

Commercial Property Owners' Legal Solutions Policy Document



Commercial Property Owners' Legal Solutions

Policy Document

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



Legal and other helpline services



Landlords' and Business legal services website



Claims procedure.

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

Telephone helplines

Legal advice on business matters within UK and EU law, 24 hours a day, 365 days of the year

0344 571 7978

Redundancy assistance, 9am to 5pm weekdays

0330 303 1955

UK tax advice, 9am to 5pm weekdays

0344 571 7978

Executive suite identity theft resolution

0333 000 2083

Crisis communication

0344 571 7964

Counselling service

0333 000 2082

Landlords' and Business legal services

www.araglegal.co.uk

Register on your first site visit using the voucher codes shown below. Discover our law guide, take a legal healthcheck and create tenancy and business legal documents and letters.

- Register for Landlords' documents using voucher code **EC426C378CB8**
- Register for Business legal services using voucher code **X1232KC79BB5**

Most legal documents are free for you to download but a modest fee is payable for a few documents.

Main benefits of Commercial Property Owners' Legal Solutions

Protection for legal costs arising from:

Part A – Your insured property

- property damage, nuisance & trespass
- repossession of residential property
- commercial lease disputes
- recovery of rent arrears
- holiday homes contract disputes.

Part B – Your business

- employment disputes & compensation awards
- employment restrictive covenants
- tax investigations & VAT disputes
- legal defence
- compliance & regulation
- statutory licence appeals
- loss of earnings
- claims involving your executives
- crisis communication.

Who is ARAG?

ARAG plc is part of the global ARAG Group, the largest family-owned enterprise in the German insurance industry. Founded in 1935, on the principle that every citizen should be able to assert their legal rights, ARAG now employs 4,000 people around the world and generates premium income in excess of €1.8 billion.

Operating in the UK since 2006, ARAG plc provides a comprehensive suite of “before-the-event” and “after-the-event” legal insurance products and assistance solutions to protect both businesses and individuals.



Important information

Helplines

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

Legal and tax advice 0344 571 7978

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

We give advice about UK tenancy law, business-related legal matters within UK and EU law and tax matters within the UK. Your query will be dealt with by a qualified specialist who is experienced in handling legal and tax-related matters.



You can visit our website to see a [video](#) about this service.

Use of this service does not constitute reporting of a claim.

Redundancy assistance 0330 303 1955

If you are planning redundancies and need extra legal support, we can arrange specialist consultancy assistance for you. Redundancy assistance will help you to implement a fair selection process and ensure that the redundancy notices are correctly served. The service offers document review and telephone or written advice and is subject to a charge. If you would like us to arrange Redundancy assistance please call us between 9am and 5pm on weekdays (except bank holidays).

Executive suite – identity theft resolution 0333 000 2083

This service is available to the principal, executive officers, directors and partners of the business between 9am and 5pm on weekdays (except bank holidays). We provide telephone advice to help executives keep their personal identity secure. Where identity theft is suspected, our specialist caseworkers can help the victim to restore their credit rating and correspond with their card issuer, bank or other parties. Identity theft expenses are insured under Part B Insured event 10) c) when your executives use this helpline.

Crisis communication 0344 571 7964

Following an event that has attracted negative publicity which could affect your business, you can access professional public relations support from our Crisis communication experts at any time.

In advance of any actual adverse publicity, where possible, initial advice for you to act upon will be provided over the phone. If your circumstances require professional work to be carried out at that time, we can help on a consultancy basis and subject to you paying a fee.

Where an event has led to actual publicity online, in print or broadcast, that could damage your business, you are insured against the costs of crisis communication services under Insured event 11) when you use this helpline.

Counselling assistance 0333 000 2082

Our qualified counsellors will provide free confidential support and advice by phone to your employees or their family members who are suffering from emotional upset or feeling worried and anxious about a personal or work-related problem.



We have prepared a [handout](#) to give you further information about mental health at work and to let your employees know about Counselling assistance which you may find useful.

