

**Commercial Legal Expenses Insurance  
Policy Wording**

**Arranged by Qdos Broker & Underwriting Services Limited**

**Underwritten by Groupama Insurance Company Limited**

## **Important information**

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These notes are intended as guide lines. The full terms and conditions can be found within the policy wording. Should you have any queries please do not hesitate to contact Qdos Broker & Underwriting Services Limited on 01455 850000.

## **Legal advice**

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You can obtain telephone legal advice by telephoning the Qdos Legal Advice Line. The telephone number can be found on your Schedule of Insurance, you will need to quote your policy number.

Advice can be sought on a wide range of areas of UK law, including employment, tax, health & safety and contract. The advice is provided by qualified HR consultants, solicitors and tax experts and is confidential and impartial. Conversations may be recorded in the interests of quality of advice and training.

The Qdos Legal Advice Line is not empowered to give advice on the admissibility of any *Claim* under this policy. If you wish to make a *Claim* or have a query about the policy cover you must contact our Claims Department.

## **Claims**

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If you need to notify a potential *Claim*, please contact the Claims Department immediately:

Claims Department  
Qdos Broker & Underwriting Services Limited  
Qdos Court  
Rossendale Road  
Earl Shilton  
Leicestershire  
LE9 7LY

Tel: 01455 850000  
Fax: 01455 841000

You should provide your policy number and a description of the *Claim's* circumstances. A claim form will then be provided and you should complete this and return it without delay. Please note that in certain circumstances Qdos will choose suitable legal representation to act upon your behalf.

## **Special conditions - Employment disputes**

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We will only agree to cover your *Claim* if you have sought and followed advice from the Qdos Legal Advice Line and obtained their authorisation:

- 1) Prior to carrying out any disciplinary procedure or action or suspension of an *Employee*;
- 2) Prior to dismissal of an *Employee*;
- 3) Prior to instituting a redundancy programme and prior to making an *Employee* redundant;
- 4) Immediately an *Employee* walks out with or without written notice;
- 5) Upon notification formally or informally of a grievance from an *Employee* or *Ex-employee*;
- 6) Upon receipt of an appeal from an *Employee* or *Ex-employee* against a decision taken as a result of a disciplinary or grievance procedure or a decision to dismiss.
- 7) Prior to any adverse variation of the terms and conditions of employment (including alteration of place or time or hours worked or demotion or deduction from or reduction in an *Employee's* remuneration);
- 8) Upon notification formally or informally of a complaint of sexual, racial or religious discrimination or discrimination relating to disability, age or sexual orientation.

The Qdos Legal Advice Line is a telephone advisory service.

## **Cooling off period**

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If you are acting for purposes outside of your trade, business or profession then you have the right to change your mind and cancel this insurance with effect from inception. You may change your mind within 14 days of insuring or within 14 days of receiving full policy documents whichever is the latter by writing to the insurance broker that issued this policy to you. No charge will be made and any premium you have paid will be refunded.

This is a “*Claims made*” insurance Policy. This insurance only covers *Claims* notified to the *Coverholder* within the *Period of Insurance*.

The *Insured* has submitted a written proposal, declaration or renewal declaration to the *Insurer* it is agreed this shall form the basis for the issue of this Policy.

The *Insurer* agrees in consideration of the premium to indemnify the *Insured* to the extent and in the manner provided within this Policy in connection with the business activities of the *Insured*.

Unless expressly stated nothing in this Policy will create rights pursuant to the Contract (Rights of Third Parties) Act 1999.

## Definitions

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Each of the words or phrases listed below will have the same meaning wherever they appear in the Policy.

### Acts of parliament

All *Acts of Parliament* referred to in this Policy shall include any subsequent amendments, re-enactments or regulations and equivalent legislation enforceable within the *Territorial Limits*.

### Any one claim

All *Claims* consequent upon the same original cause, event or circumstance.

### Appointed representative

A solicitor, accountant or other appropriately qualified person or firm as nominated on the Policy Schedule or as approved by the *Insurer* who is appointed to represent the *Insured* in accordance with the terms of this Policy.

### Awards of compensation

Basic and Compensatory Awards and compensation for unlawful discrimination made against the *Insured* by an Employment Tribunal or settlement thereof subject to the consent of the *Coverholder* but not including Additional Awards, Protective Awards, Interim Relief, Arrears of Pay, or Awards of Damages under the Equal Pay Act or arising out of failure to comply with awards in respect of reinstatement or re-engagement. The *Insurer* will not pay any fine, awards or damages incurred by deliberately avoiding a payment or liability under statutory requirements. The *Insurer* will not pay any redundancy payment or monies due or properly payable arising under or from a contract of employment, service agreement or related document or from any related implied or incorporated terms of contract service.

### Claim

A *Claim* under the Policy for *Legal Expenses*, *Professional Expenses*, *Awards of Compensation*, *Jury Service Allowance* or *Witness Attendance Allowance*.

### Co-insurance

The amount specified in the Schedule the *Insured* must bear in respect of *Any One Claim* for the *Insured's* own account expressed as a percentage of *Legal Expenses* and or *Professional Expenses* and or *Awards of Compensation* incurred over and above any *Excess* or *Increased Excess* specified in the Schedule.

### Contracting party

A person, firm or company domiciled within the *Territorial Limits* with whom the *Insured* has a direct contractual relationship.

### Coverholder

Qdos Broker & Underwriting Services Limited, who administers and manages this insurance on behalf of the *Insurer*.

### Debt collection service

The *Debt Collection Service* nominated by the *Coverholder*.

### Due date

The date monies owed to the *Insured* first become due for payment.

### Employee

Any person under contract of service with the *Insured*.

### Excess

The amount specified in the Schedule the *Insured* must pay in respect of *Legal Expenses* and/or *Professional Expenses* and/or *Awards of Compensation* in respect of *Any One Claim* before the *Insurer* shall be liable to make any payment.

### HMRC investigation

*Inland Revenue Investigations* and *VAT Disputes*

### Increased excess

The amount specified in the Schedule the *Insured* must pay in respect of *Legal Expenses* and/or *Professional Expenses* and/or *Awards of Compensation* in respect of *Any One Claim* before the *Insurer* shall be liable to make any payment if the *Insured* instructs an alternative *Appointed Representative* to the one chosen by the *Coverholder*.

