
Commercial Plus Legal Expenses Insurance

Policy Document

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Introduction to your Commercial Plus Legal Expenses Insurance Policy

Introduction

This policy is evidence of a legally binding contract of insurance between **you** (the **insured**) and **us** (Financial & Legal Insurance Company Limited). **We** rely upon:

- The information **you** provided or which has been provided on **your** behalf when **you** took out insurance with **us**, and
- Any other information given by **you** or on **your** behalf in obtaining this cover and throughout the duration of the contract.

You must read this policy and **schedule** together. Please check these documents carefully to make certain they give **you** the cover **you** want.

We agree to insure **you** under the terms, **condition(s)** and exceptions contained in this policy or in any **endorsement** applying to this policy. The insurance provided by the policy covers legal expenses arising from certain events that may occur within England, Wales, Scotland, Northern Ireland, Channel Islands and the Isle of Man during any **period of insurance** for which **you** have paid, or agreed to pay the premium.

Nobody other than **you** (and the **insured person**) and **us** (Financial & Legal Insurance Company Limited) has any rights that they can enforce under this contract of insurance, and it cannot be assigned to any other party.

Unless some other law is agreed in writing, this policy is governed by English law. If there is a dispute, it will only be dealt with in the courts of England or of the country within the United Kingdom in which **your** main residence is situated.

The terms and **condition(s)** of this policy and all other information concerning this insurance are communicated to **you** in the English language and **we** undertake to communicate in this language for the duration of the policy.

Guidance notes

The guidance notes that are included throughout the policy are to help you understand this insurance. They do not form part of the contract of insurance between you and us. They should be read in conjunction with the full text of your policy.

The parties involved in your Insurance

This Commercial Legal Expenses Insurance policy has been arranged by Lexelle Limited, with Financial & Legal Insurance Company Limited.

Financial & Legal Insurance Company Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. **You** can check this on the Financial Services Register by visiting <https://register.fca.org.uk/>. **Our** firm reference number is 202915.

This is a “claims made” Insurance policy and only covers claims notified by the insured within the period of cover. In return for the payment by the insured of the premium payable for this policy of insurance, we will provide before the event legal expenses insurance on the terms set out below:

We have appointed Lexelle Limited to administer your insurance on our behalf, who are authorised and regulated by the Financial Conduct Authority, firm reference number 312782.

Throughout this policy document they are referred to as the **administrator**, and as the firm that arranged **your** insurance with **us**:

Lexelle Limited can be contacted at:
PO Box 4428
Sheffield
S9 9DD
Tel: 0114 249 3300
Email: assist@lexelle.com

You should contact them if **you** have any questions about **your** insurance or if **you** need to make a change to **your** insurance (see Notification of changes which may affect **your** insurance).

Making a claim

If **you** need to make a **claim**, please contact **us**:

Financial & Legal Insurance Company Limited
No.1 Lakeside
Cheadle Royal Business Park
Cheadle
Cheshire
SK3 3GW
Tel: 0161 492 1639
Email: nonmotorlegalclaims@financialandlegal.co.uk

You must supply **us** with a complete and truthful report of the facts giving rise to **your claim**, details of any potential witnesses, and provide **us** with any documentary evidence in support of **your claim**. **You** may report **your claim** by telephone or in writing, using the contact details set out above.

we will make an assessment of the merits of **your claim**. If **we** decide that **your claim** appears to be covered by **your** policy and there is a **reasonable prospect of success**, **we** will appoint an **authorised representative** selected by **us** to act on **your** behalf in respect of **your claim**.

If **we** consider it unlikely a reasonable settlement will be obtained, or the value or amount in dispute is disproportionate to the time and legal costs involved in its pursuit; or **we** decide **your claim** does not appear to have a **reasonable prospect of success**; then **we** will tell **you**, and if requested by **you** provide confirmation in writing.

If **you** accept **our** advice, **your** entitlement to payment from **us** under this policy for **your claim** is at an end and **we** will be discharged from any liability to **you** in respect of that **claim**.

If **you** do not accept **our** advice, **we** will instruct another **authorised representative** to advise whether **your claim** has a **reasonable prospect of success**. If the alternative **authorised representative** instructed advises that **your claim** does not have **reasonable prospect of success**, **we** will not be liable to pay **you** anything under the terms of this policy for that **claim**. If the alternative **authorised representative** instructed advises that there are **reasonable prospects of success**, **we** will appoint the alternative **authorised representative** to act on **your** behalf in the pursuit of **your claim** and advise **you** accordingly. Any **authorised representative** will require **you** to enter into an agreement with them in order for them to act on **your** behalf.

We will take over and conduct any **civil claim** for damages or compensation in **your** name for a **claim** accepted under this policy. The **authorised representative** nominated and appointed by **us** will act on **your** behalf and **you** must accept the nomination. If **we** agree **legal proceedings** should be commenced through court or it is mandatory for **you** to be represented by a solicitor **you** may choose an alternative solicitor to act for **you** however **you** must obtain **our** written agreement for them to become **your authorised representative**. **Our** agreement shall not be unreasonably withheld however **we** will only pay **professional fees** up to the amount that **we** would have paid an **authorised representative** appointed by **us** which is currently set at an hourly rate of £125+VAT (**we** may at our discretion increase this if **we** feel the situation warrant this).

If an **authorised representative** instructed to act on **your** behalf refuses to continue to act on **your** behalf, or **you** without a good reason instruct the **authorised representative** to cease acting on **your** behalf, then **we** will not pay **you** anything under the terms of this policy and **our** liability under this policy for that **claim** shall cease immediately.

Where an **authorised representative** is appointed to act on **your** behalf by the **administrator** or **us** they are appointed in the performance of **our** obligations under the terms of this policy and not as an agent for **you**.

