



# Why you need Commercial Legal Expenses

Whatever the economic climate it's always a challenge running a business, from keeping up with the latest employment and Health & Safety legislation, to resolving problems with suppliers or receiving an unexpected visit from the taxman.

Being a landlord can provide a very good return on investment but it isn't without its pitfalls. In an ideal world you would have a problem-free relationship with your tenants but in reality issues such as, a dispute about the renewal of a lease, damage and dilapidation to your property and late or non-payment of rent can all prove an expensive headache.

*Expertise when you need it most.*

## Why choose ARAG?

Our UK operation provides a nationwide service from our Bristol Head Office. We are part of ARAG SE, a global leader in legal expenses insurance which generates annual premium income in excess of €1.5billion.

It has always been our vision to enable everyone, not just those that can afford it, to assert their legal rights. With this aim in mind we provide innovative and affordable products to companies and their directors and partners.

We are committed to providing our customers with legal advice and representation throughout a legal problem. We recognise that we will only grow by ensuring that we provide excellent products and an outstanding service to our customers.

## What we cover

We can help you to overcome a range of common business problems, for example.

- You need expert legal advice quickly
- A dispute with an employee escalates and can't be resolved
- you receive a notice of an enquiry into your tax or VAT returns
- a Health & Safety inspection ends with a threat to prosecute your business
- your business attracts adverse publicity following a product recall which threatens to damage your reputation and you need PR advice.

We have created a product specifically designed to address your needs as a commercial landlord, we cover the legal costs arising from the following;

- damage to your property, nuisance & trespass
- the repossession of your residential property
- a commercial lease dispute
- the recovery of rent arrears
- a contract dispute for a holiday home.

# Your Cover



## What is covered?

The summary table on pages 5, 6 and 7 provides all the information that you need to consider before deciding whether to buy this cover but the information below will also help you. If you require full details of our policy terms and conditions please ask to see a policy wording.

## Your commercial property cover

### Property damage, nuisance and trespass

Nuisance, trespass or damage to your property by another party could put a substantial strain on your resources. We will pay for the legal costs of pursuing your rights if your property or its contents are damaged or affected by nuisance or trespass, claiming compensation if necessary.

### Repossession of residential property

We will pursue a claim for the repossession of residential property including where the property has been let to an employee of your business under a service occupancy agreement. You must adhere to the rules regarding tenants' deposits and serve the correct legal notice before proceedings can be issued.

## Commercial lease disputes

We will pursue or defend your legal rights if a dispute with your business tenant develops under the terms of your lease, including opposing the renewal of your lease agreement. We can help where your lease is subject to the Landlord & Tenant Act or where you have correctly contracted out of the Act.

## Recovery of rent arrears

You always hope to have reliable tenants but if they fall behind on their rent it can cause financial problems for your business. We will pursue your legal rights in recovering rental arrears owed to you.

## Holiday homes contract disputes

We will provide cover if a dispute arises from a written agreement to let out property as holiday accommodation. We will also cover a dispute resulting from a contract you have entered into to buy or hire goods or services for the property.

## Your business cover

The following cover is also available for your business;

- Employment disputes
- Employment compensation awards
- Employment restrictive covenants
- Tax protection
- Legal defence
- Compliance & regulation
- Statutory licence appeals
- Loss of earnings
- Employees' extra protection
- Crisis communication
- Contract & debt recovery

For full details of policy wording please ask to see a copy of the policy wording.



## Examples of when we can help



The following example illustrates the type of dispute that would be covered under ARAG Commercial Property Owners' Solutions.

### Commercial lease

A landlord wished to oppose the renewal of his tenant's lease in order to redevelop land where the premises were located. Section 30 (1) (f) of the Landlord and Tenant Act 1954 allows a landlord to serve notice on the tenant to end the business tenancy (instead of renewing it) under such circumstances.

Before 2004, the Act required the landlord's notice to state whether he "would oppose" a lease renewal but some changes to the legislation resulted in the wording of the Act being changed to read "whether (the landlord) is opposed to renewal."

The tenant raised a legal challenge to the Section 30 notice which opposed renewal of the lease arguing that the change to the legislation overrode the established precedent that the relevant date of intention to redevelop under s.30(1)(f) was the date of trial. Instead, he suggested that the landlord had to prove the intention to develop at the date the notice was served on the tenant – between six and twelve months earlier in the process.

The court found no Parliamentary intention supporting the tenant's assertion and saw no other reason to change the status quo, which meant our insured was able to progress with his redevelopment.

### Repossession

Our insured contacted us for legal advice after their residential tenant fell into arrears and continued to ignore reminders for payment. We directed our insured to our Online Legal Services website to download the necessary legal notice requiring the tenant to leave the property. Unfortunately the tenant ignored the legal notice and the matter escalated. We instructed solicitors to obtain a court order for repossession and paid the legal costs and the court fee.

