

# Legal Expenses Section

## Section Definitions

In addition to the **Policy** definitions, the following also apply to this **Section**:

### Acts of Parliament

All **Acts of Parliament** referred to in this **Section** will include a reference to all Orders and Regulations made under them and to any subsequent amendments, re-enactments, equivalent legislation, Regulations of Codes of Practice, enforceable within the **Geographical Limits**.

### Any One Claim

All claims or series of claims including any appeal against a judgment or decision arising out of the same original cause, event or circumstance.

### Awards of Compensation

**Basic Awards** and **Compensatory Awards** in respect of a unfair dismissal claim made against **the Insured** by an employment tribunal, employment appeal tribunal or superior court, or settlements agreed as a result of negotiation, conciliation or arbitration proceedings and to which the **Insurer's** previous consent has been given, other than:

- a** any awards of compensation against **the Insured** for a redundancy payment or monies due under a **Contract** of employment, or
- b** any award arising from a failure by **the Insured** to provide written reasons for dismissal, or
- c** any award or pay specified in a reinstatement or reengagement order, or
- d** any financial benefit or compensation payable under any share option scheme or pension scheme

### Basic Awards

**Basic Awards** are determined in accordance with Section 119 of the Employment Rights Act 1996. **Basic Awards** do not include Additional Awards, Protective Awards, Aggravated Damages or Interim Relief.

### Compensatory Awards

The amounts awarded in accordance with Section 123 of the Employment Rights Act 1996 at the discretion of an Employment Tribunal, Employment Appeal Tribunal or Superior Court to compensate for loss of earnings and benefits. **Compensatory Awards** do not include Additional Awards, Protective Awards, Aggravated Damages or Interim Relief.

### Business

The Business Description stated in the **Schedule**.

### Civil Proceedings

Civil court or civil tribunal proceedings, which are subject to the jurisdiction of the courts of the United Kingdom, the Isle of Man and the Channel Islands.

### Commercial Tenancy Agreement

An agreement under which **the Insured**:

- a** lets the **Premises** to a **Commercial Tenant**; or
- b** occupies the **Premises** as a **Commercial Tenant**

In connection with the **Business** and in return for the payment of rent.

### Commercial Tenant

The lawful tenant who occupies the **Premises** for non-residential purposes.

### Contract

An actual or alleged **Contract**, whether verbal or in writing to which **the Insured** is a party, for the sale, purchase, hire, service, supply or repair of goods or for the supply or purchase of a service. A **Contract** does not include:

- Any actual or alleged contract with an **Employee**, sub-contractor or self-employed person for the purposes of employment activities; or
- Any franchise or distribution agreement.

# Legal Expenses Section (continued)

## Section Definitions (continued)

### Date of Occurrence

**Any one claim** is deemed to arise when the following occurs:

- For civil cases, excluding employment or taxation disputes, the date the **Insured Person** is first aware, or should have been aware of a dispute with a third party.
- For employment disputes, the date when **the Insured** first receives a Claim Form (ET1) from an employment tribunal.
- For **Employment Service Occupancy**, the date the **Insured Person** is first aware, or should reasonably have been aware, that a previous **Employee** has failed, or will fail, to vacate the **Premises** at the termination date of that **Employee's** contract of employment, resulting in provable financial loss to **the Insured**.
- For **Employee's Civil Defence**, the date the **Insured Person** is first aware, or should reasonably have been aware, of an event arising from their work as an **Employee** that could lead to civil action being taken against them under legislation for unlawful discrimination on the grounds of sex, sexual orientation, race, disability, age, religious belief, political opinion or any other discrimination identified by **Acts of Parliament**.
- For **Pension Trustee Defence**, the date the **Insured Person** is first aware, or should reasonably have been aware, of the intention of an **Employee** to hold the **Insured Person** responsible for any actual or alleged failure to fulfil their obligations as a trustee of a pension fund set up for the benefit of the **Insured's Employees**.
- For **Breach of Restrictive Covenant**, the date the **Insured Person** is first aware, or should reasonably have been aware, of the breach or prospective breach of covenant.
- For taxation disputes or investigations affecting the **Insured's Business**, the date when **HMRC**, or another relevant authority, first notifies **the Insured** or their accountant, of the intention to carry out an **HMRC Investigation**.
- For criminal cases, the date the **Insured Person** receives a summons informing them criminal proceedings are being taken against them, provided that the alleged offence arose during the **Period of Insurance**.

- For all cases involving possible changes to a statutory licence, the date when the **Insured Person** receives the decision of the relevant authority informing them of their intention to suspend, revoke or alter the terms of the business licence.
- For jury service claims, the date when the **Insured Person** first attends jury service.

If there is more than one event arising at different times for the same originating cause, the date of the claim will be the first date of these events.

### Debt Recovery Service

The debt collection service nominated by the **Insurer** which is provided as an Additional Service to **the Insured** for the recovery of **Undisputed Debts**.

### Disputed Debt

A dispute relating to the payment or receipt of money and interest due under the terms of a **Contract**.

### Employee

Any person under a permanent full or permanent part time contract of service or apprenticeship with **the Insured**.

### Employment Service Occupancy

A **civil proceeding** brought by **the Insured** for the pursuit of vacant possession of **Premises** belonging to **the Insured** and occupied by a previous **Employee** of **the Insured**.

### Geographical Limits

For claims relating to Personal Injury - Great Britain, Northern Ireland, the Channel Islands, The Isle of Man, any member country of the European Union and Iceland, Liechtenstein, Norway and Switzerland.  
For all other claims - Great Britain, Northern Ireland, the Channel Islands and the Isle of Man.

### Guideline Hourly Rates

The **Guideline Hourly Rates** for solicitors set by the Senior Court Costs Office.

### HMRC

HM Revenue & Customs.

# Legal Expenses Section (continued)

## Section Definitions (continued)

### HMRC Investigation

- a** Tax Enquiry  
A written notice of enquiry, issued by **HMRC**, to carry out an Income Tax or Corporation Tax compliance check which either:
  - i** includes a request to examine any aspects of the **Insured Person's** books and records; or
  - ii** advises of a check of the **Insured Person's** whole tax return.
- b** VAT Disputes  
A dispute with **HMRC** following the issue of an assessment, written decision or notice of a civil penalty relating to the **Insured Person's** VAT affairs.
- c** Employer Compliance Dispute  
A Dispute with **HMRC** concerning the **Insured Person's** compliance with Pay As You Earn, national insurance contributions or Construction Industry Scheme.