Where an **authorised representative** is instructed to act on **your** behalf, **you** and **we** will require them to comply with the **authorised representative's** obligations set out in this policy.

We may require a barrister to advise whether in all the circumstances of **your claim**, to include whether an offer should be made or accepted in settlement of **your claim** or whether **your claim** should be pursued or continue to be pursued by **legal proceedings**.

If **we** consider that **your claim** should be pursued by some means other than by **legal proceedings** **we/the administrator** will tell **you** in writing.

You should keep a complete record of all information **you** supplied to the firm that arranged **your** insurance with **us** and to **us** when taking out this insurance.

So that **you** understand what **you** are covered for, please read this policy and the **schedule** (which may make reference to endorsements) very carefully. **You** should pay special attention to the general exceptions and general terms and conditions of this policy.

If **you** have any questions, or the cover does not meet **your** needs or any of the details are incorrect **you** should notify the **administrator** or **us** immediately.

Important

If **you** fail to tell **us** or **you** delay telling **us** about an incident that may lead to a **claim** and this increases **our claim** costs, **you** will become liable to pay the additional costs. It may also invalidate **your** right to **claim**.

Your responsibility

You must take reasonable care to:

- a) supply accurate and complete answers to all the questions **your** broker / agent may ask as part of **Your** application for cover under the policy.
- b) to make sure that all information supplied as part of **your** application for cover is true and correct.
- c) tell **your** broker / agent of any changes to the answers **you** have given as soon as possible.

You must take reasonable care to provide information that is accurate and complete answers to the questions **your** broker/ agent ask when **you** take out, make changes to and renew **your** policy. If any information **you** provide is not accurate and complete, this may mean **your** policy is invalid and that it does not operate in the event of a **claim** or **we** may not pay any **claim** in full.

If **you** become aware that information **you** have given **your** broker / agent is inaccurate or has changed, **you** must inform them as soon as possible.

Fraud

You must not act in a fraudulent way. If **you** or anyone acting for **you**:

- fails to reveal or hides a fact likely to influence whether **we** accept **your** proposal, **your** renewal, or any adjustment to **your** policy;
- fails to reveal or hides a fact likely to influence the cover **we** provide;
- makes a statement to **us** or anyone acting on our behalf, knowing the statement to be false;
- sends **us** or anyone acting on **our** behalf a document, knowing the document to be forged or false;
- makes a **claim** under the policy, knowing the **claim** to be false or fraudulent in any way; or
- makes a **claim** for any loss or damage **you** caused deliberately or with **your** knowledge;

If **your claim** is in any way dishonest or exaggerated **we** will not pay any benefit under this policy or return any premium to **you** and **we** may cancel **your** policy immediately and backdate the cancellation to the date of the fraudulent **claim**. **We** may also take legal action against **you** and inform the appropriate authorities.

Governing Law

Unless some other law is agreed in writing, this policy is governed by English law. If there is a dispute, it will only be dealt with in the courts of England or of the country within the United Kingdom in which **your** main residence is situated.

Arbitration/Mediation

A dispute between **you** and **us** may arise, which may be referred to an arbitrator, who shall be either a solicitor or a barrister who **you** and **we** agree on in writing. If an arbitrator cannot be agreed then an arbitrator will be appointed by the authorised body identified in the current arbitration legislation. The decision of the arbitration shall be final and binding on both parties and he or she will decide who should pay the costs of the arbitration. If costs are awarded against **you**, they are not covered under this policy. This arbitration condition does not affect **your** rights to take separate legal action.

If a disputed **claim** is not referred to arbitration within 12 months of **your claim** being turned down, **we** will treat the **claim** as abandoned.

Definition of terms used (displayed in bold font in this policy)

Guidance notes

The words or phrases shown below have the same meaning wherever they appear in this policy (in bold or italic font) and your schedule and any endorsements.

Administrator

Lexelle Limited

Any one claim

All **claims** resulting from the same original occurrence.

Authorised representative

An appropriately qualified professional person or firm appointed by the **us** to act on **your** behalf when a **claim** is made under this insurance.

Basic Award

The award of an employment tribunal for an unfair dismissal and/or breach of discrimination legislation that is to compensate an **Employee** for the loss of their statutory rights.

Business

The business shown in the **schedule**.

Claim(s)

A **claim** under this policy for legal expenses or awards of compensation.

Civil Claim

Is a dispute in relation to **your** contractual, common law and statutory rights for which **you** are pursuing a remedy.

Condition

Is an obligation that **you** must perform. If **you** do not perform a condition **we** might not be under any liability to pay anything under the terms of this policy.

Costs and Expenses

All necessary and reasonable:

- Fees, costs, disbursements and expenses charged by the **appointed representative** and agreed by **us**;
- Opponents costs in civil cases where the **insured person** is ordered to pay them or where **we** agree to pay them in pursuing the **claim** including the costs of any appeal or defending an appeal, provided the **insured person** tells **us** within the time limits and provided that **we** agree to the appeal.

Cross-Tax Enquiry

An investigation by HM Revenue & Customs into **your** business tax affairs, which also includes an investigation into **your** Value Added Tax return and/or employer's Compliance.

Defendant's costs

Legal costs and expenses the **insured** or **insured person** is ordered to pay to another party that can be enforced against the **insured** in making a **civil claim** that has been pursued under this policy.

Employee

Any person under a contract of service with **you** in connection with the **Business**. This includes any:

1. Trainee under **your** control in connection with a government approved training scheme;
2. Ex-employee or prospective employee.

Event

An occurrence which gives rise of a **claim** against this policy.

Free legal advice

Initial verbal **legal advice** over the telephone relating to a possible claim covered by this policy. No correspondence will be entered in to when utilising this service.

Insured(s)

The person named in the **schedule** to this policy.

