



Commercial Legal Expenses Policy Document

Please read this policy carefully and in full to familiarise yourself with the terms and conditions, as well as the:



Legal advice & tax helpline

Online Legal Services

Claims procedure.

If you are unsure about anything in this document, please contact whoever you purchased your policy from.

Obtain a claim form

To obtain a claim form, call us on **0117 917 1698** between 9am and 5pm weekdays (except bank holidays) or go online www.arag.co.uk/newclaims

Telephone helplines

24/7 Legal advice on business matters within EU law
0344 571 7978

UK tax advice 9am to 5pm weekdays
(except bank holidays) **0344 571 7978**

Redundancy approval 9am to 5pm weekdays
(except bank holidays) **0117 917 1698**

Crisis communication 0344 571 7964

Counselling assistance 0333 000 2082

Online Legal Services

Register today at: www.araglegal.co.uk and enter the voucher codes shown below to download business and landlords' legal documents, forms and letters and access our digital law guide.

- Register for Landlords' documents using voucher code **EC426C378CB8**.
- Register for Business Legal Services using voucher code **X1232KC79BB5**.

Many documents are free to download while others attract a modest charge.

Main benefits of Commercial Legal Expenses

Cover empowers you to protect your legal rights in the future. With support from ARAG, you, your insured property and your business and could be protected from legal costs arising from the following Insured events:

Part A – Your insured property

1. Property damage, nuisance & trespass
2. Repossession of residential property
3. Commercial lease disputes
4. Recovery of rent arrears
5. Holiday homes contract disputes.

Part B – Your business

1. Employment
2. Employment compensation awards
3. Employment restrictive covenants
4. Tax protection
5. Legal defence
6. Compliance & regulation
7. Statutory licence appeals
8. Loss of earnings
9. Employees' extra protection & identity theft
10. Crisis communication
11. Contract & debt recovery.

Who is 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 €1.5 billion.

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 both businesses and individuals.

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.

Important Information

Helplines

All helplines are subject to fair and reasonable use. The level of fair usage will depend on individual circumstances. However, if our advisors consider that your helpline usage is becoming excessive they will tell you. If following that warning usage is not reduced to a more reasonable level, we can refuse to accept further calls.

Legal and tax advice 0344 571 7978

If you have a legal or tax problem relating to your business we recommend calling our confidential legal and tax advice helpline. Legal advice is available 24 hours a day, 365 days a year, and tax advice is available between 9am and 5pm on weekdays (except bank holidays).

The advice covers business-related legal matters, including commercial and residential property letting within UK and EU law, and tax matters within the UK. Your query will be dealt with by a qualified specialist who is experienced in handling legal or tax-related matters. Use of this service does not constitute reporting of a claim.

Redundancy approval 0117 917 1698

We can arrange for specialist advice if you are planning redundancies. This will assist you to implement a fair selection process and ensure that the redundancy notices are correctly served. This service is available between 9am and 5pm on weekdays (except bank holidays), subject to a charge.

Crisis communication 0344 571 7964

If you are concerned about an event that may result in negative publicity which could affect your business, you can access professional public relations support from our Crisis Communication experts.

Where possible, initial advice for you to act upon will be provided over the telephone, but if your circumstances require professional work to be carried out in advance of any actual adverse publicity, such services are available on a consultancy basis and subject to you paying a fee.

Where an event has led to actual publicity online, in print or broadcast, that could damage your business, you are insured against the costs of crisis communication services under Part B Insured event 10 when you use this helpline.

Counselling assistance 0333 000 2082

For an employee (and family members permanently living with them) needing confidential help and advice, our qualified counsellors are available to provide telephone support on any matter that is causing them upset.

Claims procedure

If you need to make a claim, you must notify us as soon as possible. Where you are claiming under Part A, you must have issued the necessary notices informing your tenant of your intention to repossess the insured property. (Please note that Section 8 and Section 21 notices which are required to repossess residential property together with covering letters can be downloaded for free from the Landlords' Legal Services website.)

1. Under no circumstances should you instruct your own solicitor as the insurer will not pay costs incurred without our agreement.
2. You can download a claim form by visiting 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. Your completed claim form and supporting documentation can be submitted to ARAG 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.