### Insured Person

**The Insured** and, at the request of **the Insured** with the agreement of the **Insurer**, **the Insured's** proprietors, partners and directors and also all **Employees** acting in the normal course of their employment.

### Insurer

Allianz Insurance plc trading as Allianz Legal Protection

### Jury Service Allowance

Payment to **the Insured** in respect of an **Insured Person** who is absent from work as a result of their attendance for jury service within the **Geographical Limits**, but only in so far as payment of such sum has been made by **the Insured** to the **Insured Person** under any contract of employment. For every day the **Insured Person** is off work, including the time it takes to travel to and from the court, the payment will be calculated as follows

- a** if the **Insured Person** works full time, 1/250th of the **Insured Person's** annual salary or wages; or
- b** if the **Insured Person** works part time, a proportion of the **Insured Person's** weekly salary or wages equivalent to one days salary or wages.

Payments will be calculated to the nearest half day (assuming a whole day is eight hours).

### Lawphone Legal Helpline

A telephone advisory service provided by the **Insurer**:

- a** to advise **the Insured** on commercial-related legal matters; and
- b** for **the Insured** to report all claims under this **Section** to the **Insurer**.

### Legal Expenses

#### Fees and Expenses

- a** any unrecovered professional fees, expenses or other disbursements reasonably and properly incurred by the **Legal Representative** on the **Standard Basis** up to the **Guideline Hourly Rates** incurred with the prior written consent of the **Insurer** in respect of any claim, including costs and expenses of expert witnesses and those incurred by the **Insurer** in connection with such claim.
- b** any legal or professional fees, expenses or other disbursements incurred by other parties in pursuing or defending any claim, insofar as the **Insured Person** is held liable in a civil court or tribunal to pay such costs or under a settlement made with another party with the **Insurer's** prior written consent, but excluding any costs which the **Insured Person** may be ordered to pay by a court of criminal jurisdiction.
- c** any unrecovered professional fees, expenses or other disbursements reasonably and properly incurred by the **Legal Representative** on the **Standard Basis** up to the **Guideline Hourly Rates** incurred with the prior written consent of the **Insurer** in an appeal, or in resisting an appeal against the judgment of a relevant court or tribunal in respect of any claim.
- d** any unrecovered professional fees, expenses or other disbursements reasonably and properly incurred by the **Legal Representative**, at such rates or in such amounts as may be agreed or confirmed by the written consent of the **Insurer** where it is necessary for an accountant to represent **the Insured** in connection with any claim relating to an **HMRC Investigation** or subsequent appeal, but excluding any tax, interest and penalties demanded, assessed or requested by **HMRC**.

# Legal Expenses Section (continued)

## Section Definitions (continued)

**Legal Expenses** do not include the payment of Value Added Tax (VAT) which is recoverable by the **Insured Person** from elsewhere.

All **Legal Expenses** will be considered at the conclusion of the claim. Payments will not be made on an interim basis.

### Legal Representative

A solicitor, barrister or any other appropriately qualified person appointed in the name of and on behalf of the **Insured Person** with the prior written agreement of the **Insurer** to act for the **Insured Person** in accordance with the terms of this **Section**.

### Reasonable Prospects of a Satisfactory Outcome

- a In **civil proceedings** and in all appeals, including employment tribunal disputes, **Reasonable Prospects of a Satisfactory Outcome** only exist if the **Legal Representative** advises that the **Insured Person** is more likely than not to succeed, assuming the case was determined at trial or other final hearing at first instance and the likely damages claimed and recovered by or against the **Insured Person** will exceed the **Insured Person's** own likely **Legal Expenses**
- b In criminal proceedings and in all appeals, **Reasonable Prospects of a Satisfactory Outcome** only exist if the **Legal Representative** advises that
  - i the **Insured Person** is more likely than not to succeed in defending the prosecution assuming the case was determined at trial or other final hearing at first instance; or
  - ii the **Insured Person** is more likely than not to succeed in a significant mitigation of their sentence or fine where the **Insured Person** intends to plead guilty to the offence, or is advised to do so by the **Legal Representative**.
- c In an **HMRC Investigation** and in all appeals following an **HMRC Investigation**, **Reasonable Prospects of a Satisfactory Outcome** only exist if the **Insured** is more likely than not to succeed in reversing the decision made or significantly reducing the liabilities alleged by **HMRC**.

### Standard Basis

The normal method used by the court to assess **Legal Expenses** which the court decides are proportionate to the **Insured Person's** legal action and have been reasonably incurred by the **Legal Representative** and the **Insured Person's** opponent.

### Undisputed Debt

Money and interest that has not been paid to the **Insured** under the terms of a **Contract**. An **Undisputed Debt** will exist if, in the opinion of the **Debt Recovery Service** or the **Insurer**, the other party to the **Contract** would not have a realistic chance of succeeding in defending any legal action taken in respect of the amount due.

### Witness Attendance Allowance

Payment to the **Insured** in respect of the **Insured Person** who is absent from work as a result of his or her attending as a witness for the **Insured** at a hearing, court or tribunal arising from an **Insured Event** within the **Geographical Limits** at the request of the **Legal Representative** with the **Insurer's** written consent, but only in so far as this is not otherwise recoverable from the relevant hearing, court or tribunal.

For every day the **Insured Person** is off work, including the time it takes to travel to and from the court, the payment is calculated as follows

- a If the **Insured Person** works full time, 1/250th of the **Insured Person's** annual salary or wages; or
- b If the **Insured Person** works part time, a proportion of the **Insured Person's** weekly salary or wages equivalent to one day's salary or wages.

Payments will be calculated to the nearest half day (assuming a whole day is eight hours).

### Limit of Indemnity

The maximum amount the **Insurer** is liable to pay under this **Section** is the Limit of Indemnity shown on the **Schedule**.