Insured person(s)

You and any director or partner and **employee** of **your business** provided they have **your** permission to **claim** under this policy.

Legal advice

Means any advice provided by **our** or the **administrator's** in-house legal advisors to assist **you** in **your claim**.

Legal assistance

Actions taken by the **administrator** and/or an **authorised representative** whilst pursuing **your claim** accepted under this policy including their **professional fees**.

Legal proceedings

A **claim** for damages or compensation pursued in a court of law within England, Wales, Scotland, Northern Ireland, the Channel Islands and the Isle Of Man.

Maximum amount

This is the maximum amount **we** will pay in respect of **any one claim** and in aggregate for all **claims** made during any **period of insurance**.

For all policy sections the maximum amount payable in respect of **any one claim** is £50,000.

The maximum amount payable for all **claims** notified during the **period of insurance** is £500,000.

Period of insurance

The period stated in the **schedule** to this policy.

Policyholder

The **business** or person named in the **schedule**.

Professional fees

Fees or costs reasonably incurred by the **authorised representative**, with **our** or the **administrator's** prior authority. This includes disbursements if these are in respect of services supplied by a third party; that the services are distinct and separate from the services supplied by the **authorised representative**; and that **our** or the **administrator's** prior permission has been obtained prior to incurring any disbursements.

Reasonable prospect of success

The matter falling within the cover provided by Sections 1-13 of this insurance has more than 51% chance of being successful in recovering **your** loss.

Schedule

The document that shows **your** details and the insurance provided that forms part of this contract of insurance.

Small claim(s)

A **claim** for damages or compensation which is or may if **legal proceedings** are issued be allocated to the **small claims** jurisdiction of the courts of England and Wales or the equivalent in Scotland, Northern Ireland, the Channel Islands and the Isle Of Man.

Territorial Limits

The United Kingdom, the Isle of Man or the Channel Islands.

Tax Enquiry

An investigation by HM Revenue & Customs into **your business** tax affairs.

We, Us, Our, Insurer

Financial & Legal Insurance Company Limited

You, your

The person named as the **insured** in the **schedule** to this policy or an **insured person**.

Your claim

A **claim** for costs, **defendant’s costs**, **legal assistance** or **legal advice** covered under Sections 1-13 of this insurance.

Insurance provided – the cover we offer

The Sections of this insurance that are available are shown in the table below:

Section	Cover
1	24/7 Free Legal Advice Service
2	Employment Disputes
3	Financial Compensation Awards
4	Service Occupancy
5	Legal Defence
6	Property Protection
7	Bodily Injury
8	Tax Protection
9	Contract Disputes
10	Debt Recovery
11	Employment Restrictive Covenants
12	Statutory Licence Appeal
13	Tenancy Disputes

The sections **you** are covered for under this insurance are shown on **your schedule**. Cover is subject to any endorsement(s) shown on **your schedule**.

The general exceptions and general terms and condition of this insurance policy apply to all sections of policy cover.

Section 1. 24/7 Free Legal Advice Service

Guidance notes

This section of your policy provides a 24/7 free legal advice service over the telephone, this service is only available for legal issues falling under the jurisdiction of the courts of England, Wales, Scotland & Northern Ireland.

Service Provision

The helpline only provides **free legal advice** for **your** personal legal issues, it is not intended to replace the services of a solicitor, but rather to assist **you** to identify the legal issues at hand, consider their legal rights and what courses of action are available to them and whether they need to consult a solicitor. The **free legal advice** helpline will provide general advice only and cannot assist with complex legal matters which may require the review of documentation or specific legislation.

General advice may be limited to signposting and referring the caller to other appropriate agencies, or recommending a specialist solicitor for further assistance, which may include considering policy cover under this insurance.

To use the 24/7 **free legal advice** helpline, **you** must have **your** policy number and name of the organisation who sold **you** this insurance and also quote the master certificate number detailed on Page 1 of this document and call **0333 400 8217**.

Please note that in some cases, depending on the type of advice required and time of call, a call back may need to be arranged.

Using the helpline service, does not constitute notification of a claim, which must not be delayed whilst using the **free legal advice** helpline. Please refer to the “Making a claim” section described on page 4 above, delays in making a claim may reduce or prevent **you** from receiving assistance under the policy.

You must not rely on the **free legal advice** instead of reporting a claim.

We cannot be held responsible if any of the Helpline Services become unavailable for reasons outside of **our** control.

The **free legal** advice cannot assist with matters that would fall outside of the following jurisdictions: England & Wales, Scotland or Northern Ireland.

Section 2. Employment Disputes

Guidance notes

This section of your policy provides cover for professional fees up to £50,000 for unfair or wrongful dismissal, redundancy or unlawful discrimination and is only available for legal issues falling under the jurisdiction of the courts of England, Wales, Scotland & Northern Ireland.

What is insured?

This section of cover provides cover for the **cost and expenses** to defend the **policyholder's** legal rights arising from or relating to a breach of an **employee's** contract of service under employment legislation, which will be dealt with in an employment tribunal.