Privacy Statement

This is a summary of how we collect, use, share and store personal information. To view our full privacy statement, please see our website www.arag.co.uk

Collecting personal information

ARAG may be required to collect certain personal or sensitive information which may include name, address, date of birth and if appropriate medical information. We will hold and process this information in accordance with the General Data Protection Regulations.

Important Information (continued)

Should we ask for personal or sensitive information, we undertake that it shall only be used in accordance with our privacy statement.

We may also collect information for other parties such as suppliers we appoint to process the handling of a claim.

Using personal or sensitive information

The reason we collect personal or sensitive information is to fulfil our contractual and regulatory obligations in providing this insurance product, for example to process premium or handle a claim. To fulfil these obligations, we may need to share personal or sensitive information with other organisations.

We will not disclose personal or sensitive information for any purpose other than the purpose for which it was collected.

Please refer to our full privacy statement for full details.

Keeping personal information

We shall not keep personal information for any longer than necessary.

Your rights

Any person insured by this policy has a number of rights in relation to how we hold personal data including; the right to a copy of the personal data we hold; the right to object to the use of personal data or the withdrawal of previously given consent; the right to have personal data deleted. For a full list of privacy rights and when we will not be able to delete personal data please refer to our full privacy statement.

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 at www.fscs.org.uk

Commercial Legal Expenses

This policy is evidence of the contract between **you** and the **insurer**. The policy and the schedule shall be read together as one document.

Terms that appear in bold type have special meanings. Please read **Meanings of words & terms** for more information.

This insurance has two parts:

- Part A covers **you** for legal disputes that arise from owning or letting out **your insured property**,
- Part B relates to other legal matters arising from **your** business.

If **you** are not trading as a business only Part A of this policy applies.

Your policy cover

Following an Insured event the **insurer** will pay **legal costs & expenses** including the cost of appeals (and compensation awards under Insured event Part B Insured event 2 Employment compensation awards) up to the policy limits stated below subject to all the following requirements being met.

1. **You** have paid the insurance premium.
2. The **insured** keeps to the terms of this policy and cooperates fully with **us**.
3. The Insured event in Part B arises in connection with the business shown in the schedule to which this policy attaches.
4. The Insured event occurs within the **territorial limits**.
5. The claim
 - a) always has **reasonable prospects of success**
 - b) is reported to **us**
 - i) during the **period of insurance** and
 - ii) within 60 days of **you** first becoming aware of the matter in dispute where **you** are in disagreement with a tenant of **your insured property** and
 - iii) as soon as the **insured** first becomes aware of circumstances which could give rise to a claim.
6. Unless there is a conflict of interest, the **insured** always agrees to use the **appointed advisor** chosen by **us** in any claim
 - a) to be heard by the **small claims court** or an Employment Tribunal and/or
 - b) before proceedings have been or need to be issued.
7. Any dispute will be dealt with through mediation, or by a court, tribunal, Advisory Conciliation and Arbitration Service or a relevant regulatory or licensing body within the **territorial limit**.

A claim is considered to be reported to **us** when **we** have received the **insured's** fully completed claim form.

Policy limits

The most the **insurer** will pay for all claims related by time or originating cause including the cost of appeals shall be limited to the following:

Insured events Part A:

- £50,000 for each Insured event.

Insured events Part B:

- £100,000 for Insured events 1 to 9 and 11.
- £10,000 for Insured event 10.

In respect of Part B Insured event 2 Employment compensation awards, the most the **insurer** will pay for all claims notified to us during any one **period of insurance** is £1,000,000.

Insured events covered – Part A Your **insured property**

1 Property damage, nuisance & trespass

- An event which causes visible damage to **your insured property** and/or anything owned by **you** at **your insured property**.
- A public or private nuisance or a trespass relating to **your insured property**.

Provided that if the **insured property** is used as holiday accommodation

- you** can provide a detailed inventory of its condition and contents which has been signed by **your** guest(s) and
- a dilapidations deposit has been paid in cash or payment has cleared in **your** bank account.

What is not covered under Part A Insured event

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- The first £250 of any claim in respect of Insured event 1 b) except where **you** bring a claim against a person who is living at **your property** without **your** permission (i.e. squatters). This is payable by the **insured** as soon as **we** accept the claim.
- Any claim arising from or relating to:
 - damage or loss arising from a contract between **you** and a third party who is not:
 - your** tenant or ex-tenant; or
 - a guest or guests staying at **insured property** that **you** have let out as holiday accommodation
 - the compulsory purchase of, or demolition, restrictions, controls or permissions placed on land or property by any government, local or public authority
 - a dispute with any party other than the party who caused the damage, nuisance or trespass
 - any nuisance or trespass claim in respect of Insured event 1 b) that arises from a contract, lease, licence or tenancy agreement between **you** and the third party (including trespass by **your** ex-tenant).

