



**Advocates'
Professional Liability
Insurance**



Advocates' Professional Liability Insurance

Contents and Policy Guide

Certain Sections listed below may not apply to your Policy. Those which apply are specified under "Insurance provided" on the Schedule and are determined by the type of cover you have selected.

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Advocates' Professional Liability Insurance

The Proposal is the basis of and forms part of the contract between the Company and the Policyholder.

The Policy is evidence of the contract.

The Policy, the Schedule and any Endorsement are to be read as one document and any word or expression to which a specific meaning has been attributed, shall have the same meaning wherever it appears.

We will provide under those Sections which are shown in the Schedule the insurance described in the Policy during any Period of Insurance.

The conditions which appear in the Policy or in any Endorsement issued by the Company are part of the contract and must be complied with. They are, where their nature permits, conditions precedent to the right to recover from the Company.

The Policy, the Schedule and any Endorsement issued contain full particulars of your cover. Please make sure that they are fully understood and the particulars contained in the Schedule are correct as they purport to protect you. In the event that you feel that those documents were not issued in accordance with your instructions or they do not meet your requirements, please return them to us within 14 days from their receipt.

DEFINITIONS

Licensed Advocate

Any natural person or legal entity practicing as an advocate under the Advocates' Law, Cap. 2 or any other law amending or substituting same.

Advocates' Licence

The license to practice as an advocate under the Advocates' Law, Cap. 2 or any other law amending or substituting same.

Claim

Any demand submitted to the Insured for money or services, including the service of suit or institution of arbitration proceedings against the Insured during the Period of Insurance.

Two or more claims arising out of a single act of negligence or occurring from the same or similar cause, regardless of the number of injured parties, shall be treated together as a single claim and shall be attributed to the point in time when the first of such claims has been made. Each separate act of negligence shall be treated as a separate claim.

Insured

The person or persons named in the Schedule as well as:

- The Insureds predecessors in the law office or company, former partners and shareholders
- any other person or persons which may at any time during the subsistence of the Policy become a partner or shareholder of the firm named in the Schedule
- any person at any time employed by the Insured in the conduct of any business by or on behalf of the Insured in their capacity as lawyers
- any service, administration or trustee company owned by the Insured at the time the claim occurred
- the estate or legal personal representative of any deceased or legally incapacitated Insured

Excess

The first part of the loss which is not covered under the Policy and is to be borne by the Insured

Court

Any court of law or arbitration tribunal whose jurisdiction is specified in the Schedule

Documents

Contracts in writing, wills, agreements, maps, plans, archives, books, letters of correspondence, certificates, forms and all other documents written by hand, printed or reproduced in any manner or electronically kept except bearer shares, bank notes and negotiable instruments.

Company

Laiki Insurance Company Ltd.

Defense Costs and Claims Expenses

- a) fees charged by any lawyer appointed by the Company
- b) all fees, costs and expenses incurred by the Company for the investigation, settlement and defense of a claim as well as appeal proceedings
- c) fees charged by an advocate appointed by the Insured with the written consent of the Company.

It is understood that "Claims Expenses" do not include salary charges of regular staff or officials of the Company.

Expenses

- a) any interest payable with regard to an indemnity
- b) expenses incurred for preventing a loss
- c) expenses incurred for reducing a loss

Damages

Compensatory damages only, excluding punitive damages, fines, penalties or the withdrawal or return of professional fees.

Pure Financial Damage

All losses filed against the Insured or other person for which the Insured is liable which are neither bodily injury (death, personal injury or impairment of health) nor material damage (property damaged, destroyed or lost), and which do not result from such losses. Property is also deemed to include money and monetary tokens.

Period of Insurance

The period shown in the Schedule and any further period for which the Insured shall pay or agrees to pay and the Company agrees to accept a renewal premium.

Endorsement

Any alteration made to the Policy and issued by the Company.

Proposal

The Proposal Form and any other information provided by the Insured or on his behalf.

Grantee

The Cyprus Bar Association contracting with the Company in respect of this Policy for the provision of Professional Indemnity cover to its members.

