

# *Commercial* Legal Protection

Legal advice and protection for your business

ARAG

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Thank you for purchasing this policy.

**This is your Policy Wording**

**Policy number: TS5/5283007 (Companies)**

# Online law guide and document drafting

**Employment Manual:** Visit [www.arag.co.uk/customer/business-legal-expenses-insurance/employment-manual](http://www.arag.co.uk/customer/business-legal-expenses-insurance/employment-manual)

The ARAG Employment Manual offers comprehensive, up to date guidance on employment law. To view it, please visit [www.arag.co.uk/customer/business-legal-expenses-insurance/employment-manual](http://www.arag.co.uk/customer/business-legal-expenses-insurance/employment-manual)

**ARAG Businesslaw:** Visit [www.aragbusinesslaw.co.uk](http://www.aragbusinesslaw.co.uk)

## What is ARAG Businesslaw?

**ARAG Businesslaw** contains a range of regularly updated business and legal guides, document builders, interactive checklists and videos that can help **you** with the day-to-day running of **your business**, including comprehensive, current guidance on employment law, as well as helping **you** to manage its exposure to legal risk.



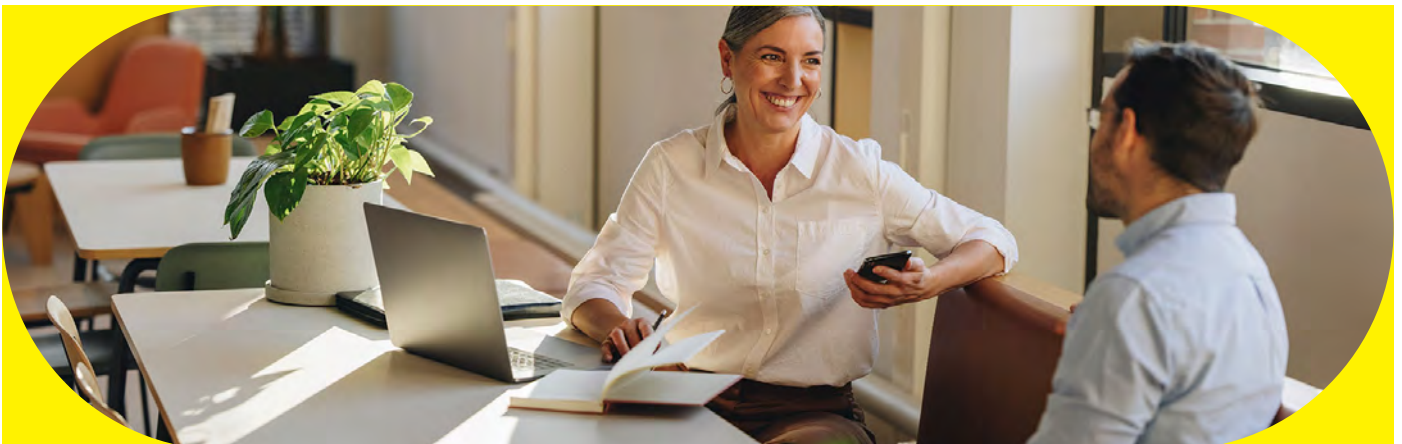
ARAG Businesslaw's document builders can help **you** quickly create documents such as:

- HR policies
- T&C documentation
- Privacy statements
- Copyright and trademark licences
- Data protection policy
- Employee contracts
- Debt recovery letters

In addition, ARAG Businesslaw contains hundreds of regularly updated expert guides and videos on topics such as branding, crowdfunding, financial and tax planning, and marketing strategy to help build and grow **your business**.

## How do I get started?

1. Visit [www.aragbusinesslaw.co.uk](http://www.aragbusinesslaw.co.uk)
2. Enter **DAS472301** into the 'voucher code' text box and press **Validate Voucher**.
3. Fill out **your** name and email address, create a password, and specify what type of **business you** have.
4. Validate **your** email address by pressing the link in the confirmation email that **you** receive.



# Helpline services

**You** can contact **our** UK-based call centre 24 hours a day, seven days a week during the **period of insurance**. However, **we** may need to arrange to call **you** back depending on the enquiry. To help **us** check and improve **our** service standards, **we** may record all calls. When phoning, please quote **your** policy number **TS5/5283007** and the name of the insurance provider who sold **you** the policy.

## Legal advice: Call 0344 893 0859

Advice can be provided on any commercial legal problem affecting **your business** under the laws of the United Kingdom of Great Britain and Northern Ireland, any European Union country, the Isle of Man, the Channel Islands, Switzerland and Norway.

Wherever possible the Legal Advice helpline aims to provide immediate advice from a qualified legal adviser. However, if this is not possible they will arrange to call **you** back at a time to suit **you**.

Advice on the laws of England and Wales can be provided 24 hours a day, 365 days a year. Beyond this jurisdiction, or for very specialist legal matters, **we** will refer **you** to one of **our** specialist advisers.

**Specialist advice is provided 9am-5pm, Monday to Friday, excluding public and bank holidays. If calls are made outside of these times, we will arrange to call you back.**



## Tax advice: Call 0344 893 0859

Advice can be provided on any tax matters affecting the **business**, under UK law.