2 Repossession of residential property

- Pursuit of **your** legal rights to repossess **your insured property** that has been let under:
 - an assured shorthold tenancy; or
 - a shorthold tenancy; or
 - an assured tenancy;as defined by the Housing Act 1988 as amended by the Housing Act 1996 and the Assured Tenancies (Amendment) (England) Order 2010 or the Housing (Scotland) Act.
Provided **You**:
 - give the tenant the correct notices for the repossession; and
 - will try to get repossession under:
 - Schedule 2, Part 1 (grounds 1 to 8) of the Housing Act 1988 as amended by the Housing Act 1996; or
 - Schedule 5, Part 1 (grounds 1 to 8) of the Housing Act (Scotland) 1988; or
 - Part 1, Section 21 of the Housing Act 1988 amended by the Housing Act 1996; or

<ul style="list-style-type: none"> iv) Part 2, Section 33 of the Housing Act (Scotland) 1988. b) Pursuit of your legal rights to repossess your insured property that you have let: <ul style="list-style-type: none"> i) in accordance with the Private Tenancies (Northern Ireland) Order 2006; or ii) to a limited company or business partnership for residential use by employees. c) Pursuit of your legal right to recover or repossess your insured property that is occupied by an employee or ex-employee under a service occupancy agreement. 	
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<p>3 Commercial lease disputes</p> <p>Pursuit or defence of your legal rights arising from a dispute with your business tenant under the terms of a written lease agreement in relation to your insured property which is</p> <ul style="list-style-type: none"> a) granted under the Landlord & Tenant Act 1954 provided that where the dispute arises from or relates to renewal of your lease agreement or the granting of a new business tenancy: <ul style="list-style-type: none"> i) reasonable prospects of success exist to oppose your tenant’s right to renew the tenancy under Section 30(1) of the Landlord and Tenant Act 1954; and ii) you can demonstrate that you have served the correct legal notice to terminate on the tenant in the prescribed form before your tenant has served you with a request for a new tenancy, or b) contracted out of the Landlord & Tenant Act 1954 provided that: <ul style="list-style-type: none"> i) you have correctly served the necessary legal notice on your tenant and ii) your tenant has made the relevant declaration and iii) the lease is noted accordingly. 	<p>What is not covered under Part A Insured event 3</p> <p>Any dispute that arises from a disagreement with your tenant over payment or non-payment of rent and or service charges.</p>
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<p>4 Recovery of rent arrears</p> <p>Pursuit of your legal right to recover rent owed to you by</p> <ul style="list-style-type: none"> a) your residential or business tenant or ex-tenant of insured property b) a guest or guests staying at your insured property which is used as holiday accommodation. 	
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<p>5 Holiday homes contract disputes</p> <p>A dispute that arises from</p> <ul style="list-style-type: none"> a) a written agreement which you have entered into to let out your insured property as holiday accommodation that is not otherwise covered by Part A, Insured event 1. Property damage, nuisance & trespass or 4. Recovery of rent arrears b) a contract you have entered into to buy or hire goods or services for the benefit of insured property which you have let or intend to let to guests as holiday accommodation. 	<p>What is not covered under Part A Insured event 5</p> <p>Any claim arising from or relating to:</p> <ol style="list-style-type: none"> 1. Goods or services which exceed £6,000 (including VAT) in value. 2. Loans and mortgages. 3. An employment contract. 4. A settlement due under an insurance policy.
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Insured events covered – Part B Your business

1 Employment

A dispute between **you** and **your employee**, ex-**employee**, or a prospective employee, arising from a breach or an alleged breach of their

- a) contract of service with **you** and/or
- b) related legal rights.

A claim can be made under the policy provided that all internal procedures as set out in the

- i) ACAS Code of Practice for Disciplinary and Grievance Procedures, or
- ii) Labour Relations Agency Code of Practice on Disciplinary and Grievance Procedures in Northern Ireland

have been or ought to have been concluded.