### Recovery of rent arrears

Our insured contacted us after their tenant failed to pay rent for three months and then vacated the property. Despite our insured chasing their tenant for payment they were unable to get any response. We approved the claim and passed the matter to a panel solicitor. They were able to negotiate a payment plan with the tenant who was having cashflow issues. The insured received repayment plus interest over the following six months. ARAG settled the solicitor's cost.

### Contract & debt recovery

Any kind of dispute or problem with a supplier or customer can really have a significant impact on your business. If this happens we will help you to resolve the situation as quickly as possible and pay any legal costs involved.

Problems with cash flow are very common and making sure your customers pay promptly is essential. If you have a late payment issue, we will negotiate to resolve the situation as quickly as possible.

*It has always been our vision to enable everyone, not just those who can afford it, to assert their legal rights.*

# Important Information

## Helplines

You can call our legal advice line and get immediate advice on all legal problems affecting your business 24 hours a day, 365 days a year. You can also obtain tax-related advice from our tax helpline or use our counselling line which is available to your employees and their families.



## Legal services website

With your policy you get free access to our legal services website, which allows you to create many online documents and guides which can help your business with everything from employment contracts and settlement agreements to leases and Health & Safety statements. For a small additional charge you can have complex documents checked by a solicitor.

## Important conditions

You must always contact us first before appointing a solicitor to act for you. If you fail to do this you may prejudice your position and the insurer will not pay costs you have already incurred.

When we receive your claim we will have it assessed for reasonable prospects of success. Providing the event is covered by the policy and your claim is more likely than not to succeed, we will help you under the terms of your policy.

We will recommend mediation to resolve your dispute where appropriate or we will appoint a solicitor or an accountant to act for you from our nationwide panel of specialist firms. The members of our panel are carefully selected based on their expertise and work under strict service standards. Firms are also audited regularly to ensure they provide the best possible service to our customers.

What happens if I change my mind after taking out the policy?

The policy provides you with a 14 day reflection period in which to decide whether you wish to continue. Cancellation is fully explained in Condition 9 of the policy wording.

The tables on the next pages show a summary of cover. For full terms and conditions of the policy, please read the policy wording.

## Claims procedure

If you need to make a claim you must notify us as soon as possible

1. under no circumstances should you instruct your own solicitor or accountant as the insurer will not pay any costs incurred without our agreement.
2. You can download a claim form by visiting [www.arag.co.uk/newclaims](http://www.arag.co.uk/newclaims) or you can request one by telephoning us on **0117 917 1698** between 9am and 5pm Monday to Friday (except bank holidays)
3. You can send your completed claim form and supporting documents to us by email, post or fax. Further details are set out in the claim form itself. We will send you a written acknowledgment by the end of the next working day after the claim is received.
4. Within five working days of receiving all the information needed to assess the availability of cover under the policy, we will write to you either:
  - a) confirming cover under the terms of your policy and advising you of the next steps to progress your claim; or
  - b) if the claim is not covered, explaining in full the reason why and advising whether we can assist in another way.
5. When a representative is appointed they will try to resolve your dispute without delay, arranging mediation whenever appropriate. Matters cannot always be resolved quickly particularly if the other side is slow to cooperate or a legal timetable is decided by the courts.

## What happens if the insurer cannot meet its liabilities?

AmTrust Europe Limited is covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation of up to 90% of the cost of your claim, in the unlikely event that the insurer cannot meet its obligations. Further information about compensation scheme arrangements is available from [www.fscs.org.uk](http://www.fscs.org.uk)

## Summary table

### Significant Features & Benefits

The insurer will pay legal costs & expenses and employment compensation awards up to the sums shown in your policy schedule including the cost of appeals for the following

### Significant Exclusions or Limitations

- It must always be more likely than not that your claim will be successful.
- You must report your claim during the period of insurance and as soon as you become aware of the circumstances that could lead to a claim. In relation to rent arrears, this must be within 60 days of the rent first becoming due.
- Unless there is a conflict of interest we will choose an appointed advisor until proceedings need to be issued or in any claim dealt with by an Employment Tribunal or the small claims court.
- Legal costs, expenses, and compensation awards incurred before we accept a claim.
- Costs in excess of what would have been paid to a solicitor on our panel if the insured chooses to use their own representative

### Part A – Your insured property

#### 1 Property damage, nuisance and trespass

We will pursue a claim if your property and/or anything else you own at the insured address is damaged. We will also pursue a claim in the event of public or private nuisance or trespass.

- Damage that arises from a contract other than a tenancy agreement or holiday home letting.
- Trespass or nuisance by your tenant or ex-tenant, or a holiday home guest.