**This service is provided 9am-5pm, Monday to Friday, excluding public and bank holidays. If calls are made outside these times, we will arrange to call you back.**

## Counselling service: Call 0344 893 9012

**We** will provide **your** employees (and any members of their immediate family who permanently live with them) with a confidential counselling service over the phone if they are aged 18 or over (or aged between 16 and 18 and in full-time employment). This includes, where appropriate, onward referral to relevant voluntary and/or professional services. Any costs arising from the use of these referral services will not be paid by **us**.

**The counselling service helpline is open 24 hours a day, seven days a week.**

**We will not accept responsibility if the helpline services are unavailable for reasons we cannot control.**





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# The meaning of words in this policy

The following words have these meanings wherever they appear in this policy in **bold**:

## Appointed representative

The **preferred law firm**, law firm, tax consultancy, accountant or other suitably qualified person **we** appoint to act on the **insured person's** behalf.

## ARAG Standard Terms of Appointment

The terms and conditions (including the amount **we** will pay to an **appointed representative**) that apply to the relevant type of claim, which could include a conditional fee agreement (no win, no fee). Where a law firm is acting as an **appointed representative** the amount is currently £100 per hour. This amount may vary from time to time.

## Business

As shown in the policy schedule.

## Business premises

As shown in the policy schedule.

## Costs and expenses

- a) All reasonable and necessary costs chargeable by the **appointed representative** and agreed by **us** in accordance with the **ARAG Standard Terms of Appointment**.
- b) The costs incurred by opponents in civil cases if the **insured person** has been ordered to pay them, or the **insured person** pays them with **our** agreement.

## Countries covered

- a) For insured incidents **Legal defence** (excluding **5 Statutory notice appeals**), and **Personal injury**  
The United Kingdom of Great Britain and Northern Ireland, the European Union, the Isle of Man, the Channel Islands, Albania, Andorra, Bosnia and Herzegovina, Gibraltar, Iceland, Liechtenstein, Monaco, Montenegro, North Macedonia, Norway, San Marino, Serbia, Switzerland and Turkey.

- b) For all other insured incidents  
The United Kingdom of Great Britain and Northern Ireland, the Isle of Man and the Channel Islands.

## Date of occurrence

- a) For civil cases (other than under insured incident **Tax protection**), the date of the event that leads to a claim. If there is more than one event arising at different times from the same originating cause, the **date of occurrence** is the date of the first of these events. (This is the date the event happened, which may be before the date **you** or an **insured person** first became aware of it.)
- b) For criminal cases, the date the **insured person** began, or is alleged to have begun, to break the law.
- c) For insured incident **Tax protection**, the date when HM Revenue & Customs, or the relevant authority, first notifies **you** of its intention to carry out an enquiry. For **VAT** or **employer compliance disputes**, the date the dispute arises during the **period of insurance** following the issue of an assessment, written decision or notice of a civil penalty.
- d) For insured incident **Legal defence 5 Statutory notice appeals**, the date when the **insured person** is issued with the relevant notice and has the right to appeal.
- e) For insured incidents **Pre disciplinary hearings** and **Disciplinary hearings**, (if shown as operative in **your** policy schedule), the date of the event which leads to a complaint being made against the **insured person**.  
If there is more than one event arising at different times, but relating to the same complaint, the **date of occurrence** is the date of the first of these events.

## Employer compliance dispute

A dispute with HM Revenue & Customs concerning **your** compliance with Pay As You Earn, Social Security, Construction Industry or IR35 legislation and regulations.

### Insured person

**You** and the directors, partners, managers, employees and any other individuals declared to **us** by **you**.

### Period of insurance

The period for which **we** have agreed to cover the **insured person**.

### Preferred law firm

A law firm, barristers' chambers or tax expert **we** choose to provide legal or other services. These specialists are chosen as they have the proven expertise to deal with the **insured person's** claim and must comply with **our** agreed service standard levels, which **we** audit regularly. They are appointed according to the **ARAG Standard Terms of Appointment**.

### Reasonable prospects

- a) For civil cases, except insured incidents **Pre disciplinary hearings** and **Disciplinary hearings**, the prospects that the **insured person** will recover losses or damages or a reduction in tax or National Insurance liabilities (or obtain any other legal remedy that **we** have agreed to, including an enforcement of judgment), make a successful defence or make a successful appeal or defence of an appeal, must be at least 51%. **We**, or a **preferred law firm** or tax consultancy on **our** behalf, will assess whether there are **reasonable prospects**.

- b) For criminal cases, and insured incidents **Pre disciplinary hearings** and **Disciplinary hearings** (if shown as operative in **your** policy schedule), there is no requirement for there to be prospects of a successful outcome, however for appeals the prospects must be at least 51%.

### Tax enquiry

A written notice of enquiry, issued by HM Revenue & Customs, to carry out an Income Tax or Corporation Tax compliance check which either:

- i) includes a request to examine any aspect of **your** books and records; or
- ii) advises of a check of **your** whole tax return.

### VAT dispute

A dispute with HM Revenue & Customs following the issue of an assessment, written decision or notice of a civil penalty relating to **your** VAT affairs.

### We/Us/Our/ARAG

ARAG Legal Expenses Insurance Company Limited.

### You/Your

The **business** that has taken out this policy (shown as the policyholder in the policy schedule).



# Welcome to ARAG

Thank **you** for purchasing this **ARAG** Commercial Legal Protection policy.