What is not covered under Insured event 1

Any claim arising from or relating to:

1. the pursuit of an action by **you** other than an appeal against the decision of a court or tribunal
2. redundancy, alleged redundancy or unfair selection for redundancy, occurring during the first 180 days of this policy, except where **you** have had equivalent cover in force up until the start of this policy
3. **legal costs & expenses** for preparation and representation at an internal disciplinary hearing, grievance or appeal.
4. A pension scheme where actions are brought by 10 or more **employees** or **ex-employees**

2 Employment compensation awards

Following a claim **we** have accepted under Insured event 1 Employment, the **insurer** will pay any

- a) basic and compensatory award awarded against **you** by a tribunal or
- b) an amount agreed by **us** in settlement of a dispute.

Provided that compensation is

- i) agreed through mediation or conciliation or under a settlement approved by **us** in advance or
- ii) awarded by a tribunal judgment after full argument unless given by default.

What is not covered under Insured event 2

Compensation awards or settlements relating to:

1. money due to an **employee** under a contract or a statutory provision relating thereto
2. trade union membership or non-membership, industrial or labour arbitration, collective bargaining agreements, trade union recognition or matters concerning a European Works Council
3. civil claims or statutory rights relating to trustees of occupational pension schemes.

3 Employment restrictive covenants

a) A dispute with **your employee** or ex-**employee** which arises from their breach of a restrictive covenant where **you** are seeking financial remedy or damages.

Provided that the restrictive covenant

- i) is designed to protect **your** legitimate business interests, and
 - ii) is evidenced in writing and signed by **your employee** or ex-**employee** and.
 - iii) extends no further than is reasonably necessary to protect the business interests and
 - iv) does not contain restrictions in excess of 12 months.
- b) A dispute with another party who alleges that **you** have breached their legal rights protected by a restrictive covenant.

4 Tax protection

a) A formally notified enquiry into **your** tax affairs, or into the personal tax affairs of **your** directors and/or partners.

b) A dispute about **your** compliance with regulations relating to:

- i) Value Added Tax, or
- ii) Pay As You Earn, or
- iii) Social Security, or
- iv) National Insurance Contributions, or
- v) the Construction Industry Scheme, or
- vi) IR35

following a compliance check by HM Revenue & Customs.

What is not covered under Insured event 4

Any claim arising from or relating to:

1. tax returns which result in HM Revenue & Customs imposing a penalty or which contain careless and/or deliberate misstatements
2. an investigation by the Fraud Investigation Service of HM Revenue & Customs
3. circumstances where the Disclosure of Tax Avoidance Scheme Regulations apply or should apply to the **insured's** financial arrangements
4. any enquiry that concerns assets, monies or wealth outside of Great Britain and Northern Ireland
5. **your** failure to register for VAT.

<p>c) An enquiry into your tax affairs, or into the personal tax affairs of your directors and/or partners, arising from an alleged discovery by HM Revenue & Customs.</p> <p>Provided that</p> <p>i) all returns are completed and have been submitted within the statutory timescales permitted; and</p> <p>ii) you keep proper records in accordance with statutory requirements; and</p> <p>iii) in respect of any appealable matter you have requested an Internal Review from HM Revenue & Customs where available.</p>	
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<p>5 Legal defence</p> <p>a) A criminal investigation and/or enquiry by</p> <p>i) the police or</p> <p>ii) a health & safety authority or</p> <p>iii) other body with the power to prosecute where it is suspected that an offence may have been committed that could lead to the insured being prosecuted.</p> <p>b) An offence or alleged offence which leads to the insured being prosecuted in a court of criminal jurisdiction.</p> <p>c) A motor prosecution brought against your directors and/or partners that arises from the use of any vehicle for personal, social or domestic purposes or to commute to or from their place of work.</p>	<p>What is not covered under Insured event 5</p> <p>Any claim relating to a parking offence.</p>
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<p>6 Compliance & regulation</p> <p>a) Receipt of a Statutory Notice that imposes terms against which you wish to appeal.</p> <p>b) Notice of a formal investigation or disciplinary hearing by any professional or regulatory body.</p> <p>c) A civil action alleging wrongful arrest arising from an allegation of theft.</p> <p>d) A claim against you for compensation under Section 13 of the Data Protection Act 1998 including compensation awarded against you provided that you are registered with the Information Commissioner.</p>	<p>What is not covered under Insured event 6</p> <p>Any claim arising from or relating to:</p> <ol style="list-style-type: none"> 1. the pursuit of an action by you other than an appeal 2. a routine inspection by a regulatory authority 3. a Health and Safety Executive Fee for Intervention.
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<p>7 Statutory licence appeals</p> <p>An appeal against a decision by the relevant authority to alter, suspend, revoke or refuse to renew your statutory licence or compulsory registration.</p>	<p>What is not covered under Insured event 7</p> <p>Any claim relating to a licence or registration scheme affecting your insured properties.</p>
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<p>8 Loss of earnings</p> <p>The insured's absence from work to attend court, tribunal, arbitration, regulatory proceedings or a professional body's disciplinary hearing at the request of the appointed advisor or whilst on jury service which results in loss of earnings.</p>	<p>What is not covered under Insured event 8</p> <p>Any sum which can be recovered from the court or tribunal.</p>
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<p>9 Employees' extra protection</p> <p>At your request</p> <p>a) where civil proceedings are issued against your employee:</p> <p>i) for unlawful discrimination; or</p> <p>ii) in their capacity as a trustee of a pension fund set up for the benefit of your employees;</p>	<p>What is not covered under Insured event 9 a) or b)</p> <p>Any claim arising from or relating to:</p> <ol style="list-style-type: none"> 1. defending you 2. a condition, illness or disease which develops gradually over time.
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- b) where **your employee** or a member of their family suffers physical bodily injury or death as a result of a sudden event
- c) a claim arising from personal identity theft targeted at **your** directors and/or partners.