#### 2 Repossession of residential property

We will pursue a claim for repossession of your residential property which is let

- as an assured shorthold, shorthold or assured tenancy under the 1988 Housing Act
- in Northern Ireland subject to the Private Tenancies (NI) Order
- to a limited company or business partnership
- to your employee under a service occupancy agreement

- There must be a mandatory ground for repossession.
- You must have served the necessary notice on your tenant to leave the property

#### 3 Commercial lease disputes

We will cover a dispute with your business tenant under the terms of a written lease agreement for your property which has been let under the Landlord & Tenant Act 1954 or where you have correctly contracted out of the Act.

- Any dispute that arises from a disagreement with your tenant regarding payment or non-payment of rent and or service charges.
- You must demonstrate that you have served the correct legal notice on your tenant.

#### 4. Recovery of rent arrears

We will pursue a claim to recover rent arrears owed to you.

#### 5. Holiday homes contract disputes

We will cover dispute that arises from

- a written agreement which you have entered into to let out your property as holiday accommodation
- a contract you have entered into to buy or hire goods or services for the benefit of your property.

- Goods or services which exceed £6,000 (including VAT) in value.
- An employment contract.

### Part B – Your business

#### 1 Employment

A dispute with a past, present, or prospective employee, arising from a contract of service and/ or breach of employment laws.

- Pursuing an action other than an appeal.
- Any redundancy-related claim within 180 days of you taking out this policy.
- Internal grievance or disciplinary matters.

#### 2 Employment compensation awards

Where we have accepted your claim under 1. Employment, the insurer will pay a basic and compensatory award made against you by a tribunal, or an amount agreed by us to settle a dispute.

Money due to an employee under a contract of service.

<p><b>3 Employment restrictive covenants</b> A dispute with</p> <ul style="list-style-type: none"> <li>• your employee or ex-employee which arises from a restrictive covenant in a contract of service with you.</li> <li>• another party who alleges that you have breached their legal rights protected by a restrictive covenant.</li> </ul>	<p>The restrictive covenant must not</p> <ul style="list-style-type: none"> <li>• extend further than is reasonably necessary to protect the business interests</li> <li>• contain restrictions in excess of 12 months</li> </ul>
<p><b>4 Tax protection</b> A HMRC compliance check, or formal enquiry into your business' tax or dispute about VAT, including an appeal. Directors and partners of the business are covered if their personal tax affairs are investigated.</p>	<ul style="list-style-type: none"> <li>• Any claim where you been careless or have not met legal timescales.</li> <li>• An investigation by the Fraud Investigation Service of HMRC</li> <li>• Tax Avoidance</li> </ul>
<p><b>5 Legal defence</b> We will defend the insured</p> <ul style="list-style-type: none"> <li>• in an investigation that could lead to prosecution.</li> <li>• If criminal proceedings are brought.</li> </ul> <p>Cover for motor-related investigations and prosecutions is included. Directors and/or partners are covered to defend a motor prosecution whether or not it relates to the business.</p>	<p>Parking offences</p>
<p><b>6 Compliance &amp; regulation</b> Appeal against a Statutory Notice issued against your business, or defence of a civil action brought under the Data Protection Act.</p>	<p>A Health and Safety Fee for Intervention.</p>
<p><b>7 Statutory licence appeals</b> An appeal against a decision to alter, suspend, revoke or refuse to renew a statutory licence or registration.</p>	<p>Registration or licencing schemes relating to your property.</p>
<p><b>8 Loss of earnings</b> The insurer will pay loss of earnings if an insured has to attend court or tribunal for a claim under this policy or because they are called for Jury Service.</p>	<p>Any sum which can be recovered from the court or tribunal</p>
<p><b>9 Employees' extra protection</b> Cover to:</p> <ol style="list-style-type: none"> <li>defend <ol style="list-style-type: none"> <li>An employee in civil proceedings brought for unlawful discrimination, or</li> <li>A trustee of the company pension fund</li> </ol> </li> <li>pursue a personal injury claim on behalf of an employee or a member of their family, or</li> <li>represent your directors and /or partners who have fallen victim of identity theft.</li> </ol>	<p>In respect of 9 b: A condition illness or disease that gradually develops over time.</p>
<p><b>10 Crisis communication</b> Access to professional public relations support and crisis communication services to manage adverse media publicity and reputational exposure.</p>	<ul style="list-style-type: none"> <li>• Matters that should be dealt with through your normal complaint procedures</li> <li>• A matter that has not actually resulted in adverse publicity appearing online, in print or broadcast</li> <li>• The maximum the insurer will pay is £10,000.</li> <li>•</li> </ul>
<p><b>11. Contract &amp; debt recovery</b> Contract disputes and debt recovery actions relating to the purchase, hire, lease, servicing, maintenance, sale or provision of goods or services. Cover for motor-related disputes is included.</p>	<ul style="list-style-type: none"> <li>• The amount is dispute must exceed £200</li> <li>• Disputes with tenants</li> <li>• The sale or purchase of any land or buildings.</li> <li>• Computer systems which have been supplied by you or tailored to your requirements.</li> <li>• Breach of professional duty.</li> <li>• Arbitration or adjudication.</li> </ul>