### Injury

Physical bodily *Injury* or death.

### Inland Revenue investigations

#### (a) Business Self Assessment Full Enquiry

The investigation which takes place when an officer of HM Revenue and Customs (“HMRC”) makes a request to examine all of the *Insured's* business books and records and issues a formal notice under S9A or S12AC of the Taxes Management Act 1970 or under Paragraph 24(1) Schedule 18 Finance Act 1998.

#### (b) Employer Compliance Disputes

The enquiries which take place following an expression of dissatisfaction with the *Insured's* PAYE and/or NIC affairs following an employer compliance visit by HMRC or following an expression of dissatisfaction with the *Insured's* P11Ds or P9Ds.

#### (c) Business Self Assessment Aspect Enquiry

The enquiry which takes place when an officer of HMRC issues a formal notice under Paragraph 24(1) Schedule 18 Finance Act 1998 or S9A or S12AC of the Taxes Management Act 1970 in order to make Aspect Enquiry into only certain boxes on the *Insured's* Self Assessment Return.

### Insured

The Company, firm, partnership, or trading individual specified in the Schedule and, at the *Insured's* request, any *Employee* including a director or partner of the *Insured*.

**Insured event**

An event, act or omission giving rise to a *Claim* against the Policy.

**Insurer**

Groupama Insurance Company Limited.

**Jury service allowance**

The amount of money per day the *Insured* is liable to pay the *Employee* each day they attend on jury service less any recovery from the Court.

**Legal expenses****(a) Fees**

Any professional fees, expenses and other disbursements reasonably incurred by the *Appointed Representative* with the consent of the *Coverholder*; and

Any costs incurred by other parties insofar as the *Insured* is held liable to pay such costs under a settlement made with another party with the consent of the *Coverholder* but excluding any costs which the *Insured* may be ordered to pay by a court of criminal jurisdiction.

**(b) Witness Attendance Allowance**

The amount of money per day the *Insured* is liable to pay the *Employee* each day they are required by the *Appointed Representative* to attend as a witness at a court or tribunal hearing. Indemnity limited to £100 per day and a maximum of £1,000 in *Any One Claim*.

**Legal proceedings**

The pursuit or defence of *Legal Proceedings* in a court of suitable jurisdiction made by or brought against the *Insured*, including appealing or defending an appeal against a judgment made in proceedings funded by this insurance, within the jurisdiction of a court or other body within the *Territorial Limits*.

**Limit of indemnity**

The maximum amount payable by the *Insurer* in respect of *Any One Claim* and in aggregate for all *Claims* made during any *Period of Insurance* in respect of any one *Insured*.

**Limits of insurer's liability**

The maximum liability of the *Insurer* under this Policy is limited to the amounts specified in the Schedule for 1 and 2 below;

1. *Any One Claim*.
2. *All Claims* notified during the *Period of Insurance*.

**Minimum sum in dispute**

The sum in dispute between the *Insured* and the *Contracting Party* as specified in the Schedule below which the *Insurer* shall not be liable to provide indemnity.

**Period of insurance**

As specified in the Schedule.

**Professional expenses**

Any fees, expenses and other disbursements reasonably incurred by the *Appointed Representative* with the consent of the *Coverholder* but excluding any tax or VAT, additional tax or VAT, interest or penalties demanded, assessed or required by the relevant authorities or other penalties imposed by a court of criminal jurisdiction.

**Property**

Land and/or buildings owned or occupied by the *Insured* or otherwise for which the *Insured* is legally responsible.

**Statutory licence**

A licence or certificate of registration issued under statute, statutory instrument or Government or local authority to the *Insured* provided that such licence or certificate is necessary to engage in the business activities of the *Insured*.

**Territorial limits**

The United Kingdom of Great Britain and Northern Ireland, including the Channel Islands and the Isle of Man.

**VAT disputes**

The enquiries which take place following a written decision assessment or statement of alleged arrears made by HMRC into the *Insured's* Value Added Tax Return and/or any related Value Added Tax default surcharges and misdeclaration penalties.

## Sections of cover

The Sections of Cover applicable are specified in the Schedule.

The *Insurer* will indemnify the *Insured* against *Legal Expenses* incurred by the *Appointed Representative* when undertaking work on the *Insured's* behalf in respect of an *Insured Event* covered by this Policy. Provided that the time of occurrence is within the *Period of Insurance* and provided that the *Claim* is notified to the *Insurer* during the *Period of Insurance* and the *Claim* falls within the *Territorial Limits*.

### Section 1. Employment disputes

The *Insurer* agrees to indemnify the *Insured* against *Legal Expenses* and *Awards of Compensation* incurred by the *Insured* in defending *Legal Proceedings* brought against the *Insured* by an *Employee*, *Ex-employee* or prospective *Employee* in respect of their contract of employment with the *Insured* or a breach of employment related legislation.

It is a condition precedent to the *Insurer's* liability that the *Insured* has sought and followed all the advice from the Qdos Legal Advice Line as to the process and procedure to be adopted and has received specific authorisation from the Qdos Legal Advice Line:

1. Prior to carrying out any disciplinary procedure or action or suspension of an *Employee*;
2. Prior to dismissal of an *Employee*;
3. prior to instituting a redundancy programme and prior to making an *Employee* redundant;
4. Immediately an *Employee* walks out with or without written notice;
5. Upon notification formally or informally of a grievance from an *Employee* or *Ex-employee*;
6. Upon receipt of an appeal from an *Employee* or *Ex-employee* against a decision taken as a result of a disciplinary or grievance procedure or a decision to dismiss.
7. Prior to any adverse variation of the terms and conditions of employment (including alteration of place or time or hours worked or demotion or deduction from or reduction in an *Employee's* remuneration);
8. Upon notification formally or informally of a complaint of sexual, racial or religious discrimination or discrimination relating to disability, age or sexual orientation.

### Exclusions to section 1

The *Insurer* will not pay:

1. Any benefit due under a Contract of Employment.
2. Any payment due in respect of redundancy.
3. Any compensatory award made against the *Insured* relating to or arising from Trade Union activities including membership or non membership.
4. Any award made because of the *Insured's* failure to provide written reason for dismissal.
5. Any compensatory award specified in a re-instatement or re-engagement order.
6. Any awards to the extent that they relate to contractual rights accruing to the *Employee*, *Ex-employee* or prospective *Employee* prior to the actual or alleged breach of the actual or alleged Contract of Employment.