# Legal Expenses Section (continued)

## Cover

The **Insurer** agrees to pay up to the **Limit of Indemnity** and on behalf of the **Insured Person**:

- a **Legal Expenses;**
- b **Awards of Compensation;**
- c **Jury Service Allowance;** and
- d **Witness Attendance Allowance**

incurred by the **Insured Person** in the pursuit or defence of any claim:

- a brought within the **Geographical Limits;** and
- b where the **Date of Occurrence** first arose during the **Period of Insurance;** and
- c arising from **the Insured's Business.**

Provided that

- a a claim is reported to us within 6 months of the **Date of Occurrence** or as soon as reasonably practicable providing there has been no prejudice to the **Insurer;** and
- b **Reasonable Prospects of a Satisfactory Outcome** exist at all times; and
- c for employment disputes only, **the Insured** has consulted with and followed the advice of **Lawphone Legal Helpline** or another solicitor or suitably qualified person.

# Legal Expenses Section (continued)

## Insured Events

### Event 1 – Employment

The Insured has cover for:

- a the defence of the legal rights of **the Insured** in a dispute in an Employment Tribunal with a previous, present or prospective **Employee** and which arises out of or relates to a contract of employment or a breach of employment or discrimination legislation.
- b **Awards of Compensation.**
- c **Employment Service Occupancy**  
the pursuit of a previous **Employee** to recover possession of **Premises** belonging to **the Insured** and occupied for residential purposes by that previous **Employee** provided that:
  - i the occupation of the Property by the previous **Employee** was conditional on their employment by **the Insured** and was specifically included as part of the remuneration within that previous **Employee's** contract of employment; and
  - ii the previous **Employee's** contract of employment has terminated and any notice period has been completed (whether notice of resignation or notice of dismissal and including where the **Employee** was placed on leave by **the Insured** for the whole, or part, of that notice period); and
  - iii the date of termination of the previous **Employee's** contract of employment was not before the date this **Section** started.
- d Pension Trustee Defence  
the defence of the **Insured Person's** legal rights in **Civil Proceedings** arising from the **Insured Person's** capacity as a trustee of a pension fund set up for the benefit of **Employees**.
- e **Employee's Civil Defence**  
the defence of their legal rights in **Civil Proceedings** arising from the **Insured Person's** work as an **Employee** under legislation for unlawful discrimination on the grounds of sex, sexual orientation, race, disability, age, religious belief, political opinion or any other discrimination identified by **Acts of Parliament**.

### f **Breach of Restrictive Covenant**

the pursuit of an injunction against a previous **Employee** following a breach of an express restrictive covenant in that **Employee's** contract of employment with **the Insured**, where the previous **Employee** has:

- i solicited other **Employees** of **the Insured**; or
- ii solicited customers of **the Insured**;

resulting in proven financial loss to **the Insured**.

Provided that **the Insured** has issued all necessary documentation to an **Employee** as required by legislation.

### What is not covered under Event 1

- a any employment issue where **the Insured** has not consulted with, and followed the advice of, **Lawphone Legal Helpline** or any other solicitor or suitably qualified person before taking any action or making any decision which might give rise to a claim against **the Insured**, such as making any significant changes to an **Employee's** contract or taking any action which leads to the giving of a formal warning to, or the dismissal (including redundancy) of an **Employee**. **The Insured** should be able to evidence that advice received has been followed.
- b any dispute with an **Employee** who was subject to either a written or verbal warning (formal or informal) in the 180 days immediately preceding the first **Period of Insurance**.
- c any breach or alleged breach of the Transfer of Undertakings (Protection of Employment) Regulations 2006 or the Acquired Rights Directive.
- d any dispute based upon, arising from or in consequence of any industrial dispute, industrial or labour arbitration or collective bargaining agreements.
- e any dispute to do with sub-contracting or contracts for services with anyone who is self-employed.
- f **Employment Service Occupancy** there is no cover for the defence of **the Insured's** legal rights, other than to defend a counter-claim.

# Legal Expenses Section (continued)

## Insured Events (continued)

### Event 2 – Tax and VAT

The **Insured** has cover for an **HMRC Investigation**.

#### What is not covered under Event 2

- a Any matter relating to a tax avoidance scheme. A tax avoidance scheme is any matter which is, or may be, notifiable to **HMRC** under the regulations for Disclosure of Tax Avoidance Schemes (DOTAS) or the disclosure regime for VAT.
- b Any matter or investigation conducted by or on behalf of **HMRC** Fraud Investigation Service or Specialist Investigations, or conducted under the **HMRC** Civil Investigation of Fraud, Code of Practice 9, or Criminal Investigations procedures or conducted under the General Anti-Abuse Rule.
- c Any enquiry or investigation by **HMRC** or any other agency into alleged dishonesty or alleged criminal activities.
- d Any **HMRC** compliance check or dispute with **HMRC** concerning **the Insured's** compliance with regulations relating to the National Minimum wage or the National Living Wage.
- e Any claim arising from the failure to register for VAT or PAYE.
- f Any enquiry or investigation that concerns wealth, assets or money held outside of the **United Kingdom**.
- g Any IR35 enquiry by **HMRC**.

### Event 3 – Criminal Prosecution Defence

The **Insured Person** has cover for the defence of a criminal prosecution.

#### What is not covered under Event 3

- a criminal proceedings being brought against the **Insured Person** for:
  - i fraud, theft, money laundering or other dishonesty related offences.

- ii offences against another person, including offences of a sexual nature.
  - iii the manufacture, distribution or use of weapons, alcohol, drugs, indecent or obscene materials.
  - iv owning, possessing, hiring or using aircraft, watercraft, motor vehicles, trailers or caravans.
  - v matters arising from an **HMRC Investigation**.
  - vi pollution.
- b any costs or fines awarded against the **Insured Person** by a court of criminal jurisdiction.

### Event 4 – Property Protection

#### Property Disputes:

A dispute arising from a breach of legal rights relating to **the Insured's Premises** following:

- a An event that causes physical damage to the insured **Premises**; or
- b A legal nuisance (meaning any unlawful interference with **the Insured's** use or enjoyment of their land, or some right over it, or in connection with it); or
- c A trespass.

#### What is not covered under Event 4

- a any dispute relating to any land or building that is not in or on **the Insured's Premises**.
- b any dispute arising from the actual or alleged performance of, or failure to perform, in whole or in part, an actual or alleged **Contract** between **the Insured** and a third party or any dispute, breach or negligence arising from or relating to an implied or express **Contract**.
- c any dispute relating to mining, subsidence or heave.
- d any dispute relating to or arising from any tenancy or lease agreement or license to occupy.
- e any dispute relating to or arising from service charges, tax, planning or building regulations or decisions.