Important **information** (continued)


Landlords' and Business legal services

www.araglegal.co.uk

Getting started


Click on the "How our services work" button on the home page to take a two-minute tour of our Landlords' and Business legal services website. Learn more about what the website offers and how you can use it to manage your tenancies, support the smooth running of your business and save legal costs. You will need to enter the voucher codes shown in the yellow box on page 2 when you register to access landlords' and business content on the website.

Once you have registered you can access the website at any time to create and securely store your legal documents.

 You can visit our website to see a [video](#) about this service.

Choosing your legal documents

We recommend selecting "Legal healthcheck" from the menu of services. This useful tool will help you to identify which legal documents are likely to be most useful to your business. We have suggested legal documents and law guide content that may help you in particular circumstances throughout this policy wording.

Look out for this symbol . You will find helpful guidance notes and pop-up examples as you build your documents.


More help?

A review service is available for the most complex documents. Where it is available this service attracts a fee. You will need to order the review service before you start building your document if you require it.

Click on the Contact button to seek technical support if you have problems using the website. Our digital technical support team cannot give you legal or insurance advice.

Claims procedure

Telling us about your claim

- 1) If an **insured** needs to make a claim, they must notify **us** as soon as possible.
- 2) Where **you** are claiming under Part A, **you** must have correctly issued the necessary notices informing **your** tenant of **your** intention to repossess the **insured property**. ( Section 8 and Section 21 notices to repossess residential property and covering letters can be downloaded from **our** Landlords' legal services [website](#)).
- 3) If an **insured** instructs their own solicitor or accountant without telling **us**, they will be liable for costs that are not covered by this policy.
- 4) A claim form can be downloaded at www.arag.co.uk/newclaims or requested by telephoning **us** on **0330 303 1955** between 9am and 5pm weekdays (except bank holidays).
- 5) The completed claim form and supporting documentation can be sent to **us** by email, post or fax. Further details are set out in the claim form itself.

What happens next?

- 1) **We** will send the **insured** a written acknowledgment by the end of the next working day after receiving their claim form.
- 2) Within five working days of receiving all the information needed to assess the availability of cover under the policy, **we** will write to the **insured** either:
 - a) confirming cover under the terms of this policy and advising the **insured** of the next steps to progress their claim; or
 - b) if the claim is not covered, **we** will explain in full the reason why and advise whether **we** can assist in another way.


Important information (continued)

- 3) When a representative is appointed they will try to resolve the **insured's** dispute without delay, arranging mediation whenever appropriate.
- 4) **We** will check on the progress of the **insured's** claim with the **appointed advisor** from time to time. Sometimes matters cannot be resolved quickly, particularly if the other side is slow to cooperate or a legal timetable is decided by the courts.



You can visit our website to see **videos** about making **your** claim and what happens next.

Privacy statement

This is a summary of how we, on behalf of the insurer, collect, use, share and store personal information. To view our full privacy statement, please see our website  www.arag.co.uk. The insurer's full privacy notice may be found at the following link: <https://www.hdi-specialty.com/int/en/legals/privacy>

Collecting personal information

ARAG may be required to collect certain personal or sensitive information which may include name, address, date of birth and if appropriate medical information. We will hold and process this information in accordance with the relevant data protection regulations and legislation. Should we ask for personal or sensitive information, we undertake that it shall only be used in accordance with our privacy statement.

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

Using personal or sensitive information

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

We will not disclose personal or sensitive information for any purpose other than the purpose for which it was collected. Please refer to our full privacy statement for full details.

Keeping personal information

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

Your rights

Any person insured by this policy has a number of rights in relation to how we hold personal data including; the right to a copy of the personal data we hold; the right to object to the use of personal data or the withdrawal of previously given consent; the right to have personal data deleted.



For a full list of privacy rights and when we will not be able to delete personal data, please refer to our full **privacy statement**.

What happens if the insurer cannot meet its liabilities?