7. Any award made as a result of the failure of the *Insured* to issue the *Employee* with a written statement of the terms of employment or to issue the *Employee* with compliant written details of the employer's disciplinary and grievance procedures.
8. Any defence of an action for damages in respect of personal *Injury* including stress related matters or loss of or damage to *Property*.
9. Any *Claim* where the *Insured* did not seek advice from the Qdos Legal Advice Line

### Section 2. Health & safety prosecutions

The defence of a criminal prosecution arising from:

- (i) Health and safety at work and occupational hygiene including but not limited to the Health and Safety at Work etc Act 1974.
- (ii) Food safety hygiene and food legality including but not limited to the Food Safety Act 1990.
- (iii) Occupational hygiene including but not limited to the COSHH and CHIP regulations.
- (iv) Supply of safe goods including but not limited to the Consumer Protection Act 1987 the Food Safety Act 1990 and the Health and Safety at Work etc Act 1974.
- (v) The Carriage of Dangerous Goods Regulations provided that the *Insured* is contracted to the *Appointed Representative* to provide a Dangerous Goods Safety Advisor as requested by the transport of Dangerous Goods (Safety Advisors) Regulations 1999.
- (vi) An appeal against the service of an Improvement Notice or a Prohibition Notice under the Health and Safety at Work etc Act 1974 or the Health and Safety (Northern Ireland) Order 1978 and their supporting Regulations.

### Exclusions to section 2

The *Insurer* will not pay *Legal Expenses* arising from or relating to the defence of a criminal prosecution:

1. Deliberately or intentionally solicited by the *Insured*, or where an alleged offence involves dishonesty or intentional threatened or actual violence by the *Insured* unless he is subsequently acquitted of such offence.
2. Where the *Insured* has pleaded guilty and/or admitted liability.
3. Which does not arise out of the normal business activities of the *Insured*.
4. Disputes relating to the Corporate Manslaughter and Corporate Homicide Act 2007.
5. Relating to the ownership possession hiring or use of a motor vehicle aircraft or watercraft, including offences:
  - a) Brought under Road Traffic and Transport Acts (not including the Regulations relating to dangerous goods).
  - b) Brought as a result of unsafe motive power rolling stock or incidents on railway property.
  - c) Relating to any substance in Class 7 (radioactive substances).
  - d) Relating to workplaces on or in a ship within the meaning of S.313 (1) of the Merchant Shipping Act 1995.

### Section 3. Tax protection

A full enquiry by H M Revenue & Customs (HMRC) into the *Insured's* self-assessment return following the issue of a notice under Section 9A or Section 12AC of the Taxes Management Act 1970 or Schedule 18, paragraph 24 of the Finance Act 1998 which includes a request to examine all the *Insured's* books and records, including *Legal Expenses* incurred in respect of preparation and representation of the *Insured* at a HMRC Commissioners' Hearing.

An aspect enquiry by HMRC which is limited to one or more specific aspects of the *Insured's* self-assessment return following the issue of a notice under Section 9A or Section 12AC of the Taxes Management Act 1970 or Schedule 18, paragraph 24 of the Finance Act 1998 which does not include a request to examine all the *Insured's* books and records.

Fees incurred in respect of any challenge in writing HMRC of the accuracy or completeness of returns submitted in accordance with the PAYE regulations following a compliance review by HMRC into the operation of PAYE, including *Legal Expenses* incurred in respect of preparation and representation of the *Insured* at a HMRC Commissioners' Hearing.

An appeal, including the local review procedure, to a VAT and Duties Tribunal, against an assessment or written decision issued by HMRC relating to the *Insured's* VAT affairs.

#### Exclusions to section 3

The *Insurer* will not pay *Legal Expenses* arising from or relating to:

1. Any tax avoidance scheme undertaken by the *Insured*.
2. An enquiry undertaken under Section 60 or 61 of the VAT Act 1994 or enquiry by the Investigations Division, the Board's Investigation Office or the Special Compliance Offices of HMRC.
3. Any dispute or enquiry that commenced prior to the inception of this policy.
4. Any work in connection with the normal reconciliation of the annual accounts and VAT returns where such reconciliation has not been undertaken prior to the dispute or enquiry arising.
5. The *Insured's* actual or alleged misstatement with intent to deceive contained in any relevant business books, records or returns. If such intent is shown the *Insurer* shall be entitled to recover such indemnity as it has actually provided.
6. Any issue of law practice or procedure not directly connected with the particular enquiry or dispute which is the subject of the *Claim*.
7. Any dispute or enquiry where the accounts submitted are being investigated solely because earlier books, records or returns have been investigated or are already under enquiry.
8. Any *Claim* arising from an enquiry into an *Insured's* tax return or an amendment to an *Insured's* tax return or any other statutory return that was not submitted within the statutory time limits. In order for the statutory return to be regarded as having been submitted within the statutory time limits, HMRC must have deemed this to be the case and the filing date must not allow HMRC the right to extend their enquiry window beyond the normal time limit of 12 months after the due filing date. Where an amendment to a *Insured's* tax return or an amendment to any other statutory return is submitted within the 12 months after the due filing date and HMRC execute an

enquiry into the return within that 12 months period then this exclusion will not apply.

9. Any criminal prosecution.
10. Any dispute or enquiry where dishonesty, fraud or fraudulent intent is alleged unless, at the culmination of such dispute or enquiry, it is proved that the *Insured* was found not guilty of dishonesty, fraud or fraudulent intent.

### Section 4. Criminal prosecution defence

The *Insurer* agrees to indemnify the *Insured* against *Legal Expenses* incurred in:

- (i) Defending a prosecution against the *Insured* in a court of criminal jurisdiction;
- (ii) An appeal by the *Insured* against the service of an Improvement or Prohibition Notice under the Health & Safety at Work etc Act 1974 or the Food Safety Act 1990.