# Legal Expenses Section (continued)

## Insured Events (continued)

- f** any dispute over the freehold or leasehold or common hold or title of the **Premises**.
- g** any dispute with any Government or local or public authority departments or any agency acting on their behalf.
- h** any dispute arising from an application for planning permission;
- i** any dispute relating to the ownership, possession, hiring or use of aircraft, watercraft, motor vehicles, trailers or caravans

### Event 5 – Data Protection

The **Insured** has cover for:

- a** the defence of the legal rights of **the Insured** in a dispute arising out of Data Protection legislation.
- b** an appeal by **the Insured** against a refusal of an application for registration or alteration of registered particulars.
- c** an appeal by **the Insured** against any Enforcement, De-registration or Transfer Prohibition Notice.

#### What is not covered under Event 5

- a** any dispute or legal proceeding which relates to the prosecution of **the Insured** in respect of any actual or alleged fraud or theft.
- b** any dispute or legal proceeding which arises from a failure to register as a Data Controller with the Information Commissioner's Office (ICO).
- c** any dispute or legal proceeding which arises from a failure to comply with any legislative requirement concerning the processing of Sensitive Personal Data.
- d** any fines, penalties or awards of compensation made against **the Insured**.

- e** any dispute or legal proceeding where the **Insured Person** is not able to evidence the following:
  - i** a suitable procedure to investigate complaints regarding a breach of privacy rights which has been fully engaged; and
  - ii** a suitable redress has been offered where a breach has occurred.

### Event 6 – Commercial Tenancy Agreement

The **Insured** has cover for the pursuit and defence of **the Insured's** legal rights in a dispute relating to **the Insured's Commercial Tenancy Agreement**.

#### What is not covered under Event 6

- a** any dispute relating to service charges, tax, planning or building regulations or decisions.
- b** any dispute relating to the renewal of a lease or tenancy agreement.
- c** any dispute over the freehold, leasehold, common hold or title of the **Premises**.
- d** any dispute with Government or local authority departments concerning the imposition of rates or other local taxes.

### Event 7 – Statutory Licence Appeal

The **Insured Person** has cover to appeal to the relevant authority, court or tribunal following a decision made by such licensing or regulatory authority to suspend, revoke, alter or refuse to renew a Statutory Licence.

#### What is not covered under Event 7

- a** any appeal arising out of a hearing that took place because of a commercial decision made by the **Insured Person** in relation to the **Business**
- b** any appeal following a hearing that the **Insured Person** knew about, or should reasonably have known about, before this **Section** commences

# Legal Expenses Section (continued)

## Insured Events (continued)

- c any appeal involving a Statutory Licence for which the **Insured Person** has made an appeal in the 12 months before this **Section** commences
- d any disciplinary or internal procedures conducted by authorities charged with the regulation of the **Insured Person** in the performance of their normal **Business** activities, or for any appeal following such procedures
- e the first application for, or application for the renewal of, the **Insured Person's** Statutory Licence
- f any suspension, revocation, alteration or refusal to renew a Statutory Licence which is imposed by **Acts of Parliament** or national or local government regulation or order.

### Event 8 – Personal Injury

The **Insured Person** has cover for the pursuit of his or her legal rights following a sudden or specific incident which causes the **Insured Person's** death or bodily injury.

Provided that the death or bodily injury arises out of working for the **Business**.

#### What is not covered under Event 8

- a Disputes between **the Insured** and the **Insured Person**.
- b Any illness or injury arising from a gradually operating cause.

### Event 9 – Jury Service Allowance

The **Insured** has cover for **Jury Service Allowance**.

### Event 10 – Contract Disputes and Disputed Debt

The **Insured** has cover for the pursuit or defence of a dispute in respect of a **Contract** which includes payment or receipt of a **Disputed Debt**.

#### What is not covered under Event 10

- a The pursuit by **the Insured** of an **Undisputed Debt**.
- b the pursuit or defence of any claim brought by or against **the Insured** caused by or arising from or in relation to professional services, advice or specification given by **the Insured** or on **the Insured's** behalf.
- c any dispute arising from or as a consequence of any breach or alleged breach of professional duty or any error or omission in any advice given by **the Insured** or on **the Insured's** behalf.
- d any dispute concerning computer hardware, software, systems or services designed or adapted specifically for the **Business**.
- e any dispute in respect of tenancy, assignment, bailment, bills of exchange, credit and securities or guarantee.
- f any dispute relating to a lease, licence or tenancy of land or buildings other than a dispute with a professional adviser in connection with the drafting of a lease, licence or tenancy agreement.
- g any dispute relating to the legal right of **the Insured** to own, occupy or use any land or building or any benefit or alleged benefit attaching to the land.
- h any dispute relating to the ownership, possession, hiring, leasing or use of motor vehicles.
- j any dispute arising out of the amount payable under an insurance policy.
- j any dispute where **the Insured's Legal Representative** is not satisfied that there are, or will be, sufficient assets to satisfy a judgement.
- k for **Disputed Debt** only, any claim which is not made within 90 days of the money becoming due and payable.

# Legal Expenses Section (continued)

## Insured Events (continued)

### Exclusions

In respect of all Events there is no cover for:

- a **Legal Expenses, Awards of Compensation, Jury Service Allowance or Witness Attendance Allowance** incurred without the **Insurer's** prior written Consent.
- b Any cause, event or circumstance occurring prior to or existing at the inception of this **Section** of the **Policy** and which the **Insured Person** knew, or ought to have known, may give rise to a claim by or against the **Insured Person**.
- c Any claim which does not arise from or relate to the **Business**, other than a claim in respect of **Jury Service Allowance**.
- d Any claim in respect of which the **Insured Person** is, or but for the existence of this **Section** would be, entitled to an indemnity or contribution under any other policy or certificate of insurance except for any excess beyond the amount which would have been covered under such other policy or certificate of insurance.
- e Any claim in respect of which the **Insured Person** is entitled to an indemnity or contribution under any other **Section** of this **Policy**.
- f Any claim in respect of which the **Insured Person** is entitled to Legal Aid.
- g Any claim arising out of a deliberate, conscious, intentional or reckless act by the **Insured Person** or where the **Insured Person** has shown wilful disregard for the need to take all reasonable steps to avoid, prevent and limit any such claim.
- h Any claim made, brought, commenced or defended outside of the **Geographical Limits**.
- i Any claim where in the **Insurer's** opinion there are no **Reasonable Prospects of a Satisfactory Outcome**.
- j Fines or other penalties imposed by a court, tribunal or regulator.
- k Any dispute between the **Insured Person** and Allianz Insurance plc and any of its subsidiary companies.
- l Any dispute between the **Insured Person** and the **Legal Representative** in respect of a claim under this **Section** or between **the Insured** and the provider of any Additional Service or telephone helpline available under this **Section**.
- m Any claim relating to damage to goods in transit, or goods lent or hired to third parties, or goods at premises, other than the **Premises**.
- n Any claim arising from or relating to the operation of a franchise or distribution agreement.
- o Any claim arising from or relating to a shareholding agreement or a partnership agreement or a trust.
- p Any claim arising as a result of an allegation of libel, slander or malicious falsehood including defamation or injury to reputation.
- q Any claim relating to patents, copyrights, trademarks, merchandise marks, registered designs or other intellectual property, breach of secrecy or confidentiality, passing off action or restrictive covenants, other than as specified in Event 1f Breach of Restrictive Covenant.
- r Any claim arising from or relating to an application for judicial review or other challenge to any legislation or proposed legislation.
- s Any Arbitration or Adjudication whether formal or informal.
- t Any claim relating to any non-contracting parties' right to enforce all or any part of this **Section**. The Contracts (Rights of Third Parties) Act 1999 does not apply to this **Section**.
- u Defending the **Insured Person** in any legal proceedings arising from:
  - i bodily injury, psychological injury or illness (including stress), disease or death; or
  - ii loss, destruction or damage to property; or
  - iii alleged or actual breach of any duty owed as a director or officer of **the Insured**, other than as specified in Event 1d Pension Trustee Defence.

# Legal Expenses Section (continued)

## Insured Events (continued)

- v Any VAT attaching to **Legal Expenses** incurred with the **Insurer's** consent which is recoverable by the **Insured Person** from elsewhere.
- w Any dispute between individuals comprising **the Insured** or with any subsidiary, parent or associated company of **the Insured**.
- x Any claim relating to or arising from the following alleged activities:
  - i Fraud, money laundering, bribery offences, breaches of international sanctions, theft or other dishonest activities; or
  - ii Offences against another person including but not limited to violence or sexual offences; or
  - iii Criminal proceedings relating to the manufacture, distribution or use of weapons, alcohol, drugs, indecent or obscene materials.

## 2 Arbitration

Any dispute between the **Insured Person** and the **Insurer** concerning this **Section** shall be referred to a single arbitrator who will be either a solicitor or barrister agreed upon by the parties or failing agreement one who is nominated by the President of the appropriate Law Society or by the Chairman of the Bar Council or equivalent professional body within the **Geographical Limits**. All the costs of the arbitration shall be met in full by the party against whom the arbitration award is made unless that person made the other an earlier without prejudice offer which was more favourable than the arbitration award. If the arbitration award is not clearly made against one party the arbitrator will have the power to apportion costs. If the arbitration award is made in the **Insurer's** favour, the **Insured Person's** costs will not be recoverable under this **Section**. The arbitration award will be final and binding upon both the **Insured Person** and the **Insurer** and cannot be the subject of an appeal.

## 3 Maintenance of Records

It is a condition precedent to the **Insurer's** liability to provide Cover under this **Section** that **the Insured** has kept and maintained reasonable books and records. Where **the Insured** is a corporate organisation such books and records must have been kept in accordance with the Companies Acts.

## 4 Disclosure of the Existence of this Section

The **Insured Person** or the **Legal Representative** must not reveal the existence of this **Section** to any other person or entity unless the **Insurer** has given prior written consent or is ordered to do so by a court.

## 5 Assignment

This **Section** may not be assigned by the **Insured Person** or by the **Insured Person's** executors or administrators.

## Section Conditions

In addition to the General Conditions of this **Policy** the following also apply to this **Section**:

### A General Conditions

#### 1 Change of Risk

It is a condition precedent to the liability of the **Insurer** to provide Cover under this **Policy** that **the Insured** must notify the **Insurer** in writing of any alteration during the **Period of Insurance** which would materially affect the **Insurer's** assessment of the risk and that part of this insurance affected shall cease to be in force unless such alteration is agreed in writing by the **Insurer**. Upon notification of any alteration the **Insurer** may alter the premium and **the Insured** will pay an additional premium to, or receive a refund of premium from, the **Insurer** as the case may be.

# Legal Expenses Section (continued)

## Section Conditions (continued)

### B Claims Process Conditions

#### 1 Notification of Claim

It is a condition precedent to the **Insurer's** liability to provide Cover under this **Section** that the **Insured Person** notifies the **Insurer** in writing, by the completion of a claim form, or in another way confirmed by the **Insurer** in writing to the **Insured Person**

- i immediately after the **Insured Person** becomes, or should have become, aware of any event or circumstance which gives rise to a claim involving the **Insured Person**; and
- ii immediately following receipt of any letter or other notification or a claim, claim form, summons or other legal process.

If the **Insured Person** fails to notify the **Insurer** within 6 months of the first occurrence of such cause, event or circumstance, any Claim arising from that cause, event or circumstance will not be accepted if the **Insurer** has suffered prejudice as a result of the delay.

When such a notification has been given, the **Insurer** agrees to treat any subsequent Claim in respect of the cause, event or circumstance notified as though the Claim had been made, brought or commenced during the **Period of Insurance**.

#### Important procedure for employment disputes

If a Claim Form (ET1) is received from an employment tribunal it is a condition precedent to the **Insurer's** liability that **the Insured** must **immediately** complete a claim form and forward it to the **Insurer**, to arrive no later than seven (7) days after receipt of the Claim Form (ET1). A copy of the Response Form (ET3), which should be left blank, must also be sent to the **Insurer**.

#### Important procedure for criminal proceedings

If a summons is received by **the Insured** notifying of criminal proceedings involving **the Insured** it is a condition precedent to the **Insurer's** liability that **the Insured** must **immediately** contact the **Insurer** and forward a copy of the summons to the **Insurer**, to arrive no later than seven (7) days after receipt of the summons by **the Insured**.