10 Crisis communication

Following an event which causes **your** business significant adverse publicity or reputational damage which is likely to have a widespread financial impact on **your** business, **we** will

- a) liaise with **you** and **your** solicitor (whether the solicitor is an **appointed advisor** under this policy, or acts on **your** behalf under any other policy), to draft a media statement or press release,
 - b) prepare communication for **your** staff/customers/suppliers and/or a telephone or website script or social media messaging
 - c) arrange, support and represent an **insured** at an event that media will be reporting
 - d) support the **insured** by taking telephone calls and email messages and managing interaction with media outlets
 - e) support and prepare the **insured** for media interviews
- provided that **you** have sought and followed advice from **our** Crisis communication helpline.

What is not covered under Insured event 10

Any claim arising from or relating to:

- 1. matters that should be dealt with through **your** normal complaints procedures
- 2. a matter that has not actually resulted in adverse publicity appearing online, in print or broadcast
- 3. **legal costs & expenses** in excess of £10,000

11 Contract & debt recovery

A breach or alleged breach of an agreement or alleged agreement which has been entered into by **you** or on **your** behalf relating to the purchase, hire, hire purchase, lease, servicing, maintenance, testing, sale or provision of goods or services, provided that if **you** are claiming for an undisputed debt **you** have exhausted **your** normal credit control procedures

What is not covered under Insured event 11

Any claim arising from or relating to:

- 1. an amount which is less than £200
- 2. a dispute with a tenant or leasee where **you** are the landlord or lessor
- 3. the sale or purchase of land or buildings
- 4. loans, mortgages, endowments, pensions or any other financial product
- 5. computer hardware, software, internet services or systems which
 - a) have been supplied by **you** or
 - b) have been tailored to **your** requirements
- 6. a breach or alleged breach of a professional duty by an **insured**
- 7. the settlement payable under an insurance policy
- 8. a dispute relating to an **employee** or ex-**employee**
- 9. adjudication or arbitration.

What is **not covered** under Part A

- 1. Any disagreement with a tenant of an **insured property** during the first 90 days of the first **period of insurance** where the tenancy agreement started before the start of this cover unless **you** were insured for equivalent cover in force up until the start of this policy.
- 2. Registering, assessing or reviewing rent, rent control, land tribunals or matters that fall under the jurisdiction of the Property Chamber of the First-tier Tribunal.
- 3. Any claim arising from or relating to an **insured property** which has been or which should have been registered as a House of Multiple Occupation.

