



SPECIALIST
PROFESSIONAL
INDEMNITY
INSURANCE

ITIC Rules 2022 Amendments explanation

Specialist professional indemnity insurance
for transport professionals everywhere

ITIC
IS MANAGED
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2022 Rule Changes	Explanatory Notes
PART 5 GENERAL CONDITIONS AND EXCLUSIONS	N/A
Rule 13 – General conditions and exclusions	N/A
13.32 Sanctions clause	<i>The word “clause” was deemed unnecessary</i>
<p><u>(a) In respect of any claim(s)</u> you are not insured to the extent that the provision of such cover would expose <u>or risk exposing</u> the Club <u>(or any fronting insurer or reinsurer) to violating or becoming subject</u> to any sanction, prohibition, or restriction, <u>or adverse action in any form whatsoever by any state, competent authority or government</u>, under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.</p>	<p><i>The clause has been widened so that the sanctions regime is not limited to those imposed by the UN, EU, UK and US.</i></p>
<p><u>(b) Notwithstanding anything in the Rules to the contrary, the Club may, where continuing to provide insurance to you could in anyway whatsoever expose or risk exposing the Club (or any fronting insurer or reinsurer) to violating or becoming subject to any sanction, prohibition, restriction or adverse action in any form whatsoever by any state, competent authority or government, decide to:</u></p> <p><u>(i) suspend your cover until further notice pending investigation by the Club; and/or</u></p> <p><u>(ii) at any time the Club determines it is exposed to such risk, terminate your cover with immediate effect by written notice.</u></p>	<p><i>This clause clarifies that the Club can suspend or terminate cover if the Club is exposed to or at risk of being exposed to sanctions, prohibitions or adverse actions.</i></p>



PART 8 CESSER <u>OR SUSPENSION OF INSURANCE</u>	<i>Part 8 now also includes the ability to suspend the insurance.</i>
Rule 18 - Cesser <u>or Suspension of insurance and membership of the Club:</u>	<i>Rule 18 now also includes the ability to suspend the insurance.</i>
18.1 <u>Automatic cesser of insurance</u> The following events will result in the automatic cesser of your insurance and membership of the Club: <u>(e) you or any person (legal or natural) with an ownership interest of 25% or more become subject to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.</u>	<i>The heading of Rule 18.1 clarifies that this rule is dealing with automatic cesser.</i> <i>A new event (e) has been added to allow for automatic termination where the member becomes sanctioned. This is limited to the listed countries.</i>
18.2 Cesser <u>or suspension</u> of insurance at option of the Club	<i>Rule 18.2 heading updated to include suspension of the insurance.</i>
<u>(a)</u> If the Club is notified under Rule 17.2 <u>or becomes aware</u> of any matter which the Directors consider in their discretion, alters the nature of the risk insured, the Directors may give you 14 days' notice in writing: <u>(i)</u> of such terms and conditions (including if appropriate such revised premium) that are required to continue to insure you for the remainder of the period of insurance. This includes (but is not limited to) circumstances in which you advise the addition of new offices or changes to your insured services; or <u>(ii)</u> that your insurance will be terminated from such date. This includes (but not limited to) circumstances where the Directors consider that the risk is fundamentally different from that originally disclosed.	<i>The number formatting has been clarified given the addition of a new part (b).</i> <i>Part (a) is the original rule. However, the knowledge of the Club of any matter affecting the risk has been clarified to include matters it learns on its own accord.</i>
<u>(b)</u> If the Club is notified or becomes aware of: <u>(i) any circumstance under Rule 13.32; or</u> <u>(ii) any circumstance regarding sanctions, war, invasions, conflicts or issues which the Directors may consider in their discretion, directly or indirectly alters the nature of the risk insured or that the risk has become fundamentally different due to external factors despite no material change to the member's circumstances,</u> <u>the Directors may in writing (where it is possible to do so) terminate the insurance with immediate effect or suspend the insurance.</u>	<i>This addition is a new discretionary suspension or cesser in relation to Rule 13.32 and/or circumstances regarding sanctions, wars, invasions, conflicts which the directors consider alter the nature of the risk insured.</i>



18.4 Cesser for any other reason

If the cesser of insurance occurs for any of the reasons set out above other than cesser for failure to pay, the Club remains liable for all claims under these Rules arising out of any claim or circumstances validly notified under these Rules before the date of cesser.

Under all circumstances, you are and remain liable for all amounts due to the Club in respect of the period of insurance in which the date of cessation occurs, pro rata for the period up to the date of cessation, and in respect of any previous period of insurance including any supplementary premium levied.

18.4 Cesser or suspension for reputational risk

The Directors may in their discretion, immediately suspend or terminate the insurance, upon written notice, where the Club is notified or becomes aware of any circumstance which the Directors believe puts the Club at risk of reputational damage.

The addition of a new rule 18.4 is a further discretionary cesser or suspension allowing ITIC to suspend or terminate cover in the event that a situation arises which the Directors believe could cause reputational damage to ITIC.

The previous rule 18.4 is now rule 18.5.

18.5 Director's discretion to cover claims

The Directors may, in their discretion, accept any claim for which the Club is under no liability under this Rule whether the notification giving rise to such claim was made before or after the cesser of insurance.

18.4 Cesser for any other reason

18.5 Consequences of cesser or suspension

(a) If the cesser of insurance occurs for any of the reasons set out above other than cesser for failure to pay, **cesser under 18.1(e), or cesser under 18.2 (b)**, the Club remains liable for all claims under these Rules arising out of any claim or circumstances validly notified under these Rules before the date of cesser.

Under all circumstances, you are and remain liable for all amounts due to the Club in respect of the period of insurance in which the date of cessation occurs, pro rata for the period up to the date of cessation, and in respect of any previous period of insurance including any supplementary premium levied.

(b) **If your policy is suspended there is no insurance cover available to you at all in respect of the suspended policy until such time that the policy is reinstated. However, you will remain a member of the Club during the period of suspension of the policy. In order to be reinstated the Club must expressly reinstate the policy in writing. During the period of suspension the Club has the right to terminate the policy immediately by giving written notice. The period of suspension along with the policy will automatically terminate on the date the policy was due to expire if it has not been terminated or reinstated by such date. If the policy is reinstated, the period of insurance will not be extended by the duration of any suspension period.**

Rule 18.5 is the previous rule 18.4, but expanded to include cesser under the new additions of 18.1(e) and 18.2(b), as well as an explanation of the consequences of a suspension of cover.



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48.5 18.6 Director's discretion to cover claims

The Directors may, in their discretion, accept any claim for which the Club is under no liability under this Rule whether the notification giving rise to such claim was made before or after the cesser of insurance.

Previously numbered rule 18.5 becomes rule 18.6 due to the addition of a new rule 18.4.