ARAG Legal Expenses Insurance Company Limited (**'ARAG'**) is the underwriter and provides the legal protection insurance under **your** policy. The legal advice service is provided by ARAG Law and/or a **preferred law firm** on behalf of **ARAG**.

To make sure that **you** get the most from **your ARAG** cover, please take time to read the policy which explains the contract between **you** and **us**. Please take care in following the procedures throughout the policy and particularly those applying to the **Employment disputes and compensation awards** cover.

## Helping you with your legal problems

If **you** wish to speak to **our** legal teams about a legal problem, please phone **us** on **0334 893 0859**. **We** will ask **you** about **your** legal issue and if necessary call back to give legal advice.



## Making a claim

If **your** issue cannot be dealt with through legal advice and needs to be dealt with as a potential claim under this policy, phone **us** on **0334 893 0859** and **we** will give **you** a reference number. At this point **we** will not be able to tell **you** whether the claim is covered or not but **we** will pass the information **you** have given **us** to **our** claims-handling teams and explain what to do next.

Please do not ask for help from a lawyer, accountant or anyone else before **we** have agreed that **you** should do so. If **you** do, **we** will not pay the costs involved even if **we** accept the claim.





# Our agreement

This policy, the policy schedule and any endorsement shall be considered as one document.

**We** agree to provide the insurance described in this policy for **you** (or where specified, the **insured person**) in respect of any insured incident arising in connection with the **business** shown in the schedule, in return for payment of the premium and subject to the terms, conditions, exclusions and limitations set out in this policy, provided that:

1. **reasonable prospects** exist for the duration of the claim
2. the **date of occurrence** of the insured incident is during the **period of insurance**, or
3. during the currency of a previous equivalent legal expenses insurance policy, provided that:
  - the previous legal expenses insurance policy required **you** to report claims during its currency
  - **you** could not have notified a claim previously as **you** could not have reasonably been aware of the insured incident
  - cover has been continuously maintained in force
  - **we** will not cover any claim that should have been covered under a previously operative legal expenses insurance policy
  - the available limit of indemnity shall be limited to the lesser of the sums payable under this or **your** previous policy



4. any legal proceedings will be dealt with by a court, or other body which **we** agree to, within the **countries covered**, and
5. the insured incident happens within the **countries covered**.



## What we will pay

We will pay an **appointed representative**, on **your** behalf, **costs and expenses** incurred following an insured incident, and any compensation awards that **we** have agreed to, provided that:

1. the most **we** will pay for all claims resulting from one or more event arising at the same time or from the same originating cause, for **costs and expenses** and compensation awards claims is **£250,000**
2. the most **we** will pay in **costs and expenses** is no more than the amount **we** would have paid to a **preferred law firm** or tax consultancy. The amount **we** will pay a law firm (where acting as an **appointed representative**) is currently £100 per hour. This amount may vary from time to time
3. in respect of an appeal or the defence of an appeal, **you** must tell **us** within the time limits allowed that **you** want to appeal. Before **we** pay the **costs and expenses** for appeals, **we** must agree that **reasonable prospects** exist
4. for an enforcement of judgment to recover money and interest due to **you** after a successful claim under this policy, **we** must agree that **reasonable prospects** exist
5. where an award of damages is the only legal remedy to a dispute and the cost of pursuing legal action is likely to be more than any award of damages, the most **we** will pay in **costs and expenses** is the value of the likely award
6. in respect of **Legal defence 6 Jury service and court attendance** the maximum **we** will pay is the **insured person's** net salary or wages for the time that the **insured person** is absent from work less any amount **you**, the court or tribunal pays, and
7. in respect of insured incident **Pre disciplinary hearings** the most **we** will pay is £1,300 plus VAT. This cover is only operative if shown as operative in the policy schedule.

## What we will not pay

1. In the event of a claim, if **you** decide not to use the services of a **preferred law firm** or tax consultancy, **you** will be responsible for any costs that fall outside the **ARAG Standard Terms of Appointment** and these will not be paid by **us**.
2. The total of the employment compensation awards payable by **us** shall not exceed **£1,000,000** in any one **period of insurance**.



# Insured incidents

## What is covered

Please also refer to our agreement on page 8

### Employment disputes and compensation awards

#### 1) Employment disputes

**Costs and expenses** to defend **your** legal rights:

- a) before the issue of legal proceedings in a court or tribunal:
  - i) following the dismissal of an employee; or
  - ii) where an employee or ex-employee has contacted ACAS ('Advisory, Conciliation and Arbitration Service') to commence the Early Conciliation procedure; or
- b) in unfair dismissal disputes under the ACAS Arbitration Scheme; or
- c) in legal proceedings in respect of any dispute relating to:
  - i) a contract of employment with **you**; or
  - ii) an alleged breach of the statutory rights of an employee, ex-employee or prospective employee under employment legislation.

## What is not covered

Please also refer to the policy exclusions on page 19

A claim relating to the following:

- 1) unless equivalent legal expenses insurance was continuously in force immediately prior to the inception of this policy:
  - a) any dispute where the originating cause of action arises within the first 90 days of the commencement of this policy;
  - b) any dispute with an employee who was subject to a written or oral warning (formal or informal) within 180 days immediately preceding the inception date of this policy if the **date of occurrence** was within the first 180 days of the commencement of this policy;
  - c) any redundancy or alleged redundancy or unfair selection for redundancy arising within the first 180 days of the commencement of this policy
- 2) damages for personal injury or loss of or damage to property
- 3) Transfer of Undertakings Regulations (TUPE) or the Transfer of Employment (Pension Protection) Regulations.