#### 2 Consent

It is a condition precedent to the liability of the **Insurer** to provide cover under this **Section** that the **Insured Person** first obtain the **Insurer's** prior written agreement ("Consent") to

- i provide cover under this **Section** in respect of the claim; and
- ii incur **Legal Expenses**; and
- iii pay **Awards of Compensation, Jury Service Allowance** or **Witness Attendance Allowance**.

Consent will only be given if the **Insured Person** can satisfy the **Insurer** that:

- a there are **Reasonable Prospects of a Satisfactory Outcome** and
- b in a particular case, it is reasonable for **Legal Expenses** to be incurred and/or for the **Insurer** to agree to meet any **Awards of Compensation, Jury Service Allowance** or **Witness Attendance Allowance** to be accepted under this **Section**

If the **Insurer** and the **Legal Representative** do not agree on whether **Reasonable Prospects of a Satisfactory Outcome** exist, then the **Insurer** will seek the opinion of another legally qualified advisor or other expert appropriate to the claim whom it considers it necessary to consult. If that advisor or expert's opinion differs from that of the **Legal Representative**, their opinion shall be substituted for that of the **Legal Representative** for the purposes of determining whether or not **Reasonable Prospects of a Satisfactory Outcome** exist.

# Legal Expenses Section (continued)

## Section Conditions (continued)

In all cases the **Insured Person** will be advised in writing of the granting or refusal of Consent.

### 3 Dealing with the Claim

If the **Insurer** grants Consent a **Legal Representative** will be instructed and will then act in accordance with Claims Process Condition 8.

The **Insurer** may withdraw Consent previously given at any time if facts become known which would mean that a particular claim should not have been accepted under the terms of this **Section** or if there are no longer **Reasonable Prospects of a Satisfactory Outcome**.

Provided there has been full compliance with the **Section** terms the **Insurer** agrees to indemnify the **Insured Person** in respect of **Legal Expenses, Jury Service Allowance** or **Witness Attendance Allowance** incurred up to the date when the **Insurer** notified the **Insured Person** that Consent had been withdrawn.

If the **Insured Person** decides to proceed with the pursuit or defence of a claim to which the **Insurer** has refused to give Consent and is subsequently successful the **Insurer** will pay **Legal Expenses** as if the **Insurer** had given Consent at the outset.

### 4 Duty of the Insured Person to Minimise Claims

In respect of any Claim for which Consent has been granted under the **Section** the **Insured Person** must take all reasonable measures to minimise the **Legal Expenses, Awards of Compensation, Jury Service Allowance** or **Witness Attendance Allowance** incurred and any other matters which may affect the **Insurer's** liability in respect of any Claim under this **Section**.

If the **Insured Person** fails to comply with this term then the **Insurer** will have the right to adjust the **Insurer's** liability under this **Section** to the extent that the Claim would have cost the **Insurer** had the **Insured Person** complied with this term.

### 5 The Insurer's Right to Settle Claims

The **Insurer** shall have the right to take over and conduct in the name of the **Insured Person** the pursuit or defence of any Claim at any time and can settle any Claim on behalf of the **Insured Person** on such terms as the **Insurer** deems appropriate. At its absolute discretion, the **Insurer** may decide to settle the Claim by paying the **Insured Person** the amount of damages claimed by, or against, the **Insured Person** instead of indemnifying the **Insured Person** for **Legal Expenses, Awards of Compensation** or **Witness Attendance Allowance**. Where the **Insurer** exercises this discretion the **Insurer** will cease to be liable for any further **Legal Expenses, Awards of Compensation** or **Witness Attendance Allowance** in respect of that Claim.

### 6 Insolvency of the Insured Person

During the course of any Claim to which the **Insurer** has given Consent, the **Insurer** has the right to withdraw that Consent immediately if the **Insured Person**

- a becomes insolvent; or
- b enters into liquidation; or
- c makes an arrangement with creditors; or
- d enters into a deed of arrangement; or
- e has part or all of their affairs, assets or property placed in the care or control of a receiver or a liquidator; or
- f has an administration order over their affairs, assets or property.

Provided there has been full compliance with the **Section** terms the **Insurer** agrees to indemnify the **Insured Person** in respect of **Legal Expenses, Jury Service Allowance** and **Witness Attendance Allowance** incurred up to the date when the **Insurer** notified the **Insured Person** that Consent had been withdrawn.

# Legal Expenses Section (continued)

## Section Conditions (continued)

### 7 Appeal Procedure

If, following legal proceedings to which the **Insurer** has given Consent, the **Insured Person** wishes to appeal against the judgment or decision of a court or tribunal, it is a condition precedent to the **Insurer's** liability to provide cover under this **Section** that the grounds of such appeal must be submitted to the **Insurer** in good time and by secure means so that the **Insurer** may consider whether there are **Reasonable Prospects of a Satisfactory Outcome** in respect of the appeal and if so whether to Consent to such an appeal. The terms of Claims Process Condition 2 shall apply to any appeal which the **Insured Person** wishes to make.

If the **Insurer** wishes to appeal against the judgement or decision of a court or tribunal, the **Insured Person** will co-operate fully in an appeal. If the **Insured Person** fails to do so, any **Legal Expenses, Awards of Compensation, Jury Service Allowance** or **Witness Attendance Allowance** paid for by the **Insurer** must be repaid.

### 8 Legal Proceedings

#### a Freedom to choose a Legal Representative

For any Claim where the **Insurer** may be liable to pay **Awards of Compensation** in respect of employment disputes the **Insurer** will choose the **Legal Representative**.

For any other Claim the **Insurer** will choose the **Legal Representative** at any time before the **Insurer** agrees that legal proceedings need to be issued or defended. The **Insured Person** can only choose a **Legal Representative** if the **Insurer** agrees that legal proceedings need to be issued or defended or if a conflict of interest arises which means that the **Legal Representative** originally chosen by the **Insurer** cannot act for the **Insured Person**. The **Insured Person** must send the name and address of the **Insured Person's** chosen **Legal Representative** to the **Insurer**. If the **Insurer** agrees to appoint a **Legal Representative** that the **Insured Person** chooses, that **Legal Representative** will be appointed on the same terms as the **Insurer** would have appointed its chosen **Legal Representative**, except where the **Insurer** and the **Legal Representative** reach a different agreement.

