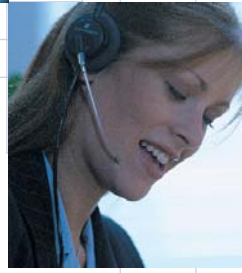


[Charity Trustee Assurance]

Professional & Financial Risks





[Customer Service]

At Royal & SunAlliance we have a real commitment to customer care. We have built a reputation as a company that puts our customers first.

You can help us to maintain this position by letting us know if you consider that our service has been unsatisfactory.

We aim to give our customers a high standard of service at all times.

If you are unhappy with our service for any reason, you should write initially to the Manager of Royal & Sun Alliance Insurance plc, at the address shown on your Policy Schedule who will ensure that the matter receives attention.

If matters are not resolved to your satisfaction, you are invited to write to:

Customer Relations Office
Royal & Sun Alliance Insurance plc
Bowling Mill
Dean Clough Industrial Park
Halifax HX3 5WA
01422 325060
Customer.relations@uk.royalsun.com

Royal & SunAlliance is regulated by the Financial Services Authority whose arbitration service is the Financial Ombudsman Service. Individual consumers and small businesses whose group annual turnover is less than £1 million can write to the Ombudsman to deal with their complaint.

The Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London E14 9SR.

Royal & Sun Alliance Insurance plc is a member of the Association of British Insurers and a Member of the General Insurance Standards Council.

It is possible to choose the law applicable to a contract of insurance covering a risk situated in the UK. As such, we have chosen the laws of England and Wales to be applicable to the contract of insurance between us and will take Payment of your Premium as evidence of your acceptance of our choice. If any other law is to apply, it must be agreed by both parties and evidenced in writing.

Your right as a policyholder to take legal action remains unaffected by the existence or use of any complaints procedure referred to above.



[About Royal & SunAlliance]

Royal & SunAlliance is a leading insurer of UK based commercial risks.

Our Professional & Financial Risks Practice are able to offer an unparalleled blend of insurance and risk related services, supported by our expert team of claims professionals, all part of the Worldwide Professional & Financial Risks Practice.

The Professional & Financial Risks operation provides insurance specifically to cover the principal liabilities incurred by Charities and their Trustees.

While this guide describes the main features of Charity Trustee Assurance, reference should be made to the policy wording for details of the full extent of cover provided. If you require more specific information, or a quotation, please contact your usual insurance adviser or the Charities team direct on **01403 235047**.

This Prospectus is intended to act as a summary but shall have no contractual effect. The policy wording is the sole governing document in respect of the cover provided by the Insurers and any inconsistencies between this Prospectus and the policy wording shall be determined in favour of the policy wording.





[Charity Trustees' Liability]

The trustees of any charity have personal duties and responsibilities in the administration of the charity which have been laid down by law. Any breach of duty on their part may result in them being held personally liable, jointly and severally, for any loss falling upon the charity (and, therefore, upon those who are intended to benefit from it) as a result of their own errors or omissions, or those of their co-trustees, employees or agents.

The Charities Acts 1992 and 1993 and subsequent legislation have imposed further important obligations upon charity trustees, highlighting the trend towards greater responsibility and accountability for those who hold such an office.

It is not merely the duties and liabilities of the charity trustees, as such, that need to be considered, important though they are. Charity is a matter of status, not of structure, and the charity trustees' involvement in the underlying organisation must also be considered.

A charity may be structured as a trust, as an unincorporated association or as a company. The trustees, committee, directors or officers of that organisation will (regardless of their actual titles) have management responsibility within the organisation for which further personal legal liability can arise quite aside from the charitable function. Frequently, a charity will conduct some of its activity through a separate company, or a trustee may itself be a company; in either instance, the company's management is at risk.

No-one (however honest and competent) who is concerned in the management or administration of any part of the overall charitable activity can be complacent – mistakes are made and they may prove personally very expensive in terms of the costs of an adequate defence, regardless of any ultimate liability to make restitution.



Royal & SunAlliance's Professional & Financial Risks Practice, has arranged insurance specifically to cover many of the principal liabilities incurred by charities and their trustees. This is available to all recognised charities in the United Kingdom, Channel Islands and Isle of Man. The cover can offer security to charity trustees, directors and officers to help protect against personal losses.

Moreover, certain losses falling upon the charity itself will be indemnified, either because they are not recoverable from the trustees, or because they arise from specified 'professional services' provided by the charity. Further details of the cover, and how to obtain it, are set out on the next pages.