► For advice and to make a claim call 0344 893 0859

## What is covered

Please also refer to our agreement on page 8

### Employment disputes and compensation awards

(continued)

#### 2) Compensation awards

We will pay:

- a) any basic and compensatory award; and/or
- b) an order for compensation following a breach of **your** statutory duties under employment legislation

in respect of a claim **we** have accepted under insured incident

**1 Employment disputes and compensation awards.**

**Provided that:**

- a) in cases relating to performance and/or conduct, **you** have throughout the employment dispute either:
  - i) followed the ACAS Code of Disciplinary and Grievance Procedures; or
  - ii) followed equivalent codes of practice issued by the Labour Relations Agency in Northern Ireland; or
  - iii) sought and followed advice from **our** legal advice service (telephone number below)
- b) for an order of compensation following **your** breach of statutory duty under employment legislation **you** have at all times sought and followed advice from **our** legal advice service since the date when **you** should have known about the employment dispute (telephone number below)
- c) for any compensation award for redundancy or alleged redundancy or unfair selection for redundancy, **you** have sought and followed advice from **our** Claims Department before starting any redundancy process or procedure with **your** employees (telephone number below)
- d) the compensation is awarded by a tribunal or through the ACAS Arbitration Scheme, under a judgment made after full argument and otherwise than by consent or default, or is payable under settlement approved in writing in advance by **us**.

Please note that the total of compensation awards payable by **us** is £1,000,000 in any one **period of insurance**.

Please see **What we will not pay 2**.

## What is not covered

Please also refer to the policy exclusions on page 19

- 1) Any compensation award relating to the following:
  - trade union activities, trade union membership or non-membership;
  - pregnancy or maternity rights, paternity, parental or adoption 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.
- 2) Non-payment of money due under a contract of employment or a statutory provision.
- 3) Any award ordered because **you** have failed to provide relevant records to employees under National Minimum Wage legislation.
- 4) A compensation award or increase in a compensation award relating to failure to comply with a current or previous recommendation made by a tribunal.
- 5) A settlement agreed and payable following conciliation under the ACAS Early Conciliation procedure.

► For advice and to make a claim call 0344 893 0859



<b>What is covered</b> Please also refer to our agreement on page 8	<b>What is not covered</b> Please also refer to the policy exclusions on page 19
<b>Employment disputes and compensation awards</b> <i>(continued)</i>  <b>3) Employee civil legal defence</b> <b>Costs and expenses</b> to defend the <b>insured person's</b> (other than <b>your</b> ) legal rights if an event arising from their work as an employee leads to civil action being taken against them:  a) under legislation for unlawful discrimination; or b) as trustee of a pension fund set up for the benefit of <b>your</b> employees.  <i>Please note that we will only provide cover for an <b>insured person</b> (other than <b>you</b>) at <b>your</b> request.</i>	
<b>► For advice and to make a claim call 0344 893 0859</b>	
<b>4) Service occupancy</b> <b>Costs and expenses</b> to pursue a dispute with an employee or ex-employee to recover possession of premises owned by, or for which <b>you</b> are responsible.	Any claim relating to defending <b>your</b> legal rights other than defending a counter-claim.
<b>► For advice and to make a claim call 0344 893 0859</b>	
<b>Pre disciplinary hearings</b> This cover is only operative if shown as operative in the policy schedule.  If the <b>insured person</b> receives an official notification from their regulatory body in respect of a complaint made against them, <b>we</b> will arrange for a <b>preferred law firm</b> to provide a formal response. The most <b>we</b> will pay is £1,300 plus VAT.	
<b>► For advice and to make a claim call 0344 893 0859</b>	
<b>Disciplinary hearings</b> This cover is only operative if shown as operative in the policy schedule.  <b>We</b> will pay <b>costs and expenses</b> to defend the <b>insured person's</b> legal rights:  If an event results in a disciplinary case brought against the <b>insured person</b> by the relevant authority or professional body.	
<b>► For advice and to make a claim call 0344 893 0859</b>	

<b>What is covered</b> Please also refer to our agreement on page 8	<b>What is not covered</b> Please also refer to the policy exclusions on page 19
<p><b>Legal defence</b></p> <p><b>Costs and expenses</b> to defend the <b>insured person's</b> legal rights:</p> <p><b>1) Criminal pre-proceedings cover</b></p> <p>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 <b>insured person</b> has or may have committed a criminal offence.</p> <p><b>Provided that:</b></p> <p><i>for claims relating to the Health and Safety at Work etc Act 1974 the <b>countries covered</b> shall be any place where the Act applies.</i></p> <p><i>Please note <b>we</b> will only cover criminal investigations and/or prosecutions which arise in direct connection with the activities of the <b>business</b> shown in the schedule.</i></p> <p><i>Please see <b>Our agreement</b>, page 8.</i></p>	<p>A claim relating to the following:</p> <p>1) any criminal investigation or enquiry by, with or on behalf of HM Revenue &amp; Customs</p> <p><i>Please note this exclusion applies to section 1 of the <b>Legal defence</b> cover.</i></p>
<p>► For advice and to make a claim call 0344 893 0859</p>	
<p><b>2) Criminal prosecution defence</b></p> <p>Following an event which leads to the <b>insured person</b> being prosecuted in a court of criminal jurisdiction.</p> <p><b>Provided that:</b></p> <p><i>for claims relating to the Health and Safety at Work etc Act 1974 the <b>countries covered</b> shall be any place where the Act applies.</i></p> <p><i>Please note <b>we</b> will only cover criminal investigations and/or prosecutions which arise in direct connection with the activities of the <b>business</b> shown in the schedule.</i></p> <p><i>Please see <b>Our agreement</b>, page 8.</i></p>	<p>A claim relating to the following:</p> <p>2) prosecution due to infringement of road traffic laws or regulations in connection with the ownership, driving or use of a motor vehicle.</p> <p><i>Please note this exclusion applies to sections 1 and 2 of the <b>Legal defence</b> cover.</i></p>
<p>► For advice and to make a claim call 0344 893 0859</p>	