Aggregate limit of indemnity

The aggregate maximum sum insured for financial losses and all associated defense costs and expenses as defined, payable once in each Period of Insurance, regardless of whether such losses are due to one single or several loss occurrences.

Third Party

Any person not party to the Policy. Where there is more than one Insured, the additional Insured shall not be deemed to count as third parties to each other.

Any reference to the male gender shall also mean the female gender.

OPERATIVE CLAUSE

This Policy, subject to its terms, exclusions, limitations, and conditions, provides an indemnity to the Insured in respect of the Insured's legal liability to third parties for any third party claim which meets the following requirements:

- a) for compensatory damages, such indemnity to include claimant's costs and the Insured's approved defense costs and expenses; and
- b) be firstly made against the Insured during the Period of Insurance; and
- c) be for pure financial damages arising from an act, error or omission committed or omitted or alleged to have been committed or omitted (as the case may be) by the Insured during the Period of Insurance; and
- d) arise out of the ordinary course of the performance of the professional services rendered by the Insured or by any person acting on his behalf in the capacity of an advocate or by any Licensed Advocate acting in his personal capacity as an advocate exclusively in terms of the Cyprus legislation.
- e) relate to an act, omission or error which was or may have been or is alleged to have been committed or omitted (as the case may be) after the retroactive date specified in the Schedule.

Special Extensions of the Cover

1. Count Appearances/ Cost

The Company undertakes to pay in the form of defense costs all expenses of the following persons as same are specified in the Schedule for appearances in Count of give evidence in connection with a claim covered under the Policy:

1. for every advocate, partner of shareholder
2. for every employee of the Insured

2. Costs and Expenses in connection with the investigation and defense of disciplinary offences.

The company undertakes to indemnify the Insured up to the total Sum specified in the Schedule for all costs and expenses incurred by or for the account of the Insured and notified to the Company during the Period of Insurance in connection with the investigation and defense of every complain against the Insured by any authority or professional body claiming authority to investigate or to decide on such matters.

The personal expenses for the appearance of the person against whom the disciplinary process before any authority, disciplinary or professional body are excluded from this cover

CONDITIONS

1. Limits of Indemnity

- a. The Company's total liability (inclusive of claimants' costs and the Insured's approved defense expenses, regardless of the total number or amount of third party claims made against the Insured) shall not exceed the amount stated in the Schedule as Total Limit of Indemnity for all third party claims made against the Insured during the Period of Insurance.

The inclusion herein of more than one Insured or the submission of claims or the institution of actions by more than one person, shall not operate to increase the Company's total Limit of Indemnity.

Provided that whenever any Insured Licensed Advocate included in the Policy practices as an advocate in his personal capacity, the Company's Limits of Indemnity shall not exceed the amounts specified in the Schedule as Limits of Indemnity.

It is further provided that the Company's total liability as stated above during the Period of Insurance in connection with all third party claims against the Insured or any Insured Licensed Advocate practising as an advocate in his personal capacity shall not exceed the Total Limit of Indemnity for each Period of Insurance specified in the Schedule as Limits of Indemnity - Practising as an Advocate by the Insured.

- b. The Company may at any time pay to the Insured in connection with any third party claim or series of third party claims notified hereunder the amount of the Limit of Indemnity specified in the Schedule (after deducting any sum or sums already paid by the Company whether as costs and expenses or as compensation) or any lesser amount for which such claim or claims can be settled and upon such payment being made, the Company shall be under no further liability in connection therewith and shall (except any subrogation rights) relinquish the conduct and control of and be under no further liability in connection with such claim or claims or associated defense costs.

2. Excess

Subject to the Limit of Indemnity, the Company shall be liable only for that part of each and every third party claim during the Period of Insurance, including third party claimant costs and the insured's approved defence expenses, which exceeds the excess stated in the Schedule.

The deductible shall apply to each and every third party claim whether or not loss payments shall be made and shall not be subject to an aggregate limitation.

It is agreed that the Insured will within ten days pay such part of the claims expenses and loss payment as may be demanded in writing by the Company. However, either individually or combined, the total payments demanded from the Insured in respect of each claim shall not exceed the amount of the Excess stated in the Schedule.