What is **not covered** (applicable to the whole policy)

The **insured** is not covered for any claim arising from or relating to:

1. **legal costs & expenses** or compensation awards incurred without **our** consent
2. any actual or alleged act, omission or dispute happening before, or existing at the start of the policy, and which the **insured** believed or ought reasonably to have believed could lead to a claim
3. an allegation against the **insured** involving:
 - a) assault, violence, indecent or obscene materials, dishonesty, malicious falsehood, defamation, the manufacture, dealing in or use of alcohol, illegal drugs, illegal immigration; except in relation to Part B Insured event 10 Crisis communication
 - b) offences under Part 7 of the Proceeds of Crime Act 2002 (money laundering offences)
4. defending a claim in respect of damages for personal injury (other than injury to feelings in relation to Part B Insured event 1 Employment) or loss or damage to property owned by the **insured**
5. patents, copyright, passing-off, trade or service marks, registered designs and confidential information (except in relation to Part B Insured event 3 Employment restrictive covenants)
6. a dispute with any subsidiary, parent, associated or sister company or between shareholders or partners
7. franchise or agency agreements
8. a judicial review
9. a dispute with **us**, the **insurer** or the party who arranged this cover not dealt with under Condition 6
10.
 - a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
 - b) radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
 - c) war, invasion, act of foreign enemy hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military or usurped power
 - d) pressure waves from aircrafts or other aerial devices travelling at sonic or supersonic speed
 - e) any terrorist action (regardless of any other cause or event contributing concurrently or in any other sequence to the liability) or any action taken in controlling, funding, preventing or suppressing terrorist action. If the **insurer** alleges that by reason of this exclusion any liability or loss is not covered by this policy, the burden of proving the contrary shall be upon the **insured**.
11. the payment of fines, penalties or compensation awarded against the **insured** (except as covered under Part B Insured event 2 Employment compensation awards or Insured event 6 d) Compliance & regulation) or costs awarded against the **insured** by a court of criminal jurisdiction.

Policy **conditions**

Where the **insurer's** risk is affected by the **insured's** failure to keep to these conditions, the **insurer** can cancel this policy, refuse a claim or withdraw from an ongoing claim. The **insurer** also reserves the right to claim back **legal costs & expenses** from the **insured** if this happens.

1. The **insured's** responsibilities

An **insured** must:

- a) tell **us** immediately of anything that may make it more costly or difficult for the **appointed advisor** to resolve the claim in **your** favour
- b) cooperate fully with **us**, give the **appointed advisor** any instructions required, and keep them updated with the progress of the claim and not hinder them
- c) take reasonable steps to claim back **legal costs & expenses** and, where recovered, pay them to the **insurer**
- d) keep **legal costs & expenses** as low as possible
- e) allow the **insurer** at any time to take over and conduct in the **insured's** name, any claim.

2. Freedom to choose an **appointed advisor**

- a) In certain circumstances as set out in 2.b) below the **insured** may choose an **appointed advisor**. In all other cases no such right exists and **we** shall choose the **appointed advisor**.
- b) If:
 - i) **we** agree to start proceedings or proceedings are issued against an **insured**, or
 - ii) there is a conflict of interestthe **insured** may choose a qualified **appointed advisor** except where the **insured's** claim is to be dealt with by the Employment Tribunal or **small claims court** where **we** shall always choose the **appointed advisor**.
- c) Where the **insured** wishes to exercise the right to choose, the **insured** must write to **us** with their preferred representative's contact details. Where the **insured** chooses to use their preferred representative, the **insurer** will not pay more than **we** agree to pay a solicitor from **our** panel. (**Our** panel solicitor firms are chosen with care and **we** agree special terms with them including rates which may be lower than those available from other firms).

- d) If the **insured** dismisses the **appointed advisor** without good reason, or withdraws from the claim without **our** written agreement, or if the **appointed advisor** refuses with good reason to continue acting for an **insured**, cover will end immediately.
- e) In respect of a claim under Insured event Part A – 5 Holiday homes contract disputes, Part B – 9 b) and Part B – 11 Contract & debt recovery **you** must enter into a **conditional fee agreement** (unless the **appointed advisor** has entered into a **collective conditional fee agreement**) where legally permitted.

3. Consent

- a) The **insured** must agree to **us** having sight of the **appointed advisor's** file relating to the **insured's** claim. The **insured** is considered to have provided consent to **us** or **our** appointed agent to have sight of their file for auditing and quality and cost control purposes.
- b) An **insured** must have **your** agreement to claim under this policy.