What is not insured

1. Any dispute where the cause of action arises within the first 90 days of the first **period of insurance** provided by this policy.
2. Any dispute with an **employee** who was subject to an oral warning (formal or informal) within 180 days of the inception date of the policy.
3. Any **claim** that could give rise to legal dispute with an **employee** with **you** where **you** have not obtained and followed the advice given by **our** Claims Department.
4. Any **claim** that **you** have not obtained or followed the advice given by **our** Claims Department with regards to:
 - the dismissal of an **employee**.
 - carrying out any disciplinary procedure on an **employee**.
 - **you** are notified either formally or informally of a complaint of sexual, racial or religious discrimination or discrimination relating to disability, age or sexual orientation.
 - **you** are notified either formally or informally of a grievance from an **employee**.
 - implementing a redundancy programme or making an **employee** redundant.
 - making a material change to an **employee's** terms and conditions of employment which could adversely affect the **employee**.
 - becoming aware of an event that could result in a potential **claim** from an **employee** for constructive dismissal.
5. Any **cost and expenses claim** relating to:
 - internal grievance procedures.
 - disciplinary hearings.
 - a dispute which has arisen from a settlement agreement.
 - shareholding, partnerships or directors contracts.
 - transfer of Undertakings (protection of Employment) Regulation 2006 or Transfer of Employment (Pension Protection) Regulation 2005.
 - future contracts of employment.
 - damages for personal injury or loss of or damage to property.
 - unpaid wages and commission or deduction from wage or commission.
 - any benefits due under a contract of employment.
 - any payments as a result of redundancy.

Section 3. Financial Compensation Awards

Guidance notes

This section of your policy provides cover for any basic and compensatory award in respect of claim we have accepted under Section 2. Employment Disputes.

What is insured?

We will pay:

- Any basic and compensatory award in respect of a claim we have accepted under Section 2 above and/ or
- An order for compensation following a breach of the policyholder's statutory duties under employment legislation in respect of a claim we have accepted under Section 2 above.

Provided that:

- In cases related to performance and/or conduct, the policyholder has throughout the employment dispute either:
 - followed the ACAS Code of Disciplinary and Grievance Procedures as prepared by the Advisory Conciliation and Arbitration Service; or
 - followed equivalent codes of practice issued by the Labour Relations Agency in Northern Ireland; or
 - sought and followed advice from our Claims Department.
- For an order of compensation following the policyholder's breach of statutory duty under employment legislation, the **policyholder** has at all times sought and followed advice from **our** Claims Department since the date when the **policyholder** should have known about the employment dispute.
- For any compensation award for redundancy or alleged redundancy or unfair selection for redundancy, the **policyholder** has sought and followed advice from **our** Claim Department prior to serving notice of redundancy.

The compensation is awarded by a tribunal or through the ACAS Arbitration Scheme, under a judgement made after full argument and otherwise than by consent or default, or is payable under settlement approved in writing in advance by **us**.

What is not insured?

Any compensation award relating to the following:

- Trade union activities, trade union membership or non-membership.
- Pregnancy or maternity rights.
- Health and safety related dismissals brought under section 44 of the Employment Rights Act 1996.
- Statutory rights in relation to trustees of occupational pension schemes.
- Statutory rights relating to Sunday shop and betting work.
- Non-payment of money due under the relevant contract of employment or statutory provision relating thereto.
- Any award ordered because the **policyholder** has failed to provide relevant records to **employees** under the National Minimum Wage laws.
- Any compensation award or increase in compensation award ordered by the tribunal for failure to comply with a recommendation it has made, including non-compliance with a re-instatement or re-engagement order.
- Any award arising out the **insured persons** failure to provide a contract of employment or statement of terms and conditions of employment.
- Any **claim** in relation to equal pay or the minimum wage employment legislation.

Section 4. Service Occupancy

Guidance notes

*This section of your policy provides cover for professional fees to recover possession of premises owned by, or for which **you** are responsible from an employee or ex-employee.*

What is insured?

We will negotiate for the **policyholder's** legal rights against an **employee** to recover possession of premises owned by, or for which the **policyholder** is responsible.

What is not insured?

Any **claim** relating to defending the **policyholder's** legal rights other than defending a counter-claim.

Section 5. Legal Defence

Guidance notes

This section of your policy provides cover for professional fees against a strict liability criminal prosecution brought against you as an employer.

What is insured?

At the **policyholder's** request, we will defend the **Insured Person's** legal rights:

- Prior to the issue of **legal proceedings** when dealing with the:
 - Police;
 - Health and Safety Executive and/or Local Authority Health and Safety Enforcement Officer where it is alleged that the **insured person** has or may have committed a criminal offence.
- Following an event which leads to the **insured person** being prosecuted in a court of criminal jurisdiction.
- If civil action is taken against the **insured person** for compensation following an alleged breach of the General Data Protection Regulation. We will also pay any compensation award made against the **insured person** following a breach of the General Data Protection Regulation.
- We will defend the **policyholder's** legal rights following civil action taken against the **policyholder** for wrongful arrest in respect of an allegation of theft alleged to have been carried out during the **period of insurance**.
- We will defend the **insured person's** (other than the **policyholder**) legal rights if:
 - an event arising from their work as an **employee** leads to civil action being taken against them under the grounds of sex, sexual orientation, race, disability, age, religious belief or political opinion; or
 - civil action is taken against them as a trustee of a pension fund set up for the benefit of the **policyholder's employees**. We will represent the **insured person** in appealing against the imposition or terms of any Statutory Notice issued under legislation affecting the **policyholder's** business.
- We will represent the **policyholder** in appealing against the refusal of the Information Commissioner to register the **policyholder's** application for registration.
- We will pay the attendance expenses of an **insured person** for jury service. If the **insured person** works full time, the salary or wages for each whole day equals 1/250th of the **insured person's** yearly salary or wages. If the **insured person** works part-time, the salary or wages will be a percentage of their weekly salary or wages. Indemnity limited to £100 per day and a maximum of £1,000 in **any one claim**.
- In respect of criminal prosecution and where the **insured person** pleads guilty there is a reasonable prospect of significant mitigation of the **insured person's** sentence or fine.
- Provided that:
 - i. In so far as proceedings under the Health and Safety at Work etc Act 1974 are concerned, the **territorial** limits shall be any place where the Act applies.
 - ii. With regards to any alleged breaches of the General Data Protection Regulation, and at the time of the event, the **policyholder** has to be registered with the Data Protection Register or Data Protection Commissioner.