The insurer is covered by the Financial Services Compensation Scheme (FSCS). The insured may be entitled to compensation of up to 90% of the cost of their claim in the unlikely event that the insurer cannot meet its obligations. Further information about compensation scheme arrangements is available at www.fscs.org.uk.

Commercial **Property Owners'** Legal Solutions

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

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

This policy has two parts:

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

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

Your policy cover

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

- 1) **You** have paid the insurance premium.
- 2) The **insured** keeps to the terms of this policy and cooperates fully with **us**.
- 3) Unless otherwise stated in this policy, the Insured events shown in Part B arise in connection with **your business**.
- 4) The Insured event occurs within the **territorial limit**.
- 5) The claim
 - a) always has **reasonable prospects of success** and
 - b) is reported to **us**
 - i) during the **period of insurance** and
 - ii) as soon as the **insured** first becomes aware of circumstances which could give rise to a claim.

Where **you** have a disagreement with a tenant of **your insured property** **you** must notify **us** within 60 days of first becoming aware of the dispute.

- 6) Unless there is a conflict of interest, the **insured** always agrees to use the **appointed advisor** chosen by **us**
 - a) in any claim to be heard by an Employment Tribunal and/or
 - b) before proceedings have been or need to be issued.
- 7) Any dispute will be dealt with through mediation or by a court, tribunal, Advisory Conciliation and Arbitration Service or a relevant regulatory or licensing body within the **territorial limit**.

We consider that a claim has been reported to **us** when **we** have received the **insured's** fully completed claim form.

Policy limits

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

Insured events Part A:

- £50,000.

Insured events Part B:

- £100,000 for Insured events 1) to 9), 10) a), b) and c).
- £25,000 for Insured events 10) d), 10) e) and 11).

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

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

1) Property damage, nuisance & trespass

- a) An event which causes physical damage to **your insured property** and/or anything owned by **you** at **your insured property**.
Provided that if the **insured property** is used as holiday accommodation:
 - i) **you** can provide a detailed inventory of its condition and contents which has been signed by **your** guest(s) and
 - ii) a dilapidations deposit has been paid in cash or payment has cleared in **your** bank account.
- b) A public or private nuisance or a trespass relating to **your insured property**.

What is not covered under Part A Insured event 1)

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

2) Repossession of residential property

- Pursuit of **your** legal rights to repossess **your insured property** that has been let under a **tenancy agreement** provided **you**:
- a) have demanded rent in writing from **your** tenant as soon as it is overdue and can provide evidence of this
 - b) have given the tenant the correct notices for the repossession of **your insured property**
 - c) are seeking a right of possession in England, Wales or Scotland where the court **MUST** find that the named ground of possession applies or
 - d) have a legal right to repossess **insured property** that has been let in accordance with the Private Tenancies (Northern Ireland) Order 2006.

What is not covered under Part A Insured event 2)

Any claim in England, Wales and Scotland where **you** are seeking a right of possession where the court **MAY** find that the named ground of possession applies.



Visit **our** Landlords' legal services [website](#) to download notices demanding payment of late rent, and legal notices required to repossess with covering letters.

Insured events covered – Part A Your **insured property** (continued)

3) Commercial lease disputes

- Pursuit or defence of **your** legal rights arising from a dispute with **your** business tenant under the terms of a written lease agreement in relation to **your insured property** which is:
- a) granted under the Landlord & Tenant Act 1954 provided that where the dispute arises from or relates to renewal of **your** lease agreement or the granting of a new business tenancy:
 - i) **you** will be opposing **your** tenant's right to renew the tenancy under Section 30(1) of the Landlord and Tenant Act 1954; and
 - ii) **you** can evidence that **you** have served the correct legal notice to terminate on the tenant in the prescribed form before **your** tenant has served **you** with a request for a new tenancy, or
 - b) contracted out of the Landlord & Tenant Act 1954 provided that:
 - i) **you** have correctly served the necessary legal notice on **your** tenant and
 - ii) **your** tenant has made the relevant declaration and
 - iii) the lease is noted accordingly.