In respect of any Claim for which the **Insurer** has granted Consent, the **Legal Representative** will be appointed in the name of and on behalf of the **Insured Person** to act for the **Insured Person** in accordance with the terms of this **Section**.

In agreeing to the selection of a **Legal Representative** the **Insured Person** will comply with Claims Process Condition 4.

The **Insurer's** liability to provide cover under this **Section** will cease immediately with no liability to indemnify the **Insured Person** in any respect unless in its absolute discretion the **Insurer** agrees to another **Legal Representative** being appointed to continue acting for the **Insured Person** under the terms of this **Section**, if:

- i due to any conduct or failure to act by the **Insured Person**, the **Legal Representative** reasonably refuses to continue acting for the **Insured Person**, or
- ii the **Insured Person** dismisses the **Legal Representative** against the advice of the **Legal Representative** and without the **Insurer's** prior written agreement.

# Legal Expenses Section (continued)

## Section Conditions (continued)

### b Disclosures to the Legal Representative

It is a condition precedent to the **Insurer's** liability to provide cover under this **Section** that the **Insured Person** must:

- i give the **Legal Representative** all possible help and information including a complete and truthful account of the facts of the case; and
- ii provide the **Legal Representative** with all relevant documentary or other evidence in the **Insured Person's** possession; and
- iii provide, obtain or execute all documents considered necessary by the **Legal Representative** and attend meetings or conferences as requested.

### c Access to Information

The **Insurer** is entitled to receive from the **Legal Representative** any information, document or advice in connection with any Claim, even if privileged. On request the **Insured Person** will give to the **Legal Representative** any instructions necessary to secure the required access.

### d Duties of the Insured Person and Legal Representative in relation to any Claim

It is a condition precedent to the **Insurer's** liability to provide cover under this **Section** that:

- i The **Insured Person**, or on their behalf, the **Legal Representative** immediately notify the **Insurer** in writing of any information as soon as it is received which may affect the **Insurer's** opinion on the **Reasonable Prospects of a Satisfactory Outcome** of the Claim

- ii The **Insured Person**, or on their behalf the **Legal Representative** must inform the **Insurer** in writing as soon as any offer to settle a Claim is received or made. The **Insured Person** or the **Legal Representative** must not under any circumstances enter into any agreement to settle without the **Insurer's** prior written consent. If the **Insured Person**, or on their behalf the **Legal Representative**, fails to inform the **Insurer** as soon as an offer to settle a Claim is received or made, cover under this **Section** will cease with effect from the date of the offer. If, in the **Insurer's** opinion, the **Insured Person** unreasonably withholds agreement to settle, cover under this **Section** will cease from the date on which the **Insured Person** ought reasonably to have agreed to settle. The **Insurer** agrees to indemnify the **Insured Person** in respect of **Legal Expenses** incurred up to the date when cover ceased
- iii The **Insured Person**, or on their behalf the **Legal Representative**, must report in writing the result of the Claim to the **Insurer** when it is finished.

### e Payment of Legal Representative's Bills

The **Insurer** shall have the right to settle **Legal Expenses** at the conclusion of a Claim.

The **Insured Person** should forward all bills which are received from the **Legal Representative** relating to the Claim to the **Insurer** without delay following conclusion of the Claim. If the **Insurer** requires, the **Insured Person** must ask the **Legal Representative** to submit the bill of costs for audit or assessment by the appropriate court or, at the discretion of the **Insurer**, a law costs draughtsman or other competent party. The **Insurer** will only pay **Legal Expenses** that are determined as reasonable by the audit or assessment.

The **Insurer** may settle a payment of **Legal Expenses, Awards of Compensation, Jury Service Allowance** or **Witness Attendance Allowance** direct with the **Legal Representative** if it is appropriate for the **Insurer** to do so. The payment of some **Legal Expenses** does not imply that all **Legal Expenses** will be paid on the **Insured Person's** behalf.

# Legal Expenses Section (continued)

## Section Conditions (continued)

The **Insured Person** must not, without the **Insurer's** prior written consent, enter into any agreement with the **Legal Representative** as to the basis of calculation of **Legal Expenses**. This agreement is normally known as either a conditional fee agreement or a damages based agreement.

### f Instruction of a Barrister

If, during the course of any Claim (and subject always to compliance with Claims Process Condition 2), the **Insured Person** or the **Legal Representative** considers it necessary and wishes to instruct a barrister, the barrister's name must first be submitted to the **Insurer** for Consent to the proposed instruction.

### g Conduct of the Claim

It is a condition precedent to the **Insurer's** continuing liability to provide cover under this **Section** that the **Insured Person**:

- i does not withdraw from a Claim or dismiss the **Legal Representative** without the written agreement of the **Insurer** and the **Legal Representative**; and
- ii co-operates fully with the **Legal Representative** and the **Insurer** in the conduct of the Claim; and
- iii follows the advice of the **Legal Representative**.

If the **Insured Person** fails to comply with i, ii or iii then the **Insurer's** liability to provide cover under this **Section** will cease immediately and the **Insurer** will not be responsible for the payment of **Legal Expenses** or **Awards of Compensation** and will be entitled to reimbursement of all **Legal Expenses** already incurred and any **Jury Service Allowance** or **Witness Attendance Allowance** already paid in respect of the Claim unless the **Insurer** agrees to appoint another **Legal Representative** to continue the Claim.

### h Award of Costs

Where the **Insured Person** is awarded costs, it is a condition precedent to the **Insurer's** liability to provide cover for **Legal Expenses** that the **Insured Person** and the **Legal Representative** must take every reasonable step to recover **Legal Expenses** which would be or have been subject to payment under this **Section**. All such recoveries will be taken into account when calculating the **Insurer's** liability under this **Section**.

### i Alternative Dispute Resolution

When, in the **Insurer's** opinion, alternative dispute resolution would appear to provide a more effective method of resolving any Claim, the **Insurer** may request that the **Insured Person** agrees to submit such Claim to a professional dispute resolution service, to be selected by the **Insurer**.

In considering alternative dispute resolution the **Insured Person** will comply with Claims Process Condition 4 and will not therefore unreasonably withhold Consent.