#### Exclusions to section 4

The *Insurer* will not be liable to indemnify the *Insured* in respect of *Claims* arising out of or in connection with:

1. Any prosecution for criminal damage;
2. Any prosecution for offences against the person, including offences of a sexual nature;
3. Any prosecution relating to or arising from investigations by HMRC;
4. Any prosecution alleging dishonesty;
5. Failure to insure a motor vehicle as required by law;
6. An allegation of speeding or driving whilst under the influence of alcohol and or drugs;
7. Any prosecution for non-endorsable road traffic offences except tachograph prosecutions and weight prosecutions;
8. Any alleged deliberate or intentional act unless the charges are dismissed or the *Insured* is acquitted;
9. Any legal proceedings where the *Insured* has pleaded guilty and/or admitted liability;
10. Any proceedings, which do not relate to the business activities of the *Insured*.

### Section 5. Statutory licence protection

An appeal or representation to the relevant statutory or regulatory Licence Protection authority, Court, Tribunal or other mandatory body following an act, or omission or alleged act or omission which leads to the suspending, revoking, altering the terms of or refusing to renew any of the *Insured's* licences.

#### Exclusions to section 5

The *Insurer* will not be liable to indemnify the *Insured* in respect of *Claims* arising out of or in connection with:

1. Driving licences;
2. Any *Claim* relating to an original application or renewal or in respect of which an appeal or representation was made in the 12 months immediately preceding the inception of this insurance, except in the case of renewal or continuation of existing insurance arrangements;
3. Any disciplinary or internal procedures conducted by authorities charged with the regulation of the *Insured* in the performance of their business activities or for any appeal following such procedures;
4. Any costs incurred to comply with a notice or order;
5. An alteration or refusal to renew a *Statutory Licence* which is imposed by an *Act of Parliament*.

### Section 6. Jury service allowance

The *Insurer* agrees to indemnify the income, salary or wages of the *Insured* or any director of, partners in or *Employee* of the *Insured*, in respect of that individual's obligations to attend court for jury service insofar as it is not recoverable from the relevant Court up to a maximum of £100 per day and limited to a maximum of £1,000 for *Any One Claim*.

### Exclusions to section 6

The *Insurer* will not be liable to indemnify the *Insured* in respect of *Claims* arising out of or in connection with:

Any *Claim* arising from a jury service request served prior to the commencement of this insurance or where the juror has received such a request within the two years immediately preceding this insurance and has been able to postpone the effect of the jury service request except in the case of a renewal or continuation of existing insurance arrangements.

### Section 7. Property disputes

The *Insurer* agrees to indemnify the *Insured* against *Legal Expenses* incurred in any dispute or *Legal Proceedings* made by or brought against the *Insured*:

- (i) Over the physical possession of the *Property* provided that all statutory and contractual notices have been correctly served by the *Insured*;
- (ii) Over the terms of a tenancy agreement between the *Insured* and a *Contracting Party* relating to the use or maintenance of the *Property* including dilapidations;
- (iii) Other than with a tenant over the actual or alleged negligence, damage or nuisance to the *Property*;

provided that the *Insured* will suffer financial loss if the *Insured* fails to pursue or defend the dispute or *Legal Proceedings*.

### Exclusions to section 7

The *Insurer* will not be liable to indemnify the *Insured* in respect of *Claims* arising out of or in connection with:

1. Any dispute relating to the payment of rent, service charges or any other payments due under the terms of the lease, licence or tenancy agreement between the *Insured* and his landlord;
2. The renewal of the lease, licence or tenancy agreement between the *Insured* and his landlord or any dispute arising during a rent review period;
3. Any dispute relating to planning or building regulations or decisions or compulsory purchase orders or any actual, planned or proposed works by or under the order of any government or public or local authority;
4. Any dispute where the *Insured* has failed to maintain in full force and effect during a tenancy agreement buildings insurance covering the standard range of perils if the *Insured* was contractually obligated to have such insurance in force;
5. A contract dispute other than that of a tenancy agreement with a *Contracting Party*;
6. A dispute over subsidence or heave howsoever caused.

### Section 8. Data protection

The *Insurer* agrees to indemnify the *Insured* against any *Legal Expenses* incurred in defending any civil proceedings brought against the *Insured* for compensation under Section 13 of the Data Protection Act 1998 provided that the *Insured* is already registered with the Data Protection Commissioner.

### Exclusions to section 8

The *Insurer* will not be liable to indemnify the *Insured* in respect of *Claims* arising out of or in connection with any legal action concerning the grant and/or execution of a warrant of entry.

### Section 9. Personal injury

The *Insurer* agrees to indemnify the *Insured* against any *Legal Expenses* incurred in pursuit of *Legal Proceedings* to recover damages for death of, or bodily *Injury* to that of the *Insured* or any director of, partner in or *Employee* of the *Insured*.

### Exclusions to section 9

The *Insurer* will not be liable to indemnify the *Insured* in respect of *Claims* arising out of or in connection with any *Claim* alleging clinical negligence or any illness, naturally occurring condition or degenerative process, which develops gradually and is not caused by a specific sudden accident.

### Section 10. Debt recovery

The *Insurer* agrees to indemnify the *Insured* against any *Legal Expenses* incurred in the pursuit of *Legal Proceedings* arising from a dispute with a customer in respect of an uncontested debt that arises from the sale or provision of goods or services, provided that:

- (i) The amount in dispute exceeds £500;
- (ii) The *Insurer* is notified of the *Claim* within three months of the debt becoming due and payable;
- (iii) The *Insured* has exhausted all reasonable credit control and accounting procedures;
- (iv) The *Insured* agrees to appoint our nominated debt recovery service as the *Appointed Representative*;
- (v) The *Insurer* has the right to select the method of enforcement;
- (vi) The *Insurer* is satisfied that the defendant has sufficient assets to satisfy any judgment debt;
- (vii) The number of *Claims* that can be notified during the *Period of Insurance* is limited to five.

### Exclusions to section 10

The *Insurer* will not be liable to indemnify the *Insured* in respect of *Claims* arising out of or in connection with:

1. The recovery of a disputed debt;
2. A lease or tenancy of land or buildings;
3. The ownership, possession, hiring or use of a motor vehicle, aircraft or watercraft.