4. Settlement

- a) The **insurer** can settle the claim by paying the reasonable value of the **insured's** claim.
- b) The **insured** must not negotiate, settle the claim or agree to pay **legal costs & expenses** without **our** written agreement.
- c) If the **insured** refuses to settle the claim following advice to do so from the **appointed advisor** the **insurer** reserves the right to refuse to pay further **legal costs & expenses**.

5. Barrister's opinion

We may require the **insured** to obtain and pay for an opinion from a barrister if a dispute arises regarding the merits or value of the claim. If the opinion supports the **insured**, then the **insurer** will reimburse the reasonable costs of that opinion. If that opinion conflicts with advice obtained by **us**, then the **insurer** will pay for a final opinion which shall be binding on the **insured** and **us**. This does not affect the **insured's** right under Condition 6 below.

6. Arbitration

If any dispute between the **insured** and **us** arises from this policy, the **insured** can make a complaint to **us** as described on the back page of this policy and **we** will try to resolve the matter. If **we** are unable to satisfy the **insured's** concerns and the matter can be dealt with by the Financial Ombudsman Service the **insured** can ask them to arbitrate over the complaint.

If the dispute cannot be dealt with by the Financial Ombudsman Service, it can be referred for independent arbitration to a qualified person agreed upon by both parties. The loser of the dispute shall be liable to pay the costs incurred.

If the parties fail to agree on a suitable person to arbitrate the matter **we** will ask the President of the relevant Law Society to nominate. The arbitration shall be subject to the Arbitration Acts and the arbitrator's decision shall be binding on the parties.

7. Other insurance

The **insurer** will not pay more than their fair share (rateable proportion) for any claim covered by another policy, or any claim that would have been covered by any other policy if this policy did not exist.

8. Fraudulent claims and claims tainted by dishonesty

- a) If the **insured** makes any claim which is fraudulent or false, the policy shall become void and all benefit under it will be lost.
- b) An **insured** shall at all times be entirely truthful and open in any evidence, disclosure or statement they give and shall act with complete honesty and integrity throughout. Where, on the balance of probabilities and having considered carefully all the facts of the claim, it appears that the **insured** has breached this condition and that the breach has:
 - i) affected our assessment of **reasonable prospects of success**, and/or
 - ii) prejudiced any part the outcome of the **insured's** claimthe insurer shall have no liability for **legal costs & expenses**.

9. Cancellation

- a) **You** may cancel the policy:
 - i) within 14 days of the date of its purchase with a full refund of premium paid provided a claim has not been accepted; or
 - ii) at any other time by giving **us** written notice and the **insurer** will refund the premium for the remaining **period of insurance** unless a claim has been or is later accepted by **us** in which case no return of premium shall be allowed.
- b) Where there is a valid reason for doing so, the **insurer** has the right to cancel the policy at any time by giving **you** at least 21 days written notice. The **insurer** will refund the premium for the remaining **period of insurance**. **We** will set out the reason for cancellation in writing. Valid reasons may include but are not limited to:

- i) where the party claiming under this policy fails to cooperate with or provide information to **us** or the **appointed advisor** in a way that materially affects **our** ability to process a claim, or **our** ability to defend the **insurer's** interests,
 - ii) where the party claiming under this policy uses threatening or abusive behaviour or language, or intimidates or bullies **our** staff or suppliers,
 - iii) where **we** reasonably suspect fraud.
- c) The **insurer** may also cancel the policy and refund the premium for the remaining **period of insurance** if at any time **you**
- i) enter into a voluntary arrangement or a deed of arrangement or
 - ii) become bankrupt, are placed into administration, receivership or liquidation or
 - iii) have **your** affairs or property in the care or control of a receiver or administrator.

The **insurer** also reserves the right to withdraw from any claim in the circumstances noted in 9 b) and 9 c).

10. Acts of parliament, statutory instruments, civil procedure rules & jurisdiction

All legal instruments and rules referred to within the policy shall include equivalent legislation in Scotland, Northern Ireland, the Isle of Man and the Channel Islands and any subsequent amendment or replacement. This policy will be governed by English law.

11. Contracts (Rights of Third Parties) Act 1999

Except for any person or business appointed as **your** agent to manage the letting of **your property** a person who is not party to this contract has no right to enforce the terms and conditions of this section under the Contracts (Rights of Third Parties) Act 1999.

Meaning of **words & terms**

Certain words and terms contained in this policy have been defined as they have the same meaning wherever they appear.