<b>What is covered</b> Please also refer to our agreement on page 8	<b>What is not covered</b> Please also refer to the policy exclusions on page 19
<p><b>Legal defence</b> <i>(continued)</i></p> <p><b>3) Data protection</b></p> <p>If civil action is taken against the <b>insured person</b> for compensation under data protection legislation, when handling personal data in their capacity as a data controller and/or a data processor by:</p> <ul style="list-style-type: none"> <li>a) An individual. <b>We</b> will also pay any compensation award in respect of such a claim.</li> <li>b) Another data controller and/or data processor, which arises out of, or relates to, a claim made by an individual for compensation against that data controller and/or data processor. Please note <b>we</b> will not pay any compensation award in respect of such a claim.</li> </ul> <p><b>Provided that:</b></p> <p><i>in respect of 3a) any sum of money in settlement of a dispute is awarded by a court under a judgment made after full argument and otherwise than by consent or default, or is payable under settlement approved in advance by <b>us</b>.</i></p> <p><i>Please note <b>we</b> will not cover the cost of fines imposed by the Information Commissioner, or any other regulatory and/or criminal body. Please see <b>Policy exclusion 3</b>, page 19.</i></p>	<ul style="list-style-type: none"> <li>3) a) the loss, alteration, corruption or distortion of, or damage to stored personal data, or</li> <li>b) a reduction in the functionality, availability, or operation of stored personal data</li> </ul> <p>resulting from hacking (unauthorised access), malicious or negligent transfer (electronic or otherwise) of a computer program that contains any malicious or damaging code, computer virus or similar mechanism.</p> <p><i>Please note this exclusion applies to section 3 of the <b>Legal defence</b> cover.</i></p>
<p>► For advice and to make a claim call 0344 893 0859</p>	
<p><b>4) Wrongful arrest</b></p> <p>If civil action is taken against <b>you</b> for wrongful arrest in respect of an accusation of theft alleged to have been carried out during the <b>period of insurance</b>.</p>	
<p>► For advice and to make a claim call 0344 893 0859</p>	



<b>What is covered</b> Please also refer to our agreement on page 8	<b>What is not covered</b> Please also refer to the policy exclusions on page 19
<b>Legal defence</b> <i>(continued)</i>  <b>5) Statutory notice appeals</b> In an appeal against the imposition or terms of any statutory notice issued under legislation affecting <b>your business</b> .	     4) an appeal against the imposition or terms of any statutory notice issued in connection with <b>your</b> licence, mandatory registration or British Standard Certificate of Registration  5) a statutory notice issued by an <b>insured person's</b> regulatory or governing body.
<b>► For advice and to make a claim call 0344 893 0859</b>	
<b>6) Jury service and court attendance</b> An <b>insured person's</b> absence from work:  a) to perform jury service b) to attend any court or tribunal at the request of the <b>appointed representative</b> .  The maximum <b>we</b> will pay is the <b>insured person's</b> net salary or wages for the time that they are absent from work less any amount <b>you</b> , the court or tribunal, have paid them.  <b>Provided that:</b>  for each of the above sections of <b>Legal defence</b> cover <b>you</b> request <b>us</b> to provide cover for the <b>insured person</b> .	
<b>► For advice and to make a claim call 0344 893 0859</b>	

## What is covered

Please also refer to our agreement on page 8

### Contract disputes

A contractual dispute arising from an agreement or an alleged agreement which has been entered into by **you** or on **your** behalf for the purchase, hire, sale or provision of goods or of services.

#### Provided that:

- a) the amount in dispute exceeds £500 (incl VAT) and does not exceed £5,000 (incl VAT)
- b) if the amount in dispute is payable in instalments, the instalments due and payable at the time of making the claim exceed £500 (incl VAT) but do not exceed £5,000 (incl VAT)
- c) if the dispute relates to money owed to **you**, a claim under the policy is made within 90 days of the money becoming due and payable.