### Section 11. Contract cover

The *Insurer* agrees to indemnify the *Insured* against *Legal Expenses* incurred in the pursuit or defence of any *Legal Proceedings* made by or brought against the *Insured* in a contractual dispute with a *Contracting Party* over a contract for the sale of goods or a contract for the hire of goods or a contract for the supply of a service within the meaning laid down in the Sales of Goods Act 1979, and or the Supply of Goods Act 1982.

provided that:

- i. *Legal Expenses* incurred in the pursuit of any proceedings be limited to 75% of the amount in dispute;
- ii. The amount in dispute exceeds £1000
- iii. Where the dispute relates to monies owed to the *Insured* and such liability is not contested the *Insured* refers the debt to the *Debt Collection Service* within 30 days of the *Due Date* and agrees use of the service shall be paid for by the *Insured* and not indemnified by the *Insurer*. Should the *Debt Collection Service* exhaust its normal recovery process and recommends that legal proceeding should take place, the *Insured* will immediately notify a *Claim* under this Section of Cover.

### Exclusions to section 11

The *Insurer* will not be liable to indemnify the *Insured* in respect of *Claims* arising out of or in connection with:

1. An undisputed debt owed to the *Insured*;
2. Any dispute arising during the first 90 days of the first *Period of Insurance*;
3. Any licence or franchise agreement;
4. A dispute about either the amount an insurance company should pay to settle an insurance *Claim* or the way a *Claim* should be settled;
5. The letting or tenancy of a *Property*;
6. The construction, extension, alteration, demolition, repair, renovation or refurbishment of any *Property*;
7. The ownership, possession, hiring or use of a motor vehicle, aircraft or watercraft.

### Section 12. Restrictive covenants

The *Insurer* agrees to indemnify the *Insured* against *Legal Expenses* incurred in the pursuit of *Legal Proceedings* against an *Employee* or former *Employee* who is in breach of restrictions contained within a written contract of employment signed by the *Employee*.

### Section 13. Motor disputes

The *Insurer* agrees to indemnify the *Insured* against *Legal Expenses* incurred in the pursuit or defence of *Legal Proceedings*:

- i. Between the *Insured* and a customer or supplier in respect of a contract for the sale, purchase, hire, lease, hire purchase, service, repair or test of a motor vehicle owned by the *Insured* or for which the *Insured* is legally responsible;
- ii. The pursuit of *Legal Proceedings* by the *Insured* to recover damages, including damages for personal *Injury*, suffered by the *Insured* any director of, partner in or *Employee* of the *Insured*, following a road traffic accident, provided that the motor vehicle in which the director of, partner in or *Employee* of the *Insured* was

travelling is properly *Insured* as required by law at the time of occurrence.

### Exclusions to section 13

The *Insurer* will not be liable to indemnify the *Insured* in respect of *Claims* arising out of or in connection with:

1. Any criminal prosecution relating to the ownership or use of a motor vehicle;
2. Any dispute arising during the first 90 days of the first *Period of Insurance*.

### Section 14. Insolvency fees

The *Insurer* agrees to indemnify the *Insured* against payment of the fees of an insolvency practitioner acting as an insolvency office holder who has been appointed following the insolvency of the *Insured* where there are insufficient assets of the *Insured* to meet such costs.

Cover is limited to a maximum of:

- Personal Insolvency: 50% of Nominees' Fees in a Voluntary Arrangement
- Limited Company Insolvency: a maximum of £10,000 with an *Excess* of £1,500.

### Exclusions to section 14

The *Insurer* will not be liable to indemnify the *Insured* in respect of *Claims* arising out of or in connection with:

1. A bankruptcy;
2. A Compulsory Liquidation;
3. An insolvency involving of a *Insured* who is outside the *Territorial Limits* of England & Wales;
4. The payment of fees to an insolvency practitioner not approved by the *Insurer*;
5. The *Insurer* will not pay the fees of the insolvency practitioner where there is an indication that the directors or proprietors of the *Insured* have acted illegally.

### Section 15. Wrongful arrest defence

The *Insurer* agrees to indemnify against *Legal Expenses* incurred in defending civil proceedings against the *Insured* with regard to allegations of wrongful arrests or malicious prosecution.

### Exclusions to section 15

The *Insurer* shall not be liable to indemnify the *Insured* in the respect of any *Claim* arising out of or in connection with allegations made by or against or on behalf of an *Employee* or *Ex-Employee* or any other person working or contracting for the *Insured* whether or not an *Employee*.

## General conditions

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### A. Arbitration

Any dispute or difference of any kind between *the Insurer* and the *Insured* will be referred to arbitration by a single arbitrator who will be either a barrister or solicitor. If the parties are unable to agree on the appointment of an arbitrator, all parties agree to accept an arbitrator nominated by the Law Society, the Bar Council or appropriate professional body within England and Wales. The apportionment of costs shall be determined by the arbitrator and their decision will be final and binding on all parties.

### B. Cancellation

This Policy may be cancelled in writing at any time by the *Insured* by giving immediate written notice to the insurance broker that issued this policy. The *Insurer* may also cancel this Policy by giving 30 days written notice to the *Insured*. In the event of cancellation the *Insured* will be entitled to a full refund of premium if the Policy is cancelled within the first 14 days or refund of a proportionate part of the premium corresponding to the un-expired *Period of Insurance* where the Policy is cancelled after the first 14 days. There will be no refund of premium if the *Insured* has notified a *Claim* during the *Period of Insurance*.

### C. Cooling off

If the *Insured* is an individual acting for purposes outside of your trade, business or profession then the *Insured* has the right to change their mind and cancel this insurance with effect from inception. The *Insured* may change their mind within 14 days of insuring or within 14 days of receiving full policy documents by writing to the insurance broker that issued this policy. No charge will be made and any premium you have paid will be refunded.

### D. Insured's responsibilities

The *Insured* must notify the *Insurer* as soon as is reasonably possible of any change in the information given to them which may affect this insurance or any circumstances which may give rise to a *Claim*. Failure to do so may invalidate the *Insured's* insurance or may result in cover not operating fully. The *Insurer* reserves the right to alter the terms, charge an additional premium or cancel this insurance should they become aware of any fact, which may affect the cover provided by this insurance. The *Insured* must:

- (i) Observe the terms and conditions of this insurance.
- (ii) Try to prevent any incident that may give rise to a *Claim*.
- (iii) Take all reasonable steps to minimise the amount payable by the *Insurer*.