What is not covered under Part A Insured event 3)

Any dispute that arises from or relates to a disagreement with **your** tenant over payment or non-payment of service charges; or recovery of rent arrears that is otherwise covered by Insured event 4).

4) Recovery of rent arrears

- Pursuit of **your** legal right to recover rent owed to **you** by:
- a) **your** residential or business tenant or ex-tenant of **insured property**
 - b) a guest or guests staying at **your insured property** which is used as holiday accommodation.



Visit **our** Landlords' legal services [website](#) to create a letter to chase **your** tenant to pay rent arrears. (England & Wales)

5) Holiday homes contract disputes

- A dispute that arises from:
- a) a written agreement which **you** have entered into to let out **your insured property** as holiday accommodation that is not otherwise covered by Part A Insured event 1) Property damage, nuisance & trespass or 4) Recovery of rent arrears
 - b) a contract **you** have entered into to buy or hire goods or services for the **insured property** which **you** have let or intend to let to guests as holiday accommodation.

What is not covered under Part A Insured event 5)

- Any claim arising from or relating to:
- 1) goods or services which exceed £6,000 (including VAT) in value
 - 2) loans and mortgages
 - 3) an employment contract
 - 4) a settlement due under an insurance policy.

Insured events covered – Part B Your **business**

1) Employment

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

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

You can claim under the policy as soon as internal procedures as set out in the

- a) ACAS Code of Practice for Disciplinary and Grievance Procedures, or
- b) Labour Relations Agency Code of Practice on Disciplinary and Grievance Procedures in Northern Ireland have been or ought to have been concluded.

What is not covered under Part B Insured event 1)

Any claim arising from or relating to:

- 1) the pursuit of an action by **you** other than an appeal against the decision of a court or tribunal
- 2) actual or alleged redundancy that is notified to **employees** within 180 days of the start of this policy, except where **you** have had equivalent cover in force up until the start of this policy
- 3) costs **you** incur to prepare for an internal disciplinary hearing, grievance or appeal
- 4) a pension scheme where actions are brought by ten or more **employees** or **ex-employees**.



Examples of legal documents on **our** Business legal services [website](#) that **you** may find useful are the Employment Handbook, Employment Contracts, Discipline and Dismissal Letters and Hiring Staff documents.

2) Employment compensation awards

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

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

Provided that compensation is:

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

What is not covered under Part B Insured event 2)

- 1) Money due to an **employee** under a contract or a statutory provision relating thereto.
- 2) Compensation awards or settlements relating to
 - a) trade union membership, industrial or labour arbitration or collective bargaining agreements
 - b) civil claims or statutory rights relating to trustees of occupational pension schemes.



Our Law Guide provides information about how to calculate awards and unfair dismissal awards limits.

3) Employment restrictive covenants

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

Provided that the restrictive covenant

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



The Employment agreement on **our** Business legal services [website](#) includes a wording **you** may use for restrictive covenants.

Insured events covered – Part B Your **business** (continued)

4) Tax disputes

- a) A formally notified enquiry into **your business** tax.
- b) A dispute about **your** compliance with HMRC regulations relating to **your employees**, workers or payments to contractors.
- c) A dispute with HMRC about Value Added Tax.

Provided that:

- a) **you** keep proper records in accordance with legal requirements and
- b) in respect of any appealable matter **you** have requested an Internal Review from HMRC where available.

What is not covered under Part B Insured event 4)

Any claim arising from or relating to:

- 1) tax returns which are submitted late or for any other reason, result in HMRC imposing a penalty, or which contain careless and/or deliberate misstatements or omissions
- 2) an investigation by the Fraud Investigation Service of HMRC
- 3) circumstances where the Disclosure of Tax Avoidance Scheme Regulations apply or should apply to **your** financial arrangements
- 4) any enquiry that concerns assets, monies or wealth outside of the United Kingdom
- 5) **your** failure to register for VAT.