## What is not covered

Please also refer to the policy exclusions on page 19

A claim relating to the following:

- 1) unless equivalent legal expenses insurance was continuously in force immediately prior to the inception of this policy, a dispute arising from an agreement entered into prior to the start of this policy if the **date of occurrence** is within the first 90 days of the cover provided by the policy
- 2) a) the settlement payable under an insurance policy (**we** will cover a dispute if **your** insurer refuses **your** claim, but not for a dispute over the amount of the claim)
- b) the sale, purchase, terms of a lease, licence, or tenancy of land or buildings. However, **we** will cover a dispute with a professional adviser in connection with these matters
- c) a loan, mortgage, pension, guarantee or any other financial product and choses in action
- d) a motor vehicle owned by, or hired or leased to **you** other than agreements relating to the sale of motor vehicles where **you** are engaged in the business of selling motor vehicles
- 3) a dispute with an employee or ex-employee which arises out of, or relates to, a contract of employment with **you**. (Please refer to insured incident **Employment disputes and compensation awards**.)
- 4) 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 **your** own specification
- 5) a dispute arising from a breach or alleged breach of professional duty by an **insured person**
- 6) the recovery of money and interest due from another party, other than disputes where the other party indicates that a defence exists.

► For advice and to make a claim call 0344 893 0859

<b>What is covered</b> Please also refer to our agreement on page 8	<b>What is not covered</b> Please also refer to the policy exclusions on page 19
<p><b>Property protection</b></p> <p>A civil dispute relating to material property which is owned by <b>you</b>, or is <b>your</b> responsibility following:</p> <ol style="list-style-type: none"> <li>1) any event which causes physical damage to such material property; or</li> <li>2) a legal nuisance (meaning any unlawful interference with <b>your</b> use or enjoyment of <b>your</b> land, or some right over, or in connection with it); or</li> <li>3) a trespass.</li> </ol> <p>Please note that <b>you</b> must have established the legal ownership or right to the land that is the subject of the dispute.</p>	<p>A claim relating to the following:</p> <ol style="list-style-type: none"> <li>1) a contract <b>you</b> have entered into (please refer to insured incident <b>Contract disputes</b>)</li> <li>2) goods in transit or goods lent or hired out</li> <li>3) goods at premises other than those occupied by <b>you</b> unless the goods are at the premises for the purpose of installations or use in work to be carried out by <b>you</b></li> <li>4) mining subsidence</li> <li>5) defending <b>your</b> legal rights but <b>we</b> will cover defending a counter-claim</li> <li>6) a motor vehicle owned or used by, or hired or leased to an <b>insured person</b> (other than damage to motor vehicles where <b>you</b> are in the business of selling motor vehicles)</li> <li>7) the enforcement of a covenant by or against <b>you</b>.</li> </ol>
<p>► For advice and to make a claim call 0344 893 0859</p>	
<p><b>Personal injury</b></p> <p>At <b>your</b> request, <b>we</b> will pay <b>costs and expenses</b> for an <b>insured person's</b> and their family members' legal rights following a specific or sudden accident that causes the death of, or bodily injury to them.</p>	<p>A claim relating to the following:</p> <ol style="list-style-type: none"> <li>1) any illness or bodily injury that happens gradually</li> <li>2) psychological injury or mental illness unless the condition follows a specific or sudden accident that has caused physical bodily injury</li> <li>3) defending an <b>insured person's</b> or their family members' legal rights other than in defending a counter-claim</li> <li>4) clinical negligence.</li> </ol>
<p>► For advice and to make a claim call 0344 893 0859</p>	



### What is covered

Please also refer to our agreement on page 8

### Tax protection

**Costs and expenses** for an **appointed representative** following:

- 1) A **tax enquiry**
- 2) An **employer compliance dispute**
- 3) A **VAT dispute**.

**Provided that:**

**you** have taken reasonable care to ensure that all returns are complete and correct and are submitted within the statutory time limits allowed.

Please note **we** will only cover tax claims which arise in direct connection with the activities of the **business** shown in the schedule. Please see **Our agreement**, page 8.

### What is not covered

Please also refer to the policy exclusions on page 19

A claim relating to the following:

- 1) any claim relating to a tax avoidance scheme
- 2) any failure to register for Value Added Tax or Pay As You Earn
- 3) any investigation or enquiries by, with or on behalf of HM Revenue & Customs Special Investigations Section, Special Civil Investigations, Criminal Investigations Unit, Criminal Taxes Unit, under Public Notice 160 or by the Revenue & Customs Prosecution Office
- 4) any claim relating to import or excise duties and import VAT
- 5) any investigation or enquiry by HM Revenue & Customs into alleged dishonesty or alleged criminal offences.

► For advice and to make a claim call 0344 893 0859



# Policy exclusions

We will not pay for the following:

## 1. Late reported claims

A claim where the **insured person** has failed to notify **us** of the insured incident within a reasonable time of it happening and where this failure adversely affects the **reasonable prospects** of a claim or **we** consider **our** position has been prejudiced.

## 2. Costs we have not agreed

**Costs and expenses** incurred before **our** written acceptance of a claim.

## 3. Court awards and fines

Fines, penalties, compensation or damages which the **insured person** is ordered to pay by a court or other authority, other than compensation awards covered under insured incidents **Employment disputes and compensation awards** and **Legal defence**.

## 4. Legal action we have not agreed

Legal action an **insured person** takes which **we** or the **appointed representative** have not agreed to, or where the **insured person** does anything that hinders **us** or the **appointed representative**.

## 5. Intellectual property rights

Any claim relating to patents, copyrights, trademarks, merchandise marks, registered designs, intellectual property, secrecy and confidentiality agreements.

## 6. Deliberate acts

Any insured incident deliberately or intentionally caused by an **insured person**.

## 7. Franchise or agency agreements

Any claim relating to rights under a franchise or agency agreement entered into by **you**.

## 8. A dispute with ARAG

A dispute with **us** not otherwise dealt with under Policy Condition 8.