What is not insured?

- Any **claim** which relates to the **insured person** being investigated or prosecuted for an infringement of road traffic laws or regulations in connection with the ownership, driving or use of a motor vehicle.
- Any **claim** which relates to alleged breach(s) to housing or houses of multiple occupancy acts or requirements.

Section 6. Property Protection

Guidance notes

This section of your policy provides legal cover to pursue a civil claim relating to material property owned by you including nuisance or trespass.

What is insured?

We will negotiate the **policyholder's** legal rights to pursue a **civil claim** relating to material property, which are owned by the **policyholder** or for which **policyholder** legally responsible for and used in connection with their **business** activity for:

- An event which causes, or could cause, physical damage to such property; or
- Any unlawful interference of **your** use or enjoyment or right of such property.

What is not insured?

Any **claim** relating to the following:

- Contract entered into by the **policyholder**.
- Goods in transit or goods lent or hired out.
- Goods at premises other than those occupied by the **policyholder** unless the goods are at such premises for the purpose of installation or use in work to be carried out by the **policyholder** at that location.
- Any dispute regarding subsidence or heave regardless of the cause.
- Boundary disputes.
- Defending the **policyholder's** legal rights other than in defending a counter-claim.
- A motor vehicle owned or used by or hired or leased to **you** other than damage to motor vehicles where the policyholder is engaged in the business of selling, leasing or hiring motor vehicles.
- Tenancy or rent review disputes.
- Property not connected to **policyholder's business** activity.
- Property outside of the **territorial limits**.

Section 7. Bodily injury

Guidance notes

This section of your policy provides cover for legal assistance to recover compensation should you suffer an accident that results in personal injury of death.

What is insured?

At **your** request, **we** will negotiate for an **insured person's** legal rights following an event which causes the death of, or bodily injury to them.

What is not insured?

Any **claim** related to the following:

- any illness or bodily Injury which develops gradually or is not caused by a specific or sudden accident; or
- defending an **policyholder's** legal rights other than in defending a counter-claim; or
- a motor vehicle owned or used by, or hired or leased to an **insured person**; or
- Arising from actual or alleged clinical, medical or dental negligence.
- **Claims** against the **policyholder**.

Section 8. Tax Protection

Guidance notes

This section of your policy provides cover for legal proceedings in respect of a tax enquiry by the HM Revenue and Customs.

What is insured?

We will pay the **professional fees** to defend the **policyholder's** legal rights in any **legal proceedings** appeal proceedings/legal defence in respect of:

- A **tax Enquiry** or **cross-tax enquiry**.
- An investigation by HM Revenue and Customs into the **policyholder's** compliance with Pay As You Earn regulations.
- An appeal to a VAT tribunal following an assessment by HM Revenue and Customs.

Provided that:

- The **policyholder** has taken reasonable care to ensure that their accounts and tax affairs and records have been properly maintained.
- All returns to HM Revenue and Customs have been completed, are correct and submitted on time.

What is not insured?

Any **professional fees** arising from or relating to:

- The first £200 of **professional fees** in respect of a **tax enquiry** or **cross-tax enquiry** in each and every **claim**.
- The **policyholders** failure to register for VAT.
- A tax avoidance scheme.
- Any investigation undertaken by HM Revenue and Custom's Special Investigations unit.
- Any alleged breach that began prior to the inception of this policy
- Any investigation relating to works or alleged breach's outside of the **territorial limits**.

Section 9. Contract disputes

Guidance notes

This section of your policy provides legal assistance or legal advice for contract disputes including buying, selling or hiring of goods or services.

What is insured?

We will negotiate for the **policyholder's** legal rights in a contractual dispute arising from that agreement or that alleged agreement, which has been entered into by or on behalf of the **policyholder** for the purchase, hire, sale or provision of goods or services.

Provided that:

- The amount in dispute exceeds £500.
- If the amount in dispute is payable in instalments, the instalments due and payable at the time of making the **claim** must exceed £500.
- If the dispute relates to money owed to the **policyholder**, a **claim** under the policy must be made within 90 days of the money becoming due and payable.
- The **professional fees** incurred in the pursuit of any proceedings will be limited to 75% of the amount in dispute.

What is not insured?

Any **claim** or dispute relating to the following:

- Arising from an agreement entered into prior to the inception date of this policy, if the date of the agreement is within the first 90 days of the policy being in force.
- The settlement payable under an insurance policy.
- A lease, licence or tenancy of land or buildings other than a dispute with a professional adviser in connection with the drafting of a lease, licence or tenancy agreement.
- A loan, mortgage, pension or any other financial product.
- A motor vehicle, owned by, hired or leased to the **policyholder**, unless the **policyholder's** main business activity is the sale, hire or lease of motor vehicles.
- A dispute with an **employee** which arises out of, or relates to, a contract of employment with the **policyholder**.
- A dispute which arises out of the:
 - sale or provision of computer hardware, software, systems or services; or
 - the purchase or hire of computer hardware, software, systems or services tailored by a supplier to the **policyholder's** own specification.
- A dispute arising from a breach or alleged breach of professional duty by the **policyholder**.
- The recovery of monies and interest due from another party other than disputes where the other party intimates that a defence exists.

Section 10. Debt Recovery

Guidance notes

This section of your policy provides legal assistance or legal advice for recovery of debt owed to you.

What is insured?

We will negotiate, for the **policyholder's** legal rights including enforcement of judgement to recover money and interest due from the sale or provision of goods or services

Provided that:

- The debt exceeds £250.
- A **claim** for debt recovery under the policy is made within 90 days of the money becoming due and payable.
- The **policyholder** has exhausted all other reasonable credit control and accounting procedures.
- **We** have the right to select the method of enforcement, or to forego judgement if **we** are not satisfied that there are, or will be, sufficient assets available to satisfy judgement.
- **Our** approved debt recovery representative should be used or **we** have the right to select the method of enforcement.