5) Legal defence

- a) A criminal investigation and/or enquiry by:
 - i) the police or
 - ii) other body with the power to prosecute where it is suspected that an offence may have been committed that could lead to the **insured** being prosecuted.
- b) The charge for an offence or alleged offence which leads to the **insured** being prosecuted in a court of criminal jurisdiction.

What is not covered under Part B Insured event 5)

Any claim relating to a parking offence.



The Government have published a **four-part guide** containing information and advice about the criminal court process that **you** may find useful if **you** are required to appear in court as a defendant.

6) Compliance & regulation

- a) Receipt of a Statutory Notice that imposes terms against which **you** wish to appeal.
- b) Notice of a formal investigation or disciplinary hearing by any professional or regulatory body.
- c) A civil action alleging wrongful arrest arising from an allegation of theft.
- d) A claim against **you** for compensation under the Data Protection Act 2018 provided that:
 - i) **you** are registered with the Information Commissioner
 - ii) **you** can evidence that **you** have in place a process to:
 - investigate complaints from data subjects regarding a breach of their privacy rights
 - offer suitable redress where a breach has occurred and that **your** complaints process has been fully engaged.
- e) A civil action alleging that an **insured** has:
 - i) committed an act of unlawful discrimination; or
 - ii) failed to correctly exercise their fiduciary duty as a trustee of a pension fund set up for the benefit of **your employees**.

What is not covered under Part B Insured event 6)

Any claim arising from or relating to:

- 1) the pursuit of an action by **you** other than an appeal
- 2) a routine inspection by a regulatory authority
- 3) an enquiry, investigation or enforcement action by HMRC
- 4) a claim brought against **your business** where unlawful discrimination has been alleged.



ico.org.uk
Guide to GDPR
Regulation



www.araglegal.co.uk There is a whole area of health & safety law on **our** Business legal services website. Create documents such as **your** own health & safety compliance review and policy or a fire risk assessment. **Our** Landlords' legal services website provides a privacy notice for landlords.

Insured events covered – Part B Your **business** (continued)

7) Statutory licence appeals

An appeal against a formal written proposal by the relevant authority to alter, suspend, revoke or refuse to renew a licence or compulsory registration required to run **your business**.

What is not covered under Part B Insured event 7)

Any claim relating to a licence or registration scheme affecting **your insured property**.

8) Loss of earnings

The **insured's** absence from work to attend court, tribunal, arbitration, regulatory proceedings or a professional body's disciplinary hearing at the request of the **appointed advisor** or whilst on jury service which results in loss of earnings.

What is not covered under Part B Insured event 8)

Any sum which can be recovered from the court.

www.gov.uk/jury-service/what-you-can-claim

9) Personal injury

An event that causes bodily injury to, or the death of, an **insured**.

What is not covered under Part B Insured event 9)

Any claim arising from or relating to a condition, illness or disease which develops gradually over time.

10) Executive suite

This Insured event applies only to the principal, executive officers, directors and partners of **your business**.

- a) An HMRC enquiry into the executive's personal tax affairs.
- b) A motoring prosecution that arises from driving for personal, social or domestic use, including commuting to or from **your business**.
- c) A claim that arises from personal identity theft provided that the person claiming has sought and followed advice from the Executive suite identity theft resolution helpline.
- d) A dispute that arises from the terms of **your business** partnership agreement that is to be referred to mediation.
- e) Crisis communication as described in Insured event 11) below shall be available to the principal, executive officers, directors and partners of the **business** for matters occurring in their private and personal capacity that cause significant adverse publicity or reputational damage.