# Legal Expenses Section (continued)

## Communications

All notices and communications from the **Insurer** or the **Insurer's** representatives to the **Insured Person** will be deemed to have been duly sent if sent to the **Insured Person's** last known address or, in relation to any matters arising out of any Claim, if sent to the **Legal Representative**.

All notices and communication from the **Insured Person** to the **Insurer** should be sent to:

Allianz Legal Protection Allianz-ALP  
PO Box 5290  
Worthing  
BN11 9TB

Telephone: **0370 243 4340**  
(open 9am to 5pm, Monday to Friday,  
excluding Bank Holidays)

Email: [alpenquiries@allianz.co.uk](mailto:alpenquiries@allianz.co.uk)

## Additional Services

In addition to the indemnity provided by this **Section**, further services are available to **the Insured**. **The Insured** may access these services at any time during the **Period of Insurance**, although the **Insurer** will not be liable to **the Insured** or **Insured Person** for any **Legal Expenses** or other costs or expenses, loss or damage incurred as a result of using the services or any advice received from the provider of these services. This is because these services are not provided by the **Insurer**.

Further, no liability can be accepted for inability to provide any benefits or advice due to breakdown or failure of the telephone network.

There may be an additional charge payable by **the Insured** or **Insured Person** for the use of these additional services.

### 1 Undisputed Debt Recovery Service

**The Insured** has access to the **Debt Recovery Service** if **the Insured** has an **Undisputed Debt** of at least £250 and the legal action to recover that **Undisputed Debt** can be brought within Great Britain. The **Undisputed Debt** should be referred to the **Debt Recovery Service** as soon as possible after the amount becomes due and payable.

The **Debt Recovery Service** is provided by an organisation that specialises in the recovery of debts. The organisation providing the **Debt Recovery Service** is not part of the **Insurer** and does not act on the **Insurer's** behalf.

For **Undisputed Debts** that are pursued in England or Wales, that organisation will be DWF LLP, of 5 St Paul's Square, Old Hall Street, Liverpool L3 9AE. For **Undisputed Debts** that are pursued in Scotland, the service will be provided by Jackson Boyd Solicitors, of Framework, 124 St Vincent Street, Glasgow G2 5HF.

# Legal Expenses Section (continued)

## Additional Services (continued)

When **the Insured** needs to contact the **Debt Recovery Service** **the Insured** should call the number below, which relates to the country in which the **Undisputed Debt** will be pursued. **The Insured** should quote 'Allianz Undisputed Debt Recovery Service' and the Master Policy reference contained within the **Policy Schedule**.

Debts pursued in England or Wales: **0151 243 0600**  
 Debts pursued in Scotland: **0141 249 6171**

**The telephone lines are open between the hours of 9.00am and 5.00pm, Monday to Friday (excluding Bank Holidays).**

Use of the **Debt Recovery Service** by **the Insured** will be subject to a fee being payable by **the Insured** to the **Debt Recovery Service**. The fee will be a percentage of the **Undisputed Debt**. The level of the fee, and the time at which it will be payable by **the Insured**, will be confirmed to **the Insured** by the **Debt Recovery Service** when the **Debt Recovery Service** is initially contacted. There may be additional expenses that are necessarily incurred by the **Debt Recovery Service** to recover the **Undisputed Debt**. These will also be payable by **the Insured** and will be confirmed by the **Debt Recovery Service** to **the Insured** at the appropriate time.

This **Section** does not cover the fee charged by the **Debt Recovery Service** or any expenses incurred in recovering the **Undisputed Debt**.

If, in the view of the **Debt Recovery Service** and the **Insurer**, the other party to the **Contract** submits a viable defence in respect of the **Undisputed Debt** **the Insured** must report the matter as a civil Claim in respect of a contract dispute pursuit. The pursuit of the **Disputed Debt** will then be handled in accordance with the terms and conditions of this **Section**.

## 2 Solicitor Employment Support Service

**The Insured** has access to the Solicitor Employment Support Service if **the Insured** requires the use of a solicitor to carry out a redundancy programme relating to an **Employee**, on behalf of **the Insured**.

In the first instance **the Insured** should contact **Lawphone** on **0370 241 4140** and provide a brief summary of the problem. The details will be passed to an advisor who will return **the Insured's** call. If the advisor decides **the Insured** would benefit from the use of a solicitor they will pass the details on to the solicitor to arrange a mutually convenient time for this to take place.

There is an additional charge to use this service and this additional charge will not be covered by this **Policy**.

The telephone helpline is provided by Allianz Legal Protection, a trading name of Allianz Insurance plc.

The Solicitor Employment Support Service is provided by DWF LLP of 5 St Paul's Square, Old Hall Street, Liverpool L3 9AE.

# Legal Expenses Section (continued)

## Additional Services (continued)

### 3 Specialist Legal Support Service

**The Insured** has access to a specialist solicitor if:

- **Lawphone** is unable assist with the legal problem because it is specialist in nature; or
- the Claim is not covered by this **Section**; or
- **the Insured** requires a full legal review of the **Business**.

This service aims to deal with issues which are specialist in nature. The solicitor will work with **the Insured** to prevent legal problems from happening by concentrating on specific areas of the **Business** or assessing the **Business** for areas where legal issues may arise and address those areas.

There is an additional charge for this service depending on the issues which need to be addressed and this additional charge will not be covered by this **Policy**.

In the first instance **the Insured** should contact **Lawphone** on **0370 241 4140** and provide a brief summary of the problem.

The details will be passed to an advisor who will return **the Insured's** call.

The solicitor support is provided by DWF LLP of 5 St Paul's Square, Old Hall Street, Liverpool L3 9AE.

### 4 Crisis Response

**The Insured** has access to a range of services to provide support to prepare for, and deal with, a **Business** crisis. In the first instance **the Insured** will need to register at [www.dwf.law/crisisresponse](http://www.dwf.law/crisisresponse) for access to the free crisis response service including crisis response updates by email, cyber security updates and access to a free dedicated workshop programme.

In addition, **the Insured** will have access to crisis management training, reviews and a bespoke crisis management plan.

There is an additional charge for this service depending on the issues which need to be addressed and this additional charge will not be covered by this **Policy**.

The crisis response service is provided by DWF LLP of 5 St Paul's Square, Old Hall Street, Liverpool L3 9AE.

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