The maximum number of **claims** in any one **period of insurance** is limited to four.

What is not insured?

1. Any debt arising from an agreement entered into prior to the inception date of the indemnity provided by this Section of Cover, if the debt is due within the first 90 days of the indemnity provided by this Sub-Section.
2. Any **claim** relating to the following:
 - The settlement payable under an insurance policy.
 - A lease, licence or tenancy of land or buildings.
 - A loan, mortgage, pension or other financial product.
 - A motor vehicle owned by, or hired or leased to the **policyholder**, unless the **policyholder's** main **business** activity is the sale, hire or lease of motor vehicles.
 - A dispute which arises out of the supply, hire, sale or provision of computer hardware, software, systems or services.
 - The recovery of money and interest due from another party where the other party intimates that a defence exists.

Section 11. Employment Restrictive Covenants

Guidance notes

This section of your policy provides cover for legal proceedings in respect of a former employee who acts in breach of the employment restrictive covenants.

What is insured?

We will pay the **professional fees** to defend the **policyholder's** legal rights in any **legal proceedings** against a former **employee** who is in breach of restrictions contained within a written contract of employment with the **insured person**.

Provided that:

- The restrictive covenant(s) are incorporated into the **employee's** written contract of employment.

Section 12. Statutory licence appeal

Guidance notes

This section of your policy provides cover for legal proceedings in respect of an appeal against a statutory licencing authority act or omission to alter or refuse to renew a statutory licence.

What is insured?

We will pay the **professional fees** to defend the **policyholder's** legal rights in any **legal proceedings** in relation to an appeal against a statutory licensing authority following an act or omission, which leads to the suspending, revoking, altering the terms of or refusal to renew a statutory licence.

What is not insured?

Any claim relating to the following:

- The ownership, driving of or use of a motor vehicle.

Section 13. Tenancy Disputes

Guidance notes

This section of your policy provides cover for legal proceedings in respect of a dispute between you and your landlord to premises leased or rented by you.

What is insured?

We will pay the **professional fees** to defend the **policyholder's** legal rights in any **legal proceedings** in relation to a civil dispute between **you** and **your** landlord relating to premises lease or rented by **you**.

What is not insured?

Any claim relating to the following:

- A dispute arising from rent or service charges.
- The negotiation or renewal of the lease or tenancy agreement.

General Exceptions

Guidance notes

Throughout this insurance you have seen exceptions that apply to each section. These general exceptions apply to all sections.

Claims occurring as a result of the items specified below are not covered.

THESE GENERAL EXCEPTIONS APPLY TO THE WHOLE OF THE INSURANCE

Your insurance does not cover:

- An **event** that occurred prior to the inception of this policy where the **insured person** should have known a dispute was likely.
- In respect of **any one claim** for all sections the maximum amount payable is £50,000 and in total in any one **period of insurance** the **maximum amount** payable is £500,000.
- Any **claim** or incident which may lead to a **claim** and which the **insured person** knew about or ought to have reasonably know about prior to the start of this policy.
- Any **claim** relating to an **insured person's** previous trade, business, occupation or profession.
- Divorce, judicial separation, cohabitation, residence, contact, financial provision, ancillary relief or affiliation.
- Custody, guardianship, parental or other access rights.
- Disputes between any **insured person(s)** and / or any family members or persons related to an **insured** by blood or marriage not residing at the **insured's** address.
- Patents, copyrights, trademarks, service marks, registered design, intellectual property or secrecy or confidential agreements.
- Directorship or partnership disputes.
- Share Options.
- Verbal contracts.
- Libel and slander.
- Pensions.
- Bankruptcy, Liquidation or Receivership
Any **claim** where the **insured person** is bankrupt, in liquidation, has made an arrangement with his or her creditors, has entered into a Deed of Arrangement or part or all of the **insured person's** affairs or property are in the care or control of a receiver or an administrator.
- For an incident which:
 - occurred outside of the **territorial limits**; or
 - did not occur during the **period of insurance** stated in the **schedule**.
- For any **claims** caused by, contributed to or arising from:
 - Ionising radiation or contamination by radioactivity from any radiated nuclear fuel or from any nuclear waste from combustion of nuclear fuel;
 - The radioactive, toxic, explosive or other hazardous properties of any nuclear assembly or component thereof;
 - Terrorism, war, invasion, acts of foreign enemies, hostilities (whether war is declared or not), civil war, rebellion, revolution insurrection, military force or usurped power, confiscation, nationalism or requisition or destruction or damage to property by or under the order of any government or public or legal authority;
 - Pressure waves caused by aircraft or any other airborne devices travelling at sonic or supersonic speed;
 - Notwithstanding any provision to the contrary within this policy or endorsement thereto, it is understood that, this policy does not insure loss, damage, destruction, distortion, erasure, corruption or alteration of Electronic Data for any cause whatsoever (including but not limited to Computer Virus) nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.
- Any sum **you** are ordered to pay by way of a fine, costs, compensation or other financial penalty by a court in criminal proceedings, except as provided for under Section 3 Financial Compensation Awards.
- Prosecutions which allege dishonesty, deliberate acts, fraud or violence; or

- **Claims** made against **us**, the **administrator**, or the firm that arranged and placed **your** insurance with **us**.