3. Duty to defend, defence costs and expenses

The Company shall defend any suit against the Insured for damages to which this Policy applies, even if any of the allegations contained therein are groundless, false or fraudulent and it is agreed that the Company may carry out such investigations and settlement of any claim or suit as it deems expedient, but the Company shall not be bound to pay any claim or judgement or to defend any suit exceeding the aggregate limit of indemnity.

The Company shall not be liable to pay any defence costs and/or expenses unless the express written consent of the Company is obtained prior to such costs or expenses being incurred and such consent shall not be unreasonably withheld.

The Company shall not settle any claim without the consent of the Insured. If, however, the Insured shall refuse to agree to any settlement recommended by the Company and shall elect to contest the claim or continue any legal proceedings in connection with such claim, the Company's liability for the claim shall not exceed the amount for which the claim could have been so settled including claims expenses incurred up to the date of such refusal.

The reasonableness of claims' expenses shall be determined by the Company in line with prevailing standards and shall not under any circumstances exceed the Limit of Indemnity for Legal Costs specified in the Schedule.

4. Third party claims

For the purposes of this Policy, a third party claim is considered to be made as soon as the Insured and/or his agent or representative first:

- a. Receives a written demand for damages covered by the Policy, including the service of suit or institution of arbitration proceedings; or
- b. Becomes aware of the intention of any person to make such a demand against him, or
- c. Becomes aware of any fact, circumstance or event which could reasonably be expected to give rise to such demand at any future time

whichever is the earliest

Any subsequent legal proceedings brought against the insured as a direct result of a matter or matters for which written notice has been given under b. or c. above, whether such proceedings are brought during or after the Period of Insurance, is considered to be a third party claim firstly made against the Insured at the time the Insured first became aware of the said matter or matters.

It is however agreed that the Company shall not be liable for any such matter or matters which are statute – barred in accordance with the law.

5. Notification of Claims

The Insured shall notify the Company in writing as soon as is reasonable practicable but in any event within 30 days of the expiry date of the Policy stated in the Schedule or its termination, of any:

- (a) Claim firstly made against the Insured during the Period of Insurance
- (b) Circumstances of which the Insured firstly became aware during the Period of Insurance
- (c) Investigation, enquiry or disciplinary proceedings during or after the Period of Insurance arising from circumstances firstly notified to the Company during the Period of Insurance

The Insured shall immediately forward to the Company every demand, notice, summons or other process received by him or his representative. In the event that a claim is made or a suit is brought against the Insured, no admission, offer, promise or payment shall be made or given by or on behalf of the Insured without the written consent of the Company which shall be entitled to take over and conduct in the name of the Insured the defence or settlement of any claim or to prosecute in the name of the Insured but for its own benefit any claim and shall have full discretion in the conduct of any proceedings and in the settlement of any claim.

The Insured shall cooperate fully with the Company and upon the Company's request, shall submit affidavits under oath if required and shall attend any hearings, depositions and trials and shall assist in reaching a settlement, securing and giving evidence, the attendance of witnesses and in the conduct of suits, as well as in the giving of written or other statements to the Company's representatives and shall meet with such representatives for the purpose of investigation and/or defence. All such acts shall be performed without cost to the Company.

The Insured shall in accordance with the instructions of the Company exercise any contractual rights with regard to either the rejection or the demand for arbitration in respect of any claim made against the Insured.

6. Grantee's duties

- a. The Grantee shall collect from its members at the renewal date of their annual Advocates' License the renewal premium of their respective Policies and shall transmit such premiums to the Company before 31st March of each year.
- b. The Grantee shall notify the Company in writing about its members which ceased to be licensed Advocates.

7. Renewal Procedure

The Company shall renew the Policies before the 31st March of each year and shall provide retrospective cover from 1st January of each year provided that the Insured renewed his Advocates' License prior to 31st March of the same year and paid to the Grantee the renewal premium.

8. Warranty

It is warranted that the statements and particulars in the Proposal Form referred to in the Schedule and any supplementary information pertaining thereto provided by or on behalf of the Insured are the basis of this Policy and shall be deemed to be incorporated herein.

