

This Commercial Legal Expenses insurance policy has been arranged by Lexelle Limited, with UK General Insurance Ltd on behalf of Great Lakes Insurance SE.

Lexelle Limited and UK General Insurance Limited are authorised and regulated by the Financial Conduct Authority. Great Lakes Insurance SE is a German insurance company with its headquarters at Königinstrasse 107, 80802 Munich. UK Branch office: Plantation Place, 30 Fenchurch Street, London, EC3M 3AJ. Great Lakes Insurance SE, UK Branch, is authorised by Bundesanstalt für Finanzdienstleistungsaufsicht and subject to limited regulation by the Financial Conduct Authority and Prudential Regulation Authority. Details about the extent of Great Lakes Insurance SE regulation by the Financial Conduct Authority and Prudential Regulation Authority are available on request. Unless expressly stated nothing in this policy will create rights pursuant to the Contract (Rights of Third Parties) Act 1999.

The written proposal form or renewal declaration submitted by the *Insured* shall form the basis for this insurance policy. This policy, the policy schedule and any endorsement shall be considered as one document. This contract of insurance only provides cover for *Claims* notified to the *Coverholder* within the *Period of Insurance*.

Legal Advice Service

Confidential and impartial legal advice on UK Law can be obtained by telephoning the Lexelle Legal Advice Helpline on **Tel: 0114 296 5425**, *You* will need to quote reference "**LEX / COMM / 11 / 2017**" and *Your* policy number.

The Lexelle Legal Advice Helpline is not able to give advice on the acceptability of a *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. It is provided to give advice on the areas of UK law covered by this policy. Conversations may be recorded. The Lexelle Legal Advice Helpline is a telephone advisory service.

Claims

To notify *us* of a potential *Claim*, please call **Tel: 0114 296 5426** or email **assist@lexelle.com** or write to the 'Claims Department, Lexelle Limited, PO Box 4428, Sheffield, S9 9DD'.

You will need to quote reference "**LEX / COMM / 11 / 2017**" with *Your* policy number and provide details of *Your* potential *Claim*. A *Claim* form will then be issued which must be completed and returned with the minimum of delay for *our* consideration. Depending on the nature of *Your Claim* the *Coverholder* will choose suitable legal representation to act on *Your* behalf.

DEFINITIONS

The following words or expressions shall carry the meaning below whenever they appear in italics. Wherever the defined words are shown in the plural they take on the same meaning as shown below, but in the plural.

Any One Claim

All *Claims* resulting from the same original occurrence.

Aspect Enquiry

An examination by H M Revenue and Customs which considers one or more specific aspect of the *Policyholder's* self assessment and/or corporation tax return.

Authorised Representative

A solicitor, counsel, claims handler or mediator or other appropriately qualified person appointed and approved by Us under the terms and conditions of this policy to represent *Your* or an *Insured Persons* interests.

Awards of Compensation

Basic and Compensatory Awards and compensation ordered by an employment tribunal where the *Insured Person* has been found to have unlawfully discriminated.

For the avoidance of doubt this does not include Additional Awards, Arrears of Pay, Awards of Damages under the Equal Pay Act or arising out of failure to comply with awards in respect of reinstatement or re-engagement, Interim Relief or Protective Awards.

We will not pay any: -

- any redundancy payment or monies due arising under or from a contract of employment, service agreement or related document or from any related implied or incorporated terms of contract service.
- awards, damages or fines incurred where the *Insured Person* has deliberately avoided any statutory requirement.

Claim

A *Claim* under the Policy for *Legal Expenses or Awards of Compensation*. Lexelle Limited act as an agent of UK General Insurance Limited who are an agent of Great Lakes Insurance SE and in the matters of a claim acts on behalf of the *Insurer*.

Consequential Loss

Any other costs that are directly or indirectly caused by the event which led to a *Claim* unless specifically stated in this Policy.

Coverholder

Lexelle Limited, who administrates and manages this insurance on behalf of the *Insurer*.

Date of Occurrence

- For civil cases (other than under Cover 4 of Sub-Section A – Tax Protection), the *Date of Occurrence* is when the cause of action first accrued.
- For criminal cases, the *Date of Occurrence* is when the *Insured Person* commenced or is alleged to have commenced to violate the criminal law in question.
- For Full Enquiries or Aspect Enquiries, the *Date of Occurrence* is when H M Revenue and Customs first notifies in writing the intention to make enquiries.
- For Tax Intervention Enquiries, the *Date of Occurrence* is when H M Revenue and Customs first contacts the *Policyholder* in relation to commencing an intervention enquiry into their business accounts.
- For Employers Compliance and Value Added Tax disputes, the *Date of Occurrence* is when the relevant authority sends an assessment or written decision to the *Policyholder*.

Employee

Any person under a contract of employment with the *Policyholder*.

Event

An occurrence which gives rise to a *Claim* against the Policy.

Excess

The first amount of *Any One Claim* before the *Insurer* shall be liable to make any payment. See also *Increased Excess*.

Full Enquiry

An extensive examination by H M Revenue and Customs which considers all aspects of the *Policyholder's* tax affairs, excluding those enquiries which are limited to one or more specific aspect of the *Policyholder's* self assessment and/or corporation tax return.

HM Revenue and Customs (“HMRC”) Investigation

Employer Compliance Disputes ~ an enquiry following an employer compliance visit by HMRC or following an expression of dissatisfaction with the *Insured Person's* P11Ds or P9Ds.

Self Assessment Aspect Enquiry ~ an enquiry where 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 to investigate certain aspects of the *Insured Person's* Self Assessment Return.

Self Assessment Full