Your insurance does not cover **professional fees** and/or **defendant's costs**:

- Of a **small claim**.
- Incurred in claiming damages or compensation in respect of loss or damage covered by another policy of insurance.
- Where they are covered by another policy of insurance.
- Where, in **our** opinion, the value/amount in dispute is disproportionate to the time and **professional fees** involved in its pursuit.
- In respect of any matter that was not caused by a specific or sudden incident/event.
- In excess of those recoverable under the Civil Procedure Rules or other agreement between the parties.
- Where **we** have agreed someone other than our nominated **authorised representative** may act for **you**, **we** will not pay any sums in excess of what **we** would have paid to an **authorised representative** that **we** would have appointed to undertake the same work, which is currently set at an hourly rate of £125+VAT (**we** may, at **our** discretion increase this if **we** feel the situation warrants it).
- Incurred before **we** have received full details of/for any event or **claim** or before **we** have accepted **your claim**.
- Over and above the **maximum amount** payable under this insurance in any one **period of insurance**.
- Where, in **our**, the **administrator's** or the **authorised representative's** opinion, **your claim** does not have a **reasonable prospect of success**.
- Where the **insured persons** defence is not wholly successful.
- For claims incurred after **you**, **we** or the **administrator** have received professional advice to accept a proposal, Part 36 offer or Part 36 payment made in settlement of **your claim**, or professional advice not to pursue or continue to pursue **your claim** by **legal proceedings**.
- Incurred after **we** or the **administrator** have told **you** that **we** consider **your claim** should be pursued by means other than by **legal proceedings**.
- For any appeal made without **our** or the **administrator's** consent in writing, or after receiving **our** or their written consent, incurred after **you** have received professional advice that the appeal does not have a **reasonable prospect of success**.
- Where **you** have failed to comply with a **condition** or the terms and conditions of this **policy of insurance**.
- Where the **authorised representative** instructed to act on **your** behalf refuses to continue to act on **your** behalf or represent **you**.
- Where **you**, without a good reason, instruct the **authorised representative** to cease acting for or representing **you**.
- For **claims** which arise from a criminal act, intention or omission by an **insured person**.
- **We** will not pay for expert or other evidence required to establish that **your** potential **claim** meets the requirements of the policy.
- For applications for judicial review or in respect of the Human Rights Act or proceedings forming part of a group or multi-party action.

If **you** or any person acting on **your** behalf submits a **claim** or makes a request for payment, knowing, or where **you** should have known it to be false, fraudulent, exaggerated, or untrue then this policy will become void, no premium will be refundable and **we** shall be entitled to recover any monies previously paid. **We** may also share this information with the appropriate law enforcement authorities.

General terms and conditions

Guidance notes

These terms and conditions explain your responsibilities under this contract of insurance.

These general terms and conditions apply to the whole of the insurance

You must comply with the following obligations each of which is a **condition** of this policy:

- Ensure that **we** or the **administrator** receive notification of any event which may give rise to a **claim** under this policy as soon as possible.

- Ensure that **we** or the **administrator** receive full details of any **claim** under this policy no later than 180 days after the event giving rise to the **claim**.
- The **insured person** follows the advice and continually seeks to follow the advice of **our** Claims Department.
- Provide any information requested by **us**, the **authorised representative** or the **administrator** as soon as possible.
- Take steps, where possible, to minimise **professional fees** or **defendant's costs**, which **we** may be liable to pay under the terms of this insurance.
- Ensure any **claim you** make is an honest **claim** and not one which is false or fraudulent.
- Ensure that **your claim** is not prejudiced by any action or inaction on **your** part.
- The **business** is situated in the **territorial limits**.
- The **event** which leads to a **claim** arises in connection with the **business**.
- **You** or any **insured person** must not take any action or interaction, which **you** or any **insured person** know or should have reasonably known could result in a **claim** under this policy.

You will at all times co-operate with **us**, the **authorised representative** and the **administrator** at all times.

The authorised representative's obligations

The **authorised representative, we** appointed to act on **your** behalf must:

- Provide **you** and **us** with a reasoned assessment in writing of the **prospects of success** in **your claim** and an estimate of the likely costs of pursuing **your claim** as soon as practicable and in any event within 28 days of accepting instructions to act on **your** behalf.
- Notify **you** and **us** immediately in writing of any proposal made in settlement of **your claim** or any part 36 offer or part 36 payment made in respect of **your claim**, together with their advice as to whether the proposal, part 36 offer or part 36 payment should be accepted.
- Notify **you** and **us** immediately in writing of any change in their assessment of the prospects of success in **your claim**.
- Provide **us** with such information as they may require from time to time about the progress of **your claim**.
- Provide **us** with a written report at six monthly intervals from the date instructions to act on **your** behalf were accepted by the **authorised representative**, as to the progress of **your claim** and any change in the **reasonable prospects of success** in **your claim** or the likely cost of pursuing **your claim**.
- Deal with **your claim** in such manner as **we** require from time to time.
- Obtain **our** consent in writing before undertaking any of the following:
 - issuing **legal proceedings** on **your** behalf;
 - instructing counsel, leading counsel or an expert witness on **your** behalf;
 - making an appeal against any order of the court made in **legal proceedings** issued on **your** behalf;
 - withdrawing, discontinuing or settling **your claim** in a way, which may give rise to a liability on **our** part to pay **defendant's costs** under this policy;
 - entering into any agreement as to the amount of or liability to pay **defendant's costs**;
 - entering into any form of alternative dispute resolution;
 - incurring any disbursement.
- Use their best endeavours to obtain payment of **professional fees** or **defendant's costs** from any other party who may be liable to pay those costs;
- Repay to **us** any costs **we** have paid in the pursuit of **your claim**, which may be recovered from any other party; and
- If required to do so by **us**, procure an assessment by the court or an appropriate professional body of the amount properly payable to the **authorised representative** for **professional fees**.

Cancellation

Guidance notes

Please note that any refund from us during the cooling off period may be subject to a further cancellation charge levied by the firm that arranged your insurance with us and/or the administrator. Any charges levied by them will be in accordance with the terms and conditions agreed between you and them at the time you arranged this insurance.