By accepting this Policy the Insured agrees:

- a) that the statements and particulars in the Proposal Form and any supplementary information are his representations and this Policy is issued in reliance upon the truth of such representations; and
- b) that in the event of the Proposal Form or any supplementary information containing misrepresentations which materially affect the acceptance of the risk hereunder by the Company, this Policy shall be void in its entirety and of no effect whatsoever.

9. Duty of care

The Insured's duty of care shall be governed by local customs and the generally recognised norms of the local professional associations.

10. Fraud

In the event that the insured makes any claim for indemnity knowing same to be false or fraudulent as regards the amount or otherwise, this Policy shall be void in its entirety and of no effect whatsoever and all claims for indemnity hereunder shall be forfeited.

11. Jurisdiction

- a. The indemnity provided by this Policy shall apply only to final judgements against the Insured in accordance with the laws and the judgements obtained in the courts of law of the country whose jurisdiction is stated in the Schedule and not to judgements obtained elsewhere nor to judgements or orders obtained in the said courts for the enforcement of judgements obtained elsewhere whether by way of reciprocal agreements or otherwise.
- b. It is agreed between the Company and the Insured that the premium for this Policy has been calculated having regard to the aforesaid jurisdiction and no consideration has been paid in respect of liabilities arising under any other law or the jurisdiction of other courts.

12. Interpretation

It is agreed between the Insured and the Company that the interpretation of the provisions of this Policy shall be made in accordance with the laws of Cyprus.

13. Material changes

- (a) **Transfer or change of control of the Insured.**
In the event of there being any change in the effective ownership or control of the Insured, whether financial or otherwise, occurring by operation of the law or as a result of a voluntary act on the part of the Insured or by merger, takeover, sale or purchase of shares, the cover under this Policy shall cease immediately in respect of all and any third party claims first made thereafter unless the Company agrees in writing to the continuation of the Policy and on such terms as may be stipulated by the Company.
- (b) **Alteration of risk.**
If during the Period of Insurance an important fact for which notice was given in the Proposal Form or otherwise should occur, or the risk is substantially altered, the Insured shall as soon as possible notify the Company in writing of such change and the Company may elect to terminate this Policy or to continue the cover on such revised terms and conditions as the Company may require.
- (c) **Notice**
Notice to any agent or knowledge possessed by any agent or other person acting on behalf of the Company shall not as regards the Company be a waiver on the part of the Company or a change in any part of this Policy or an estoppel from asserting or exercising any right under the Policy, nor shall the terms of the Policy be waived or changed except by Endorsement issued by the Company and such Endorsement shall form part of this Policy.

Any exercise of the right to terminate the Policy in accordance with the foregoing shall be subject to the provisions of clause 14 below. In the case of failure to reach an agreement on revised terms and conditions, within 30 (thirty) days from the date the Company advised the Insured thereof, the Policy shall be deemed to have been terminated by the Company, such termination to take effect after a further 30 days, and be subject to the provisions of clause 14 below.

14. Termination

This policy may be terminated by the Company or by the Insured by giving 30 days written notice to the other party. However, if the Company terminates the Policy for non-payment of the premium when due, this Policy may be terminated by the Company by giving the Insured not less than fourteen (14) days written notice of its intention to cancel the Policy.

The notice is to run from midnight of the day following that upon which the notice of termination was posted.

Premium adjustment may be made at the time the termination is effected or as soon as possible. The return of the premium may be made by the Company or its agents either by post or by hand delivery.

If the Company elects to terminate, the premium will be refunded to the Insured on a pro rata basis.

If the Policy is terminated by the Insured and provided that no claim has been made under the Policy during the current Period of Insurance, the Insured shall be entitled to a return premium for the unexpired period less an amount equal to three months' premium.

The Policy shall also terminate immediately upon exhaustion of the limit of indemnity by one or more payments made under the Policy in which event the premium is deemed to be fully earned.

15. Subrogation

In the event of any claim under the Policy, the Company shall be subrogated to all the Insured's rights of recovery against any person and the Insured shall execute and deliver such instruments and papers and do whatever else is necessary to secure such rights and the Insured shall refrain from any acts after the loss which might prejudice such rights.