What is not covered under Part B Insured event 10)

- 1) Any claim arising from or relating to:
 - a) tax returns which are submitted late or for any other reason, result in HMRC imposing a penalty or which contain careless and/or deliberate misstatements or omissions
 - b) an investigation by the Fraud Investigation Service of HMRC
 - c) circumstances where the Disclosure of Tax Avoidance Scheme Regulations apply or should apply to the executive's financial arrangements
 - d) any enquiry that concerns assets, monies or wealth outside of the United Kingdom
 - e) a parking offence
 - f) costs incurred in excess of £25,000 for a claim under 10) d) and 10) e).
- 2) Crisis communication for a matter that has not actually resulted in adverse publicity appearing online, in print or broadcast.

11) Crisis communication

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

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

What is not covered under Part B Insured event 11)

Any claim arising from or relating to:

- 1) matters that should be dealt with through **your** normal complaints procedures
- 2) a matter that has not actually resulted in adverse publicity appearing online, in print or broadcast
- 3) costs incurred in excess of £25,000.

What is **not covered** by Part A of this policy

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

What is **not covered** by Part B of this policy

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

- 1) defending a claim in respect of damages for personal injury (other than injury to feelings in relation to Part B Insured event 1) Employment)
- 2) National Minimum Wage and/or National Living Wage Regulations
- 3) patents, copyright, passing-off, trade or service marks, registered designs and confidential information (except in relation to Insured event 3) Employment restrictive covenants).

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

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

- 1) costs or compensation awards incurred without **our** consent
- 2) any actual or alleged act, omission or dispute happening before, or existing at the start of the insurance provided by this policy, and which the **insured** knew or ought reasonably to have known could lead to a claim
- 3) an allegation against the **insured** involving:
 - a) assault, violence, malicious falsehood, defamation
 - b) indecent or obscene materials
 - c) the use of alcohol or its unauthorised or unregulated manufacture, unlicensed dealing in alcohol or dealing in or using illegal drugs
 - d) illegal immigration
 - e) money laundering or bribery offences, breach of international sanctions, fraud or any other financial crime activities except in relation to Part B Insured event 11) Crisis communication
- 4) defending a claim in respect of loss or damage to property owned by the **insured**
- 5) a dispute with any subsidiary, parent, associated or sister company or between shareholders or partners (except in relation to mediation under Insured event 10) d))
- 6)
 - a) a franchise agreement
 - b) an agency agreement through which one party has the legal capacity to alter the legal relations of the other
- 7) a judicial review
- 8) a dispute with **us**, the **insurer** or the party who arranged this cover not dealt with under Condition 6
- 9)
 - a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
 - b) radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
 - c) war, invasion, act of foreign enemy hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military or usurped power
 - d) pressure waves from aircrafts or other aerial devices travelling at sonic or supersonic speed
 - e) any terrorist action (regardless of any other cause or event contributing concurrently or in any other sequence to the liability) or any action taken in controlling, funding, preventing or suppressing terrorist action.
- 10) The payment of fines, penalties or compensation awarded against the **insured** (except as covered under Part B Insured event 2) Employment compensation awards); or costs awarded against the **insured** by a court of criminal jurisdiction.

Policy conditions

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

1. The insured's responsibilities

An **insured** must:

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

2. Freedom to choose an appointed advisor

- a) In certain circumstances as set out in 2.b) below the **insured** may choose an **appointed advisor**. In all other cases no such right exists and **we** shall choose the **appointed advisor**.
- b) If:
 - i) a suitably qualified advisor considers that it has become necessary to issue proceedings or proceedings are issued against an **insured**, or
 - ii) there is a conflict of interestthe **insured** may choose a qualified **appointed advisor** except, where the **insured's** claim is to be dealt with by the Employment Tribunal, **we** shall always choose the **appointed advisor**.
- c) Where the **insured** wishes to exercise the right to choose, the **insured** must write to **us** with their preferred representative's contact details.
- d) Where the **insured** chooses to use their preferred representative, the **insurer** will not pay more than **we** agree to pay a solicitor from **our** panel and will pay only the costs that the **insurer** would have been liable to pay. (**Our** panel solicitor firms are chosen with care and **we** agree special terms with them including rates which may be lower than those available from other firms.)
- e) If the **insured** dismisses the **appointed advisor** without good reason, or withdraws from the claim without **our** written agreement, or if the **appointed advisor** refuses with good reason to continue acting for an **insured**, the **insurer's** liability in respect of that claim will end immediately.