Appointed advisor

The solicitor, accountant, mediator or other advisor appointed by **us** to act on behalf of the **insured**.

Collective Conditional Fee Agreement

A legally enforceable agreement entered into on a common basis between the **appointed advisor** and **us** to pay their professional fees on the basis of "no-win no-fee".

Conditional Fee Agreement

A legally enforceable agreement between the **insured** and the **appointed advisor** for paying their professional fees on the basis of "no-win no-fee".

Employee

A worker who has or alleges they have entered into a contract of service with **you** provided they have been declared to us.

Insured

1. **You, your** directors, partners, managers, officers and **employees** of your **business**.
2. The estate, heirs, legal representatives or assigns of any persons stated in 1. in the event of such person dying.
3. A person who is contracted to perform work for **you**, who in all other respects **you** have arranged to insure on the same basis as **your employees** and who performs work under **your** supervision.

Insurer

AmTrust Europe Limited.

Insured property

1. **Your** business premises.
2. Property owned by **you** which is let or which **you** intend to let to tenants for business or residential purposes.
3. Property owned by **you** which is let or which **you** intend to let to guests as holiday accommodation for leisure purposes under the terms of a written agreement and which is shown in the schedule to which this policy attaches and located in England, Scotland, Wales or Northern Ireland.

Legal costs & expenses

1. reasonable legal costs and disbursements reasonably and proportionately incurred by the **appointed advisor** on the standard basis and agreed in advance by **us**. The term “standard basis” can be found within the Courts’ Civil Procedure Rules Part 44
2. in civil claims, other side’s costs, fees and disbursements where the **insured** has been ordered to pay them or pays them with **our** agreement
3. reasonable accountancy fees reasonably incurred under Part B Insured event 4 Tax protection by the **appointed advisor** and agreed by **us** in advance
4. **your employee’s** basic wages or salary under Part B Insured event 8 Loss of earnings for lost time while attending court or tribunal at the request of the **appointed advisor** or whilst on jury service where **you** do not pay for time lost and lost wages or salary cannot be claimed back from the court or tribunal.
5. the professional fees and expenses of an **appointed advisor** selected by **us** to reduce the actual adverse or negative publicity or media attention directed towards **you** under Part B Insured event 10 Crisis communication.

Period of insurance

The period shown in the schedule to which this policy attaches.

Reasonable prospects of success

1. Other than as set out in 2 and 3 below, a greater than 50% chance of the **insured** successfully pursuing or defending the claim and, if the **insured** is seeking damages or compensation, a greater than 50% chance of enforcing any judgment that might be obtained
2. in criminal prosecution claims where the **insured**
 - a) pleads guilty, a greater than 50% chance of reducing any sentence or fine or
 - b) pleads not guilty, a greater than 50% chance of that plea being accepted by the court
3. in all claims involving an appeal, a greater than 50% chance of the **Insured** being successful.

Where it has been determined that **reasonable prospects of success** as set out in 1., 2. and 3. above do not exist, the **insured** shall be liable to pay any legal costs incurred should they pursue or defend their claim irrespective of the outcome

Small claims court

A court in England & Wales that hears a claim falling under the small claims track in the County Court as defined by Section 26.6 (1) of the Civil Procedure Rules 1999; a court in Scotland that uses the simple claims procedure as set out by the Courts Reform (Scotland) Act 2014, a court in Northern Ireland where the sum in dispute is less than £3,000 or the equivalent jurisdiction in the **territorial limit** where the policy applies.

Territorial limits

For Part A – the United Kingdom.

For Part B – Insured events 5 Legal defence, 6 Compliance and regulation, and 11 Contract & debt recovery the United Kingdom, Channel Islands, Isle of Man, Norway, Switzerland and countries in the European Union.

For other Insured events under Part B, the United Kingdom, Channel Islands and the Isle of Man.

We/Us/Our

ARAG plc who is authorised under a binding authority agreement to administer this insurance on behalf of the **insurer**, AmTrust Europe Limited.

You/Your

The business or person named in the schedule, including any subsidiary and/or associated companies declared to **us** and/or any person or business appointed as an agent of the named business or person to manage the letting of **insured property** to the extent that any such agent has acted on behalf of the person or business named in the schedule.

Signed by



Managing Director of ARAG plc

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 more information on the Financial Ombudsman Service at 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 to administer this insurance on behalf of the insurer AmTrust Europe Limited. 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 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