

EXCESS PROFESSIONAL INDEMNITY INSURANCE (COSTS EXCLUSIVE)

To indemnify the INSURED for claim or claims first made against the INSURED during the Period of Insurance hereon up to this POLICY's amount of liability (as hereinafter specified) in the aggregate, the excess of the Underlying Policy(ies) limits (as hereinafter specified) in the aggregate, the latter amount being the subject of Indemnity Policy(ies) (as hereinafter specified) or any Policy(ies) issued in substitution or renewal thereof for the same amount effected by the INSURED and hereinafter referred to as "the Underlying Policy(ies)".

1. Liability to pay under this POLICY shall not attach unless and until the Underwriters of the Underlying Policy(ies) shall have paid or have admitted liability or have been held liable to pay, the full amount of their indemnity exclusive of costs and expenses.
2. It is a condition of this POLICY that the Underlying Policy(ies) shall be maintained in full effect during the currency of this POLICY except for any reduction of the aggregate limits contained therein solely by payment of claims or of legal costs and expenses incurred in defence or settlement of such claims.
3. If by reason of the payment of any claim or claims or legal costs and expenses by the Underwriters of the Underlying Policy(ies) during the period of this Insurance, the amount of indemnity provided by such Underlying Policy(ies) is:
 - (a) partially reduced, then this POLICY shall apply in excess of the reduced amount of the Underlying Policy(ies) for the remainder of the Period of Insurance;
 - (b) totally exhausted, then this POLICY shall continue in force as Underlying Policy until expiry hereof.
4. In the event of a claim arising to which the Underwriters hereon may be liable to contribute, no costs shall be incurred on their behalf without their consent being first obtained (such consent not to be unreasonably withheld). No settlement of a claim shall be effected by the INSURED for such a sum as will involve this POLICY without the consent of Underwriters hereon.
5. Any claim(s) made against the INSURED or the discovery by the INSURED of any loss(es) or any circumstances of which the INSURED becomes aware during the subsistence hereof which are likely to give rise to such a claim or loss, shall, if it appears likely that such claim(s) plus costs and expenses incurred in the defence or settlement of such claim(s) or loss(es) may exceed the indemnity available under the Policy(ies) of the Primary and Underlying Excess Insurers, be notified immediately by the INSURED in writing to the Underwriters hereon.
6. All recoveries or payments recovered or received subsequent to a loss settlement under this POLICY shall be applied as if recovered or received prior to such settlement and all necessary adjustments shall then be made between the INSURED and the Underwriters provided always that nothing in this POLICY shall be construed to mean that loss settlements under this POLICY are not payable until the INSURED's ultimate net loss has been finally ascertained.
7. Except as otherwise provided herein this POLICY is subject to the same terms, exclusions, conditions and definitions as the Policy of the Primary Insurers. No amendment to the Policy of the Primary Insurers during the period of this POLICY in respect of which the Primary Insurers require an additional premium or a deductible shall be effective in extending the scope of this POLICY until agreed in writing by the Underwriters.