3. Consent

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

4. Settlement

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

5. Barrister's opinion

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

6. Arbitration

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

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

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

7. Other insurance

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

8. Fraudulent claims and claims tainted by dishonesty

- a) If the **insured** makes any claim which is fraudulent or false, the policy shall immediately become void and all benefit under it will be lost.
- b) An **insured** shall at all times be entirely truthful and open in any evidence, disclosure or statement they give and shall act with complete honesty and integrity throughout. Where, on the balance of probabilities and having considered carefully all the facts of the claim, it appears to the **appointed advisor** that the **insured** has breached this condition and that the breach has:

Policy **conditions** (continued)

- i) affected **our** assessment of **reasonable prospects of success**, and/or
 - ii) prejudiced any part the outcome of the **insured's** claim
- the **insurer** shall have no liability for **legal costs & expenses** incurred from the date of the **insured's** breach.

9. Cancellation

- a) **You** may cancel the policy:
 - i) within 14 days of the date of its purchase with a full refund of premium paid provided a claim has not been accepted; or
 - ii) at any other time by giving **us** at least 21 days written notice and the **insurer** will refund the premium for the time remaining of the **period of insurance** unless a claim has been or is later accepted by **us** in which case no refund of premium shall be allowed.
- b) Where there is a valid reason for doing so, the **insurer** has the right to cancel the policy at any time by giving **you** at least 21 days written notice. The **insurer** will refund the premium for the time remaining of the **period of insurance**. **We** will set out the reason for cancellation in writing. Valid reasons may include but are not limited to:
 - i) where the party claiming under this policy fails to cooperate with or provide information to **us** or the **appointed advisor** in a way that materially affects **our** ability to process a claim, or **our** ability to defend the **insurer's** interests,
 - ii) where the **insured** uses threatening or abusive behaviour or language, or intimidates or bullies **our** staff or suppliers,
 - iii) where **we** have evidence that the **insured** has committed a fraudulent act.
- c) The **insurer** may also cancel the policy and refund the premium for the remaining **period of insurance** if at any time **you**:
 - i) enter into a voluntary arrangement or a deed of arrangement or
 - ii) become bankrupt, are placed into administration, receivership or liquidation or
 - iii) have **your** affairs or property in the care or control of a receiver or administrator.

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

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

11. Contracts (Rights of Third Parties) Act 1999

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

Meaning of **words & terms**

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

Appointed advisor

The

- 1) solicitor, accountant, or other advisor (who is not a mediator), appointed by **us** to act on behalf of the **insured**;
- 2) mediator appointed by **us** to provide impartial dispute resolution in relation to a claim accepted by **us**.

Business

The occupation, trade profession or enterprise carried out by the entity shown in the schedule that attaches to this policy.

Collective conditional fee agreement

A legally enforceable agreement entered into on a common basis between the **appointed advisor** and **us** to pay their professional fees on the basis of either:

- 1) 100% "no-win no-fee" or
- 2) where discounted, that a discounted fee is payable.

Conditional fee agreement

A legally enforceable agreement between the **you** and the **appointed advisor** for paying their professional fees on the basis of either:

- 1) 100% "no-win no-fee" or
- 2) where discounted, that a discounted fee is payable.

Employee

A worker who has or alleges they have entered into a contract of service with **you**.

Insured

- 1) **You, your** directors, partners, managers, officers and **employees of your business**.
- 2) A person declared to **us**, who is contracted to perform work for **you**, who in all other respects **you** have arranged to insure on the same basis as **your employees** and who performs work under **your** supervision.

Insured property

- 1) **Your business** premises.
- 2) Property owned by **you** which is let or which **you** intend to let to tenants for business or residential purposes.
- 3) Property owned by **you** which is let or which **you** intend to let to guests as holiday accommodation for leisure purposes under the terms of a written agreement.