[The Insurance Cover]

Automatic Covers

The Charity Trustee Assurance package has six elements:

Trustee Liability coverage *(Including Charity Reimbursement)*

[] *Trustees (other than trust corporations) are indemnified for damages and legal expenses for which they are legally liable in the capacity of trustee, committee member, director or officer by reason of any 'wrongful act' they commit in that capacity, such as breach of duty as a trustee under trust law or breach of duty under the terms of the trust deed, allegations of libel or slander, discrimination and the like. If the charity or the company is obliged to indemnify a trustee, committee member or a director, the charity or company can in turn obtain reimbursement.*

Trustee Fidelity coverage

[] *The charity is indemnified for losses borne by the charity which arise from the dishonest, fraudulent or malicious conduct of a trustee but which are not reasonably recoverable from the trustee responsible. (The limit of indemnity for aggregate losses of this type within the period of insurance is £50,000; the charity bears 20% of each loss.)*

Loss of Documents coverage

[] *The charity and the trustees are indemnified for liability or other loss arising from the loss of documents relating to the charity. (Such losses not involving legal liability are limited to a total of £50,000 in the period of insurance.)*

Pollution coverage

[] *Trustees are indemnified for legal expenses incurred in defending themselves against criminal or regulatory proceedings, relating to pollution arising from a 'wrongful act'. These costs are limited to £100,000 in the period of insurance.*



Optional Covers (additional premium payable)

Professional Services coverage (Optional)

[] *The charity, the company and the trustees are indemnified for their legal liability for damages and legal expenses arising from any act of negligence in the performance of specified professional services provided within the activity of the charity. It is common for charities to provide advice, information or assistance to some section of the public in pursuit of the charitable objects and, even if provided without charge, a liability can arise if the services are not performed with the requisite degree of care.*

Employee Fidelity (Optional extension to Trustee Fidelity coverage)

[] *The charity is indemnified for acts of fraud or dishonesty, first discovered during the period of insurance and committed by any employee.*





[Cover Limitations]

The standard cover provides an overall aggregate limit of indemnity in the period of insurance of £250,000; an excess of £250 is applied to each loss. Higher limits of indemnity are readily available. Naturally, there are some limitations in the scope of the available indemnity but these have been kept to a minimum; they relate principally to losses which are properly covered by public liability or other conventional insurances, or to losses (such as a fine) for which indemnity would be contrary to public policy.

The Charity Commissioners for England and Wales have agreed that charities under their jurisdiction may effect and pay for insurance of this general type provided that:

- [] *The trustee liability cover is not too widely written, e.g. it must not cover conduct that the trustee knew, or could be assumed to have known, or did not care was not in the charity's best interests.*
- [] *The trustees consider that it is reasonable for the charity (having regard to its size and activity) to expend charitable funds in this way.*
- [] *The charity's constitution includes the appropriate power.*

Full details of the cover, the exclusions and the other terms and conditions are contained in the insurance policy wording, a specimen copy of which is available on request from Royal & SunAlliance. The Charity Commission operate a system whereby a charity may 'self - certify' in order to pay from the charity's funds the premium that relates to a personal indemnity to trustees. The Charity Commission's assistance should be sought to clarify this process and also for any constitutional amendment which may be necessary to allow such payment to be made. Charities not subject to the Commissioners' jurisdiction may also need to consider whether the purchase of the insurance could be contrary to their charitable purposes or constitutional power.



[How Much?]

Please note these indicated premiums do not include optional extensions of:

- [] Professional Services
- [] Employee Fidelity

Limit of Indemnity £250,000 in all

ANNUAL GROSS INCOME	ANNUAL PREMIUM*
<i>Less than £50,000</i>	<i>£275</i>
<i>£50,000 - £100,000</i>	<i>£435</i>
<i>£100,000 - £250,000</i>	<i>£555</i>
<i>£250,000 - £500,000</i>	<i>£790</i>
<i>More than £500,000</i>	<i>On request</i>

**Insurance Premium Tax at the current rate must be added to these figures. (Please refer to your insurance broker/intermediary or Royal & SunAlliance if you are unsure of the current rate applying.)*

If the total gross assets owned by the charity (together with any of which it is custodian trustee) exceed £1,000,000 in all, the above premiums may be increased.

Please note the above premiums are indications and in order to obtain cover (or a quotation for cover where the charity's income, assets or required limit of indemnity exceeds the scale figures above), a proposal form must be completed on behalf of the charity and accepted by us. The initial period of insurance can be between six and eighteen months (at pro rata premium) with subsequent renewal on an annual basis.

Law

It is possible to choose the law applicable to a contract of insurance covering a risk situated in the UK. We have chosen to apply English law.

Payment of your premium is evidence of acceptance of our choice. If any other law is to apply, it must be agreed by both parties and evidenced in writing.



[Contact Us]

Royal & SunAlliance will be pleased to provide you with further information or Charity & Charity Trustee Indemnity Insurance, including help in completing your Proposal Form. You may contact us at:

St Marks Court
Chart Way
Horsham
West Sussex
RH12 1XL

Telephone: 01403 235 047

Facsimile: 01403 232 151

Website: www.profin.uk.royalsun.com
www.royalsunconnect.co.uk

Email: info.cta@uk.royalsun.com