## 9. Shareholding or partnership disputes

Any claim relating to a shareholding or partnership share in the **business** shown in the policy schedule.

## 10. Judicial review

**Costs and expenses** arising from or relating to judicial review, coroner's inquest or fatal accident inquiry.

## 11. Nuclear, war and terrorism risks

Any claim caused by, contributed to by or arising from:

- a) ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from burning nuclear fuel;
- b) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear part of it;
- c) war, invasion, act of foreign enemy, hostilities (whether war is declared or not), civil war, rebellion, revolution, military force or coup, or any other act of terrorism or alleged act of terrorism as defined by the Terrorism Act 2000;
- d) pressure waves caused by aircraft or any other airborne devices travelling at sonic or supersonic speeds.

## 12. Bankruptcy

Any claim where either at the start of, or during the course of a claim, **you**:

- a) are declared bankrupt
- b) have filed a bankruptcy petition
- c) have filed a winding-up petition
- d) have made an arrangement with **your** creditors
- e) have entered into a deed of arrangement
- f) are in liquidation
- g) part or all of **your** affairs or property are in the care or control of a receiver or administrator.

## 13. Defamation

Any claim relating to written or verbal remarks that damage the **insured person's** reputation.

## 14. Litigant in person

Any claim where an **insured person** is not represented by a law firm, barrister or tax expert.

# Policy conditions

## 1. Your representation

- a) On receiving a claim, if representation is necessary, **we** will appoint a **preferred law firm** or tax consultancy as **your appointed representative** to deal with **your** claim. They will try to settle **your** claim by negotiation without having to go to court.
- b) If the appointed **preferred law firm** or tax consultancy cannot negotiate settlement of **your** claim and it is necessary to go to court and legal proceedings are issued or there is a conflict of interest, then **you** may choose a law firm or tax expert to act as the **appointed representative**. **We** will choose the **appointed representative** to represent **you** in any proceedings where **we** are liable to pay a compensation award.
- c) If **you** choose a law firm as **your appointed representative** who is not a **preferred law firm** or tax consultancy, **we** will give **your** choice of law firm the opportunity to act on the same terms as a **preferred law firm** or tax consultancy. However if they refuse to act on this basis, the most **we** will pay is the amount **we** would have paid if they had agreed to the **ARAG Standard Terms of Appointment**. The amount **we** will pay a law firm (where acting as the **appointed representative**) is currently £100 per hour. This amount may vary from time to time.
- d) The **appointed representative** must co-operate with **us** at all times and must keep **us** up to date with the progress of the claim.

## 2. Your responsibilities

An **insured person** must:

- a) co-operate fully with **us** and the **appointed representative**;
- b) give the **appointed representative** any instructions that **we** ask **you** to.

## 3. Offers to settle a claim

- a) An **insured person** must tell **us** if anyone offers to settle a claim and must not negotiate or agree to any settlement without **our** written consent.
- b) If an **insured person** does not accept a reasonable offer to settle a claim, **we** may refuse to pay further **costs and expenses**.
- c) **We** may decide to pay an **insured person** the reasonable value of the claim that the **insured person** is claiming or is being claimed against them instead of starting or continuing legal action. In these circumstances an **insured person** must allow **us** to take over and pursue or settle a claim in their name. An **insured person** must allow **us** to pursue at **our** own expense and for their benefit, any claim for compensation against any other person and an **insured person** must give **us** all the information and help **we** need to do so.

## 4. Assessing and recovering costs

- a) An **insured person** must instruct the **appointed representative** to have **costs and expenses** taxed, assessed or audited if **we** ask for this.
- b) An **insured person** must take every step to recover **costs and expenses** and court attendance and jury service expenses that **we** have to pay and must pay **us** any amounts that are recovered.

## 5. Cancelling an appointed representative's appointment

If the **appointed representative** refuses to continue acting for an **insured person** with good reason or if an **insured person** dismisses the **appointed representative** without good reason, the cover **we** provide will end at once, unless **we** agree to appoint another **appointed representative**.



## 6. Withdrawing cover

If an **insured person** settles a claim or withdraws their claim without **our** agreement, or does not give suitable instructions to the **appointed representative**, **we** can withdraw cover and will be entitled to reclaim any **costs and expenses** **we** have paid.

## 7. Expert opinion

**We** may require **you** to get, at **your** own expense, an opinion from an expert, that **we** consider appropriate, on the merits of the claim or proceedings, or on a legal principle. The expert must be approved in advance by **us** and the cost agreed in writing between **you** and **us**. Subject to this **we** will pay the cost of getting the opinion if the expert's opinion indicates that it is more likely than not that **you** will recover damages (or obtain any other legal remedy that **we** have agreed to) or make a successful defence.

## 8. Arbitration

If there is a disagreement about the handling of a claim and it is not resolved through **our** internal complaints procedure the Financial Ombudsman Service may be able to help. This is a free complaint resolution service for eligible complaints. (Details available from [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk))

Alternatively, there is a separate arbitration process available that can be used to settle any dispute with **us**. The arbitrator will be a jointly agreed barrister, solicitor or other suitably qualified person. If there is a disagreement over the choice of arbitrator, **we** will ask the Chartered Institute of Arbitrators to decide. The arbitrator will decide who will pay the costs of the arbitration. For example, costs may be split between the parties or one party may pay all the costs.