Which is shown in the schedule to which this policy attaches and is located in England, Scotland, Wales or Northern Ireland.

Meaning of **words & terms** (continued)

Insurer

HDI Global Specialty SE (commercial register number: HRB 211924), (FRN: 659331)-.

Legal costs & expenses

- 1) Reasonable legal costs and disbursements reasonably and proportionately incurred by the **appointed advisor** on the standard basis and agreed in advance by **us**. The term "standard basis" can be found within the Courts' Civil Procedure Rules Part 44.2.
- 2) In civil claims, other side's costs, fees and disbursements where the **insured** has been ordered to pay them or pays them with **our** agreement.
- 3) Reasonable accountancy fees reasonably incurred under Part B, Insured event 4) Tax disputes by the **appointed advisor** and agreed by **us** in advance.
- 4) Health and Safety Executive Fees for Intervention.
- 5) **Your employee's** basic wages or salary under Insured event 8) Loss of earnings in the course of their employment with **you** while attending court or tribunal at the request of the **appointed advisor** or whilst on jury service where lost wages or salary cannot be claimed back from the court or tribunal.
- 6) The reasonable cost of phone calls, postage (including special delivery), image scanning, photocopying or credit reports incurred under Insured event 10) c) where the **insured** has taken advice from **our** Identity Theft Advice and Resolution Service.
- 7) The professional fees and expenses of an **appointed advisor** selected by **us** to reduce the actual adverse or negative publicity or media attention under Insured events 10) e) Executive suite and 11) Crisis communication.

Period of insurance

The period shown in the schedule to which this policy attaches. (The **period of insurance** shall otherwise expire on earlier cancellation of this policy.)

Reasonable prospects of success

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

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

Tenancy agreement

An agreement to let **your insured property**:

- 1) under an assured shorthold tenancy; or
- 2) under an assured tenancy; as defined by the Housing Act 1988 as amended by the Housing Act 1996 and the Assured Tenancies (Amendment) (England) Order 2010; or
- 3) under a Scottish private residential tenancy as defined by the Private Housing (Tenancies) (Scotland) Act 2016; or
- 4) under a short-assured tenancy or assured tenancy as defined by the Housing (Scotland) Act; or
- 5) in accordance with the Private Tenancies (Northern Ireland) Order 2006; or
- 6) to a limited company or business partnership for residential purposes by its employees.

Territorial limit

For Part A – the United Kingdom.

For Part B Insured event 5) Legal defence – the United Kingdom, Channel Islands, Isle of Man, Norway, Switzerland and countries in the European Union.

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

We/Us/Our

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

You/Your

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

Signed by



Managing Director
ARAG plc

How we handle complaints

Step 1

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



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



customerrelations@arag.co.uk



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

Step 2

If we are not able to resolve the complaint to your satisfaction, then you can refer it to the Financial Ombudsman Service (FOS) provided that it falls within their jurisdiction. From 1 April 2019 the FOS will normally deal with complaints from small business with an annual turnover of less than £6.5million and which either; have up to 50 employees, or a balance sheet threshold of £5million. They can be contacted at



0800 0234 567 or 0300 1239 123



complaint.info@financial-ombudsman.org.uk



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

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

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



You can read more about our complaints procedure on our website by clicking here:

<https://www.arag.co.uk/contact/making-a-complaint>

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

ARAG plc is authorised to administer this insurance on behalf of the insurer HDI Global Specialty SE. Registered address: Roderbruchstraße 26, 30655 Hannover, Germany.

HDI Global Specialty SE is authorised and regulated by Bundesanstalt für Finanzdienstleistungsaufsicht. Deemed authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details of the Temporary Permissions Regime, which allows EEA-based firms to operate in the UK for a limited period while seeking full authorisation, are available on the Financial Conduct Authority's website. (FRN: 659331).