If **you** decide that for any reason, this policy does not meet **your** insurance needs then please return it to **your** broker / agent within 14 days from the day of purchase or the day on which **you** receive **your** policy documentation,

whichever is the later. On the condition that no **claims** have been made or are pending, **your** broker / agent will then refund **your** premium in full.

If **you** wish to cancel **your** policy after 14 days, **you** will be entitled to a pro- rata return of premium.

We shall not be bound to accept renewal of any insurance and may at any time cancel any insurance document by giving 14 days' notice in writing where there is a valid reason for doing so. A cancellation letter will be sent to **you** at **your** last known address. Valid reasons may include but are not limited to:

- a) Where **we** reasonably suspect fraud.
- b) Non-payment of premium.
- c) Threatening and abusive behaviour.
- d) Non-compliance with policy terms and conditions.
- e) **You** have not taken reasonable care to provide accurate and complete answers to the questions **your** broker / agent asked.

If **we** cancel the policy and/or any additional covers **you** will receive a refund of any premiums **you** have paid for the cancelled cover, less a proportionate deduction for the time **we** have provided cover.

Where **our** investigations provide evidence of fraud or misrepresentation, **we** may cancel the policy immediately and backdate the cancellation to the date of the fraud or the date when **you** provided **your** administrator / **your** agent with incomplete or inaccurate information. This may result in **your** policy being cancelled from the date **you** originally took it out and **we** will be entitled to keep the premium.

If **your** policy is cancelled because of fraud or misrepresentation, this may affect **your** eligibility for insurance with **us**, as well as other insurers, in the future.

This policy is not transferable.

Making Yourself Heard/Complaints

It is the intention to give **you** the best possible service but if **you** do have any questions or concerns about this insurance or the handling of a **claim you** should follow the Complaints Procedure below:

Complaints regarding:

RELATING TO THE SALE OF THE POLICY

Please contact **your** broker / agent who arranged the Insurance on **your** behalf.

RELATING TO CLAIMS

If **you** do have any questions, concerns or complaint about the handling of a **claim you** should contact **us** on 0161 495 4490 or in writing to The Compliance Department, Financial & Legal Insurance Company Limited, No. 1 Lakeside, Cheadle Royal Business Park, Cheadle, Cheshire SK8 3GW.

Our staff will attempt to resolve **your** complaint within 3 business days of receipt and a summary resolution communication letter will be sent to **you**. Where this is not possible, **we** will acknowledge **your** complaint promptly. If the complaint is not resolved within 4 weeks of receipt, **we** will write to **you** and let **you** know what further action **we** will take. A final response letter will be issued within 8 weeks of receipt.

If it is not possible to reach an agreement, **you** have the right to make an appeal to the Financial Ombudsman Service. This also applies if **You** are insured in a business capacity and have an annual turnover of £6.5million or less and fewer than 50 employees or an annual balance sheet below £5million. You may contact the Financial Ombudsman Service at:

The Financial Ombudsman Service,
Exchange Tower,
London,
E14 9SR.
Tel: 0300 123 9 123
Email: complaint.info@financial-ombudsman.org.uk

The above complaints procedure is in addition to **your** statutory rights as a consumer. For further information about **your** statutory rights contact **your** local Citizens Advice Bureau.

Important information about your insurance with us

Financial & Legal Insurance Company Limited Privacy Notice

Our data controller registration number issued by the Information Commissioner's Officer is **Z561011X**.

This privacy notice is relevant to anyone who uses **our** services, including policyholders, prospective policyholders, and any other individuals insured under a policy..

We are dedicated to being transparent about what **we** do with the information that **we** collect about **you**. **We** process **your** personal data in accordance with the relevant data protection legislation.

Why do we process your data?

The provision of **your** personal data is necessary for **us** to administer **your** insurance policy and meet **our** contractual requirements under the policy. **You** do not have to provide **us** with **your** personal data, but **we** may not be able to proceed appropriately or handle any claims if **you** decide not to do so.

What information do we collect about you?

Where **you** have purchased an insurance policy through one of **our** agents, **you** will be aware of the information that **you** gave to them when taking out the insurance. The agent will pass **your** information to **us** so that **we** can administer **your** insurance policy. For specific types of insurance policies, for example when offering **you** a travel insurance policy, **we** may process some special categories of **your** personal data, such as information about **your** health.

We have a legitimate interest to collect this data as **we** are required to use this information as part of **your** insurance quotation or insurance policy with **us**. **We** may also process the data where it is necessary for a legal obligation, or as part of the establishment or defence of a legal claim.

Financial & Legal Insurance Company Limited's full privacy notice

This notice explains the most important aspects of how **we** use **your** data. You can get more information about this by viewing **our** full privacy notice online at <http://financialandlegal.co.uk> or request a copy by emailing **us** at info@financial&legal.co.uk. Alternatively, **you** can write to **us** at: Data Protection, Financial & Legal Insurance Company Limited, Cheadle Royal Business Park, No 1 Lakeside, Cheadle, SK8 3GW.

Financial Services Compensation Scheme

Financial & Legal Insurance Company Limited is covered by the Financial Services Compensation Scheme (FSCS). **You** may be entitled to compensation from the scheme, if Financial & Legal Insurance Company Limited cannot meet their obligations. This depends on the type of business and the circumstances of the claim. Most insurance contracts are covered for 90% of the claim with no upper limit. **You** can get more information about compensation scheme arrangements from the FSCS or visit www.fscs.org.uk.

You may also contact the FSCS on their Freephone number: 0800 678 1100 or 020 7741 4100 or **you** can write to: Financial Services Compensation Scheme, P O Box 300, Mitcheldean, GL17 1DY