## 9. Keeping to the policy terms

An **insured person** must:

- a) keep to the terms and conditions of this policy
- b) take reasonable steps to avoid and prevent claims
- c) take reasonable steps to avoid incurring unnecessary costs
- d) send everything **we** ask for in writing, and
- e) report to **us** full and factual details of any claim as soon as possible and give **us** any information **we** need.

## 10. Cancelling the policy

**You** can cancel this policy by telling **us** at any time as long as **you** tell **us** at least 14 days beforehand. **We** can cancel this policy at any time as long as **we** tell **you** at least 14 days beforehand.

Subject to the terms of business between **you** and the person who sold **you** this policy, **you** may be entitled to a partial refund of the premium.

It is important to note that charges may apply to any refund subject to the individual terms of business between **you** and the person who sold **you** this policy. Please contact them directly for full details of charges.

## 11. Fraudulent claims

**We** will, at **our** discretion, void the policy (make it invalid) from the date of claim, or alleged claim, and/or **we** will not pay the claim if:

- a) a claim the **insured person** has made to obtain benefit under this policy is fraudulent or intentionally exaggerated, or
- b) a false declaration or statement is made in support of a claim.

## 12. Claims under this policy by a third party

Apart from **us**, **you** are the only person who may enforce all or any part of this policy and the rights and interests arising from or connected with it. This means that the Contracts (Rights of Third Parties) Act 1999 does not apply to the policy in relation to any third-party rights or interest.

## 13. Other insurances

If any claim covered under this policy is also covered by another policy, or would have been covered if this policy did not exist, **we** will only pay **our** share of the claim even if the other insurer refuses the claim.

## 14. Law that applies

This policy is governed by the law that applies in the part of the United Kingdom, Channel Islands or Isle of Man where **your business** is registered. Otherwise the law of England and Wales applies.

All Acts of Parliament mentioned in this policy include equivalent laws in Scotland, Northern Ireland, the Isle of Man and the Channel Islands as appropriate.



# Privacy

When you purchase and use an ARAG product **we** will process personal information about you and anyone else whose details are provided to **us** to provide you with a service or a claim.

**We** process your personal information in accordance with **our** Privacy Notice. You can find **our** Privacy Notice online at [www.arag.co.uk/privacy](http://www.arag.co.uk/privacy). Alternatively you can make a request for a printed copy to be sent to you by contacting [dataprotection@arag.co.uk](mailto:dataprotection@arag.co.uk)

# How to make a complaint

**We** always aim to give the **insured person** a high quality service. If the **insured person** thinks **we** have let them down, they can contact **us** by:

- phoning **0344 893 9013**
- emailing [customer-relations@arag.co.uk](mailto:customer-relations@arag.co.uk)
- writing to the **Customer Relations Department | ARAG Legal Expenses Insurance Company Limited | Unit 4a | Greenway Court | Bedwas | Caerphilly | CF83 8DW**
- completing **our** online complaint form at [www.arag.co.uk/complaints](http://www.arag.co.uk/complaints)

Further details of **our** internal complaint-handling procedures are available on request.

If the **insured person** is not happy with the complaint outcome or if **we**'ve been unable to respond to their complaint within 8 weeks, they can, provided **you** are an eligible small business, charity or trust, ask the Financial Ombudsman Service for a free and independent review of their complaint.

The **insured person** can contact them by:

- phoning **0800 023 4567** (free from mobile phones and landlines) or **0300 123 9123**
- emailing [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)
- writing to **The Financial Ombudsman Service | Exchange Tower | London | E14 9SR**

Further information is available on their website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

Using this service does not affect **your** right to take legal action.

The Financial Ombudsman's role is to assess **our** handling of a claim in light of the policy terms. It is not to assess the quality of legal advice. If the **insured person** is unhappy with the service provided by an **appointed representative** the relevant complaint-handling procedure is available on request.

# About ARAG

## Registered Address:

**ARAG Legal Expenses Insurance Company Limited | Unit 4a | Greenway Court | Bedwas | Caerphilly | CF83 8DW**

Registered in England and Wales | Company Number 103274 | Website: [www.arag.co.uk](http://www.arag.co.uk)

ARAG Legal Expenses Insurance Company Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority (FRN202106) and the Prudential Regulation Authority.

## Financial Services Compensation Scheme

**We** are covered by the Financial Services Compensation Scheme (FSCS). Compensation from the scheme may be claimed if **we** cannot meet **our** obligations. This will be dependent on the type of business and the circumstances of the claim. More information on the compensation scheme arrangements can be found on the FSCS website, [www.fscs.org.uk](http://www.fscs.org.uk)

# Your important information

## Legal advice helpline

Call **0344 893 0859**  
when you require legal advice

## Counselling service

Call **0344 893 9012**  
for confidential counselling

## Claims helpline

Call **0344 893 0859**  
when you need to make a claim

## ARAG Businesslaw

Visit [www.aragbusinesslaw.co.uk](http://www.aragbusinesslaw.co.uk) for online legal advice and documents. When registering, please use the following voucher code to gain access: **DAS472301**

## Tax advice service

Call **0344 893 0859**  
when you require tax advice

## ARAG Employment Manual

Visit [www.arag.co.uk/customer/business-legal-expenses-insurance/employment-manual](http://www.arag.co.uk/customer/business-legal-expenses-insurance/employment-manual)