## Additional Services

<p><b>Legal &amp; tax advice helpline</b> Access by phone to legal and tax experts for UK and EU-wide legal advice and UK tax advice.</p>	<ul style="list-style-type: none"><li>• Advice will not put advice in writing.</li><li>• Advice is restricted to business legal matters.</li><li>• Advice on UK tax law is available Monday to Friday between 9am and 5pm (except bank holidays).</li><li>• We cannot advise on financial planning or financial service products.</li><li>• Services are subject to fair and reasonable use.</li></ul>
<p><b>Redundancy Approval</b> We can arrange for specialist advice if you are planning redundancies.</p>	<ul style="list-style-type: none"><li>• You have to pay the cost of this service.</li><li>• This service is available between 9am and 5pm on weekdays (except bank holidays).</li></ul>
<p><b>Crisis communication helpline</b> The insured can use this helpline at any time for advice about negative publicity or media attention.</p>	Where your circumstances require professional work to be carried out in advance of any adverse publicity, such services are available subject to payment of a fee.
<p><b>Counselling assistance helpline</b> Your employees can use this telephone service 24 hours a day, 365 days of the year.</p>	
<p><b>Legal Services website</b></p> <ul style="list-style-type: none"><li>• Go to <a href="http://www.araglegal.co.uk">www.araglegal.co.uk</a> and register using your voucher code to download business and landlord's legal documents.</li><li>• Many documents offer legal review services.</li><li>• You can access our online law guide.</li></ul>	<ul style="list-style-type: none"><li>• Documents are restricted to business law.</li><li>• Some documents only apply for England &amp; Wales.</li><li>• Many documents are free while others attract a modest charge.</li><li>• Legal review services are subject to a fee.</li></ul>
	<p><b>Territorial limit</b></p> <ul style="list-style-type: none"><li>• Part A – the UK</li><li>• Part B – Insured events 5 Legal defence, 6 Compliance &amp; regulation, and 11 Contract &amp; debt recovery the UK, Channel Islands, Isle of Man, Norway, Switzerland and EU countries. For other insured events the UK, Channel Islands and the Isle of Man.</li></ul>

## How we handle complaints

### Step 1

ARAG is committed to providing a first class service at all times. However, if a complaint arises, this should be addressed to our Customer Relations Department who will arrange to have it reviewed at the appropriate level.

We can be reached in the following ways:



**0117 917 1561** (hours of operation are 9am-5pm, Mondays to Fridays excluding bank holidays, for our mutual protection and training purposes, calls may be recorded).



**customerrelations@arag.co.uk**



**ARAG plc, 9 Whiteladies Road, Clifton, Bristol, BS8 1NN**

### Step 2

If we are not able to resolve the complaint to your satisfaction, then you can refer it to the Financial Ombudsman Service (FOS) provided that it falls within their jurisdiction. The FOS can normally deal with complaints from individuals and small business with annual turnover of less than €2 million. They can be contacted at:



**0800 023 4567 or 0300 123 9123**



**complaint.info@financial-ombudsman.org.uk**



**Financial Ombudsman Service, Exchange Tower, London, E14 9SR**

The FOS is an independent service in the UK for settling disputes between consumers and businesses providing financial services. You can find out more information on the Financial Ombudsman Service at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

The FOS's decision is binding upon the insurer, but you are free to reject it without affecting your legal rights.

ARAG plc registered in England number 02585818. Registered address: 9 Whiteladies Road, Clifton, Bristol BS8 1NN.

ARAG is authorised and regulated by the Financial Conduct Authority firm registration number 452369.

ARAG plc is authorised under a Binding Authority Agreement with the Insurer AmTrust Europe Limited to administer this insurance. AmTrust Europe Limited is registered in England and Wales number 1229676 Registered address: Market Square House, St. James's Street, Nottingham NG1 6FG. AmTrust Europe Limited, is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority firm registration number 202189. This can be checked by visiting the FCA website at [www.fca.org.uk/register](http://www.fca.org.uk/register) or by contacting the FCA on 0300 500 0597. ARAG plc and AmTrust Europe Limited are covered by the Financial Ombudsman Service

**[www.arag.co.uk](http://www.arag.co.uk)**

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