurance, including the identity of the source or insurer and the policy number, and such further information as the Company may reasonably require.

**Cancellation**

The Insured may cancel this Policy at any time in writing to the Company. Upon receipt of such request, the Company will retain a short period premium calculated on its short term rates for the time it has been on risk and the Insured will receive a refund of any balance of the premium actually paid. The Company may cancel this Policy by giving thirty (30) days notice in writing to the Insured of the date from which such cancellation is to take effect.

This Policy will be governed in accordance with the laws of [Chennai, India](#). Any disputes relating to interpretation will be submitted to the exclusive jurisdiction of the courts of [Chennai, India](#).

**Governing Law and Jurisdictions**

Where this Policy insures more than one party, any failure on the part of any of the parties to:

- a) comply with their duty of disclosure; or
- b) comply with any obligation in terms of this Policy; or
- c) refrain from conduct which is dishonest, fraudulent, criminal or malicious,

**Severability & Non Imputation**

shall not prejudice the right of the remaining party or parties to indemnity in terms of this Policy, provided that such remaining party or parties shall:

- I. be entirely innocent of and have had no prior knowledge of any such failure; and
- II. as soon as practicable after becoming aware of any such failure, advise the Company in writing of all its relevant circumstances.

**Territorial and Jurisdictional Limits of Cover**

This Policy provides cover for any civil liability incurred by the Insured in connection with the provision of their Professional Services anywhere in the world, and to Claims made and actions brought anywhere in the world, except for Claims;

1. arising from or attributable to any civil liability incurred by the Insured in the conduct of their Professional Services, where such services were provided to another within, and or the acts, errors or omissions occurred within the territorial limits of the United States of America or Canada and their territories or protectorates; brought in a court of law in the United States of America or Canada or their territories or protectorates; or
2. arising from or attributable to the enforcement of any judgment, order or award in respect of any action brought in any court of law in the United States of America or Canada or their territories or protectorates.

**END OF WORDING**