

## **PROFESSIONAL INDEMNITY POLICY**

WHEREAS the Insured has submitted a written proposal dated as shown in the Schedule attached to this Policy containing particulars and statements which (together with any other information which may have been supplied) it is agreed shall be the basis of this contract and are to be considered as incorporated herein and in consideration of the premium stated in the Schedule.

### **COVERAGE**

NOW THEREFORE, We, the Underwriters, hereby agree to indemnify the Insured upto but not exceeding in the aggregate the sum stated in the Schedule for any sum or sums which the Insured may become legally liable to pay arising from any claim or claims made against them during the period stated in the Schedule as a direct result of any negligent act, error or omission in the professional conduct and execution of the professional activities and duties as herein defined.

FURTHER, it is understood and agreed that the Underwriters will pay in addition to the sum stated in the Schedule the costs and expenses incurred with the Underwriters' written consent in the defence and/or settlement of any claim. However, if a payment in excess of the amount of indemnity available under this insurance has to be made to dispose of a claim made against the insured the Underwriters' liability in respect of such costs and expenses shall be such proportion of the total cost and expenses incurred as the amount of the indemnity available under this insurance bears to the total amount paid to dispose of the claim

### **THE EXCESS**

PROVIDED ALWAYS THAT the Underwriters shall be liable only, in respect of each and every claim hereunder, for that part of the claim (which for the purpose of this clause shall be deemed to include all costs and expenses incurred by the Underwriters investigating and defending the claim) which exceeds the amount stated as "the Excess" in the Schedule. It being understood and agreed that if any expenditure is incurred by the Underwriters which, by virtue of this clause, is the responsibility of the Insured then such amount shall be reimbursed to the Underwriters by the Insured forthwith on demand.

### **DEFINITION**

The professional activities and duties in respect of which cover is granted by this policy shall be defined as the performance by the Insured of those activities and duties normally undertaken by Architects and those categories of engineers as are stated in the Schedule attached hereto.

### **EXCLUSIONS**

This insurance does not cover any claim or claims arising out of :

1. Bodily injury, disease, sickness or death of any person
2. Loss of or damage to property other than that in connection with which the Insured is or has been exercising his professional activities and duties.
3. Any failure or omission on the part of the Insured to effect or maintain Insurance.
4. Any claim made against the Insured as a result of any dishonest, malicious, criminal or illegal acts of the Insured.
5. Work in connection with contracts outside Pakistan.
6. The ownership, use, occupation or leasing of property mobile and/or immobile by, to or on behalf of the Insured.
7. Error or omission by the Insured in estimates of probable construction cost or cost estimates being exceeded.
8. Libel and slander.
9. The insolvency of the Insured.
10. The cost of replacing documents which have been lost, mislaid or destroyed
11. Destruction of property resulting from physical acts by the Insured or their agent or employees.
12. The giving by the Insured of any express warranty or guarantee which increases the Insured's measure of liability but this exclusion shall not apply to liability which would have attached to the Insured in the absence of such express warranty or guarantee to the extent that such is attributable to breach of professional duty otherwise insured hereby.

13. Supervision of construction.

14. This Policy does not cover:

- a. loss or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss
- b. any legal liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from
- i) ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- ii) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof.

15. Circumstances where the Insured are entitled to indemnity under any other Policy.

### **SPECIAL PROVISIONS**

1. It is understood and agreed that, where the Insured act in more than one capacity in the same project that is where they are, at the same time :

- (a) Building or project Owners and Constructors and Designers, or
- (b) Contractors and Designers, or
- (c) Building and project Owners and Designers

and the Insured in any of these capacities incur loss, damage or expense arising from any negligent act, error or omission in connection with the activities as defined herein, Underwriters agree to consider it as if a claim had been made against the Insured provided.

- (i) that such loss, damage or expense is not insured by any other policy;
- (ii) that discovery of any negligent act, error or omission or circumstances, likely to give rise to a claim are immediately advised to Underwriters within the Policy period.

“Designers” in the above context shall extend to include all these activities and duties defined in and insured by this Policy.

The Insurance provided by the within policy is intended extended to indemnify the Insured, subject to policy terms and conditions, against their legal liability for claims (and/or against loss, damage or expense as defined in Special Provision 1) arising out of any negligent act, error or omission in the conduct of their activities or duties committed by specialist designers or consultants acting in the Insured’s behalf and for whom the Insured are responsible.

Provided always that the Underwriters shall become subrogated to all rights of recourse and remedies of the Insured and the Insured shall take all reasonable steps to preserve such rights and remedies and shall co-operate with Underwriters and give all reasonable assistance in effecting any recovery following the payment by Underwriters of any claim under this Special Provision.

The Underwriters’ total liability for all claims under this policy including this Special Provision, shall not exceed the sum stated in the Schedule.

### **CONDITIONS**

1. **INSURED’S DUTIES IN THE EVENT OF CLAIM:**

- (i) The Insured shall as a condition precedent to their right to be indemnified under this insurance give immediate written notice to the person(s) named for that purpose in the Schedule for transmission to Underwriters

- (a) of any claim made against them
  - (b) of the receipt of notice from any person of an intention to make a claim against them
  - (c) of any loss, damage or expense sustained by the Insured in accordance with Special Provision 1(One)
  - (d) of any circumstance, of which they shall become aware during the subsistence hereof, which is likely to give rise to claim against them. Such notice having been given, any claim, to which that circumstances has given rise, which may be made after the expiration of the period specified in the Schedule shall be deemed for the purposes of this Policy to have been made during the subsistence thereof.
- (ii) The Insured shall not admit liability for or settle or make or promise any payment in respect of any claim which may be the subject of indemnity hereunder or incur any costs or expenses in connection therewith without the written consent of the Underwriters who if they so wish shall be entitled to take over and conduct in the name of the Insured the defence and/or settlement of any such claim for which purpose the Insured shall give all such information and assistance as the Underwriters may reasonably require.

## **2. AGREEMENT TO PAY CLAIMS:**

Underwriters agree to pay claims which may arise under this insurance without requiring the Insured to dispute any claim unless a Counsel (to be mutually agreed upon by the Underwriters and the Insured) advise that the same could be contested with a reasonable prospect of success by the Insured and the Insured consents to such claim being contested, but such consent is not to be unreasonably withheld. In the event of any dispute arising between the Insured and the Underwriters as to what constitutes an unreasonable refusal to contest a claim at Law. The President for the time being of the Professional Body of which the Insured is a member shall nominate a Referee to decide this Point (only) and the decision of such Referee shall be binding on both parties.

## **3. WAIVER OF SUBROGATION AGAINST EMPLOYEES**

It is hereby agreed that if any payment is made under this Insurance in respect of a claim and the Underwriters are thereupon subrogated to all the Insured's right of recovery in relation thereto the Underwriters shall not exercise any such rights against any employee of the Insured unless the claim has been brought about or contributed to by the dishonest fraudulent criminal or malicious act or omission of the employee.

## **4. FRAUDULENT CLAIMS:**

If the Insured shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this insurance shall become void and all claims thereunder shall be forfeited.  
Place and date of issue of this policy: Karachi.