### E. Assignment

This Policy of insurance is between and binding upon the *Insurer* and the *Insured* and their respective successors in title, however the Policy may not be otherwise assigned by the *Insured* without prior written consent.

### F. Waiver

If the *Insurer* fails to exercise or enforce any rights conferred on them by this insurance, the failure to do so will not be deemed to be a waiver, nor will it bar the exercise or enforcement of such rights at any such time.

### G. Governing law

This insurance is governed by the laws of England and Wales.

### H. Data Protection Act

It is agreed by the *Insured* that any information provided to the *Insurer* regarding the *Insured* will be processed by the *Insurer* or the *Coverholder* in compliance with the provisions of the Data Protection Act 1998 for the purposes of providing insurance and handling *Claims*, if any, which may necessitate providing such information to third parties.

## General exclusions

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The *Insurer* shall not be liable to indemnify the *Insured* in respect of:

1. Any dispute arising during the first 90 days of the first *Period of Insurance*, or during the first 30 days of the first *Period of Insurance* in respect of *HMRC Investigations*.
2. An *Insured Event* reported more than 90 days after its *time of occurrence*.
3. An *Insured Event* reported outside the *Period of Insurance*.
4. Any dispute, *Legal Proceedings* or *HMRC Investigation* made, brought or commenced outside the *Territorial Limits*.
5. Any *Claim* relating to or arising from any cause event or circumstance occurring prior to or existing at inception of this Policy and which has or which the *Insured* knew or ought reasonably to have known may give rise to a dispute, *Legal Proceedings* or *HMRC Investigation* by or against the *Insured*.
6. Fees costs and disbursements incurred prior to the written acceptance of a *Claim*.
7. Patents, copyrights, trademarks, merchandise marks, registered designs, intellectual property, secrecy and confidentiality agreements.
8. *Legal Expenses* arising from any expense, consequential loss, legal contamination liability or any loss or damage, to *Property* directly or indirectly caused by, contributed to, by or arising from:
  - a) Ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.
  - b) The radioactive, toxic, or explosive or other hazardous properties of any explosive nuclear assembly or nuclear component of such assembly.
9. *Legal Expenses* arising directly or indirectly from the failure of computer, data processing and any other electrical equipment or component, including microchips, integrated circuits and similar devices and or any software to recognize, interpret or process any data as its true calendar date.
10. Disputes relating to written or verbal remarks, which damage the *Insured's* reputation.
11. Causes of action intentionally brought about by the *Insured*.
12. Any *Claim* which, in the *Insurer's* opinion, or the *Appointed Representative's* opinion, is believed not to have reasonable prospects of achieving the result for which *Legal Proceedings* are contemplated.
13. *Legal Expenses* incurred before the *Insurer* agrees to pay them or where the *Insured* pursues or defends a case without the agreement of the *Insurer* or in a different manner to or against the advice of the *Appointed Representative* or fails to give proper instructions in due time to the *Insurer*, *Appointed Representative* or to Counsel or other persons instructed by the *Appointed Representative* or where the *Appointed Representative* refuses to act on behalf of the *Insured* for any reason other than a conflict of interest or in respect of witnesses, experts or agents interviewed, engaged or called on as witness without the prior written approval of the *Insurer*.
14. Any *Claim* where the *Insured*, in the reasonable opinion of the *Insurer*, acts in a manner which is prejudicial to the case, including being responsible for any unreasonable delay, withdrawing instructions from the *Appointed Representative* or withdrawing from the case.
15. *Legal Expenses* which can be recovered by the *Insured* under any other insurance or which would have been covered if this policy did not exist except for any amount in *Excess* of that which would have been payable under such other insurance.
16. Fines, damages or other penalties, which the *Insured* is ordered to pay by a Court or other authority.
17. *Legal Expenses* relating to any judicial review.
18. Any *Claim* for *Legal Expenses* when the *Insured* is bankrupt, or in receivership, liquidation, administration, has made an arrangement with creditors, has entered into a Deed of Arrangement or part or all of the *Insured's* affairs or property are in the care or control of a receiver or an administrator with the exception of a *Claim* made in respect of Section 14 Insolvency Fees.
19. Any dispute with the *Insurer* or *Qdos*.
20. Please note that the rights conferred by the Third Parties (Rights Against *Insurers* Act) 1930 are specifically excluded from applying to this policy.
21. The defence of the *Insured* in civil *Legal Proceedings* arising from:
  - a) *Injury* or disease including psychiatric *Injury* or stress;
  - b) Loss, destruction, or damage of or to *Property*;
  - c) Alleged breach of professional duty;
  - d) Any tortious liability (other than specified in Section 7 *Property* disputes.)
22. Disputes relating to the Corporate Manslaughter and Corporate Homicide Act 2007.
23. Any loss, damage, cost or expenses of whatsoever nature directly or indirectly caused by, resulting from or in connection with (including any action taken in controlling, preventing, suppressing or in any way relating to) any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;
  - a) War, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
  - b) Any act of terrorism.

For the purposes of this exclusion an act of terrorism means an act including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any government(s), religious, ideological or similar purpose including the intention to influence any government and/or to put the public, or any section of the public in fear or danger.

## Claims conditions

### A. Reporting a claim

The *Insurer* should, as soon as possible be notified in writing of any potential *Claim* and be provided with any written or other evidence relevant to the issues giving rise to the *Claim*. The *Insured* will be required to provide the names of any possible witnesses and details, of any costs incurred prior to the *Insurer* accepting the *Claim*, including any action already taken.

*Claims* should be made by contacting the Qdos Legal Advice Line, as soon as is reasonably practical, or by writing to Qdos Broker & Underwriting Services Limited at the following address:

Qdos Broker & Underwriting Services Limited  
Legal Expenses Claims Department  
Qdos Court  
Rossendale Road  
Earl Shilton  
Leicestershire  
LE9 7LY

Telephone: 01455 850000 Fax: 01455 841000

### B. Coverholder's consent

It is a condition precedent to the liability of the *Insurer* that their consent to incur *Legal Expenses* or *Professional Expenses* must firstly be obtained in writing. This consent will be given by the *Coverholder* on behalf of the *Insurer*, if the *Insured* can satisfy the *Coverholder* that:

1. It is reasonable to incur *Legal Expenses* or *Professional Expenses* having regard to the proportionality between remedy claimed and the *Legal Expenses* or *Professional Expenses* to be incurred;

2.