16. Computation of Premium

The first premium shall be computed on the basis of the number of Licensed Advocates specified in the Schedule. In the event that during the Period of Insurance a change regarding the Insured Licensed Advocates occurs, the Insured shall notify the Company accordingly and provided that such change is accepted by the Company, the premium shall be adjusted accordingly.

In the event that the premium is computed on the basis of the annual earned income of the Insured, the Company shall be entitled at any time during the period of Insurance and at the latest within one year from the date the Policy expires to examine the Insured's records to the extent that such records directly relate to the computation of the premium

17. Action against the Company

No action shall be instituted by the Insured against the Company for the recovery of any loss under the Policy unless the Insured shall have fully complied with all the terms and conditions of the Policy and the amount of such loss shall have been determined by a final judgement following a hearing or by judgement of the appellate court on appeal, or by agreement between the parties and the written consent of the Company. In no event shall any action be instituted by the Insured or any other person against the Company unless brought within twelve months from the date the cause of action accrued.

18. Measures for the prevention of loss or damage

The Insured is under an obligation to remedy at his own expense and within a reasonable time any dangerous state which might lead to a loss or damage or the restraint of which has been demanded by the Company.

19. Other Insurances

This Policy shall be an additional insurance to any other valid and collectible insurance available to the Insured which is in force, whether such other Insurance is stated to be primary, contributory, contingent or otherwise, unless such other Insurance specifically applies as excess insurance over the limits of liability provided in this Policy.

20. Assignment

The Policy shall be void if assigned or transferred without the prior written consent of the Company. However, if the Insured shall die or be adjudged incompetent, this Policy shall provide cover to the Insured's legal representatives as if they were the Insured with regard to liabilities previously incurred and covered by the Policy.

21. Conformity to statute

Any terms of this Policy which are in conflict with any applicable statute of the country where this Policy is issued, are hereby amended to conform to such statute.

EXCLUSIONS

The Policy does not provide any cover to the Insured in respect of claims:

1. resulting from or based on or attributed to intentional acts or omissions, including any dishonest, malicious or punishable act provided that the intentional act or omission by any Insured shall not be attached to another Insured for the purpose of ascertaining the application of this exclusion
2. relating to fines, punitive and/or exemplary or other similar damages
3. caused by or resulting from war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, civil commotion assuming the proportions of or amounting to an uprising, military uprising, revolt, revolution, military or usurped power
4. based on a written guarantee given by the Insured or any other person employed, presently or in the past, by the Insured
5. relating to the Insured's bankruptcy or insolvency
6. arising out of the Insured's activity and/or capacity as officer, director, partner or employee of a business enterprise or charitable organisation or pension, welfare, profit sharing, mutual or investment fund or trust
7. arising out of the Insured's activities and/or capacity as public servant, employee of a governmental or semi-governmental organisation or authority or as an arbitrator
8. arising out of contractual or other special agreements exceeding the scope of legal liability
9. by partners or relatives of the Insured or by other persons residing with the Insured.

As relatives are deemed:

- a. The Insured's wife
 - b. Any person related to the Insured by virtue of birth or marriage in direct or collateral line
10. submitted by legal entities in which a shareholding in excess of 10% is owned by the Insured or his partners or relatives
 11. arising from losses or damages related to the Insured's personal capacity or the ownership, use or possession of movable or immovable property
 12. arising from financial or investment advice or representations or forecasts given or made by the Insured in connection with investments which failed to perform in accordance with same
 13. arising from activities which do not fall within the customary ambit of the professional activities of the advocate specified in the Schedule.

About our Service

Laiki Insurance aims to provide the insurance cover you require and a comprehensive service, especially in the settlement of claims. However we accept that things can go wrong in handling so many claims every day and we would rather be told about the occasional difficulty than leave a customer dissatisfied.

If you feel that we have fallen short of the standards you expect in any aspect of our business, please get in touch with the Company's General Manager at

Laiki Insurance Company Ltd.
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P.O. Box 25218, 1307 Nicosia
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