(i) Where the *Insured* is pursuing, there are reasonable prospects of proving the other party's legal liability and of recovering the damages claimed or other legal remedies sought

or

(ii) Where the *Insured* is defending, the other party does not have reasonable prospects of proving the *Insured's* legal liability

or

(iii) In respect of criminal prosecution and where the *Insured* pleads guilty there is a reasonable prospect of significant mitigation of the *Insured's* sentence or fine.

Should during the course of a *Claim* the *Insured* ceases to satisfy the *Coverholder* in respect of 1 and 2 of *Coverholder's* Consent indemnity will be withdrawn. For a decision to be made on granting or withholding consent the following must be received by the *Coverholder*:

- A completed insurance *Claim* form
- The documentation and information reasonably requested by the *Coverholder*
- Any advice the *Coverholder* may deem necessary to

take

- A legal opinion from the *Appointed Representative* as to 1 and 2 of *Coverholder's* Consent

The *Coverholder* reserves the right to limit its consent by time and or financial amount of *Legal Expenses* or *Professional Expenses* and or stage of proceedings to allow for a review of their continued consent.

The *Coverholder* at its discretion may require the *Insured* to seek an opinion from Council, at the *Insured's* expense, as to the merits of the *Claim*. Such opinion is to have regard to the same issues that the *Coverholder* has in assessing the merits of any legal action. If based upon such an opinion the *Coverholder* is satisfied in respect of 1 and 2 of *Coverholder's* Consent the *Legal Expenses* and *Professional Expenses* in obtaining that opinion will be paid by the *Insurer* within the *Limits of Insurer's Liability*.

If after consent has been granted it is shown that the particular *Claim* or *Legal Proceedings* have not been brought within the terms and conditions of this Policy and its Schedule the *Coverholder's* consent will be withdrawn and no indemnity shall be provided. The *Insurer* shall be entitled to recover any *Legal Expenses*, *Professional Expenses*, *Awards of Compensation* and any other Allowances previously paid.

If the *Insured* elects to proceed with the pursuit or defence of a *Claim* or *Legal Proceedings* to which the *Coverholder's* consent has been refused through lack of reasonable prospects as required in 1 and 2 of *Coverholder's* Consent and if the *Insured* is successful in such pursuit or defence, the *Insurer* will pay *Legal Expenses* or *Professional Expenses* incurred after such consent had been refused subject to the terms conditions of this Policy.

In granting its consent the *Insurer* undertakes to provide indemnity to the *Insured* subject to the terms and conditions of this Policy and its Schedule but such consent does not imply that all *Legal Expenses* or *Professional Expenses* or *Awards of Compensation* will be paid.

In particular *Legal Expenses* or *Professional Expenses* for matters that go beyond the immediate scope of the *Claim* or *Legal Proceedings* shall be deemed by the *Insurer* to fall outside the indemnity provided by this Policy.

### C. Choice of appointed representative and counsel

The *Coverholder* will choose an *Appointed Representative* to act on behalf of the *Insured* in any *Claim* under certain Sections as specified in the Schedule.

Where recourse is necessary to a lawyer and proceedings are issued, the *Insured* is free to choose an *Appointed Representative* to act in the name of and on behalf of the *Insured* in any *Legal Proceedings* to which the *Coverholder* has consented subject to the *Increased Excess*. The name and address of the *Appointed Representative* the *Insured* proposes to instruct, must be notified to the *Coverholder* in writing. The *Coverholder* will accept such nomination provided the *Coverholder* is satisfied the proposed *Appointed Representative* will cooperate and enable the *Insured* to comply with the terms and conditions of this policy and provided the proposed *Appointed Representative's* charging rates are fair and reasonable in regard to the particular *Legal Proceedings*.

A dispute arising from the *Insured's* choice may be referred to Arbitration in accordance with General Condition A. The *Insured* must not, without the written consent of the *Coverholder*, enter into any agreement with the *Appointed Representative* as to the basis of calculation of *Legal Expenses*. The *Coverholder* may withdraw consent previously given at any time.

In selecting the *Appointed Representative* the *Insured* shall have regard to its duty to minimise the cost of any *Claim* or *Legal Proceedings*. In all other *Claims* the *Coverholder* will choose the *Appointed Representative* subject to the *Excess*.

In all cases the *Appointed Representative* shall be appointed in the name of and on behalf of the *Insured*. If in the course of any *Claim* or *Legal Proceedings* the *Appointed Representative* wishes to instruct Counsel or an expert, Counsel's or the expert's name and an explanation of the necessity for such instruction must be submitted to the *Coverholder* for consent to the proposed instruction which will not be unreasonably withheld.

#### **D. Disclosure**

It is a condition precedent to the *Insurer's* liability that:

1. The *Insured* must give to the *Appointed Representative* and the *Coverholder* all necessary help and information including a complete and truthful account of the facts of the case and all relevant documentary or other evidence in the *Insured's* possession. The *Insured* must provide, obtain or execute all documents as necessary and attend meetings or conferences as requested.

2. The *Coverholder* is entitled to receive from the *Appointed Representative* and *Insured* any information, documentation or advice in connection with any *Claim* or *Legal Proceedings* even if privileged. In addition the *Insured* must instruct the *Appointed Representative* to provide the *Coverholder* with regular updates on the progress of any *Claim* or *Legal Proceedings* and inform the *Coverholder* immediately if and when any circumstance adversely impacts the factors taken into account in granting *Coverholder's* consent. On request the *Insured* will give to the *Appointed Representative* any instructions necessary to secure the required access.

Cover may be withdrawn if the *Insured* fails to co-operate at all or within a reasonable time with the *Coverholder's* or the *Appointed Representative's* requests.

#### **E. Offer of settlement**

It is a condition precedent to the liability of the *Insurer* that the *Insured* must inform the *Coverholder* in writing as soon as an offer to settle a *Claim* or *Legal Proceedings* is received and or the *Insured* proposes to make an offer of settlement. In any settlement, the *Insured* must have regard to *Legal Expenses* or *Professional Expenses* incurred or likely to be incurred by the *Insurer* and the recovery thereof. No indemnity will be provided if the *Insured* enters into any agreement to settle without the prior written consent of the *Coverholder* (such consent not to be unreasonably withheld) and the *Insurer* shall be entitled to recover any *Legal Expenses*, *Professional Expenses* or *Awards of Compensation* previously paid. If the *Insured* unreasonably rejects an offer of settlement which the *Coverholder* recommends acceptance of or makes an offer which the *Coverholder* does not agree no further indemnity shall be provided.

The *Insurer* may at its absolute discretion decide to pay the *Insured* the amount of damages that the *Insured* is claiming or is being claimed against the *Insured* instead of indemnifying the *Insured* for *Legal Expenses Professional Expenses* or *Awards of Compensation*. Where the *Insurer* exercises this discretion the *Insurer* will cease to be liable for any further *Legal Expenses*, *Professional Expenses* or *Awards of Compensation*.

#### **F. Payment of legal expenses, professional expenses and awards of compensation**

All bills relating to any *Claim* or *Legal Proceedings* which the *Insured* receives from the *Appointed Representative* should be forwarded to the *Coverholder* without delay. If the *Coverholder* so requires the *Insured* must ask the *Appointed Representative* to submit the bill of costs for assessment or certification by the appropriate Law Society, court or tribunal.

The *Insured* is responsible for payment of all *Legal Expenses* or *Professional Expenses* or *Awards of Compensation*. The *Insurer* may settle these directly if requested by the *Insured* to do so. The payment of some *Legal Expenses* or *Professional Expenses* does not imply that all *Legal Expenses* or *Professional Expenses* or *Awards of Compensation* will be paid.

#### **G. Appeal procedure**

If, following *Legal Proceedings* to which the *Coverholder* has consented, the *Insured* wishes to appeal against the judgment or decision of a court or tribunal, the grounds for such appeal must be submitted to the *Coverholder* through the *Appointed Representative* immediately or as soon as practicable so that the *Coverholder* may consider whether to consent to such further action. If an appeal is lodged against a judgment or decision of a court or tribunal made in favour of the *Insured* following *Legal Proceedings* to which the *Coverholder* has consented, the *Insured* must notify the *Coverholder* immediately in order that cover shall continue. The *Coverholder* will inform the *Appointed Representative* of its decision. If, the *Coverholder* so requires it the *Insured* must co-operate in an appeal against the judgment or decision of a Court or Tribunal.

#### **H. Recovery of costs**

Whenever the *Insured* is awarded costs or under the terms of any settlement where costs are included, those costs are to be repaid to the *Insurer*. The *Insured* and their *Appointed Representative* must make every effort to make a full recovery of costs. Where a settlement purports to be a global or a without costs settlement or where costs are awarded but not recovered, the *Insured* agrees that a fair and reasonable proportion of that settlement will be deemed costs and due to the *Insurer*. Where such a settlement is paid in instalments all costs to the *Insurer* shall be paid first.

#### **I. Fraudulent claims**

If the *Insured* makes any request for payment under this Policy knowing it to be fraudulent or false in any respect or ought reasonably in the circumstances to know it to be fraudulent or false or where there is collusion between any parties to the dispute, this Policy shall become void and any premiums paid hereunder shall be forfeited and the *Insurer* shall be entitled to recover any *Legal Expenses* or *Professional Expenses* or *Awards of Compensation* previously paid.

**J. Insolvency or liquidation of the insured**

If the *Insured* becomes insolvent or is placed in liquidation during the course of any *Claim* or *Legal Proceedings* to which the *Coverholder's* consent has been given the *Coverholder* reserves the right to withdraw that consent. The *Insured* shall be deemed insolvent or in liquidation upon the appointment of an office holder within the meaning given by the Insolvency Act 1986 or upon the appointment of a receiver within the meaning laid down in the Companies Act 1985.

**K. Duty to minimise**

The *Insured* must take all reasonable precautions to avoid and prevent *Claims*, *Legal Proceedings* and disputes.

The *Insured* must use every endeavour and take all reasonable measures to minimise the cost and effect of any *Claim* or *Legal Proceedings* under this Policy

**L. Value Added Tax**

If the *Insured* is registered for VAT, the *Insurer* will not pay the VAT element of any *Legal Expenses* or *Professional Expenses*.

## Complaints

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It is the intention to give you the best possible service but if you do have any questions or concerns about this insurance or the handling of a claim you should in the first instance contact:

The Chief Executive Officer  
Qdos Broker & Underwriting Services Limited  
Qdos Court  
Rossendale Road  
Earl Shilton  
Leicestershire  
LE9 7LY

Tel: 01455 850000  
Fax: 01455 841000

Please ensure your policy number is quoted in all correspondence to assist a quick and efficient response.

In the event you remain dissatisfied and wish to make a complaint, you can do so by contacting the following:

The Claims Manager  
Groupama Insurance Company Ltd  
6<sup>th</sup> Floor  
One America Square  
17 Crosswall  
London  
EC3N 2LB

If it is not possible to reach an agreement, you have the right to make an appeal to the Financial Ombudsman Service. This also applies if you are insured in a business capacity and have an annual turnover of less than €2 million and fewer than ten staff. You may contact the Financial Ombudsman Service at:

The Financial Ombudsman Service  
South Quay Plaza  
183 Marsh Wall  
Docklands  
London  
E14 9SR

Tel: 0845 080 1800

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

## Financial Services Compensation Scheme

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

## Communications

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All notices and communications from the *Insurer* or their representatives to the *Insured* shall be deemed to have been duly sent if sent to the *Insured's* address as last declared to the *Coverholder* or, in relation to any matters arising out of any *Claim* or *Legal Proceedings*, if sent to the *Appointed Representative*.

All notices and communications from the *Insured* or the *Appointed Representative* to the *Insurer* shall be deemed to have been duly sent if sent to the *Coverholder* at the address below:

Qdos Broker & Underwriting Services Limited  
Qdos Court  
Rossendale Road  
Earl Shilton  
Leicestershire  
LE9 7LY

Tel: 01455 850000  
Fax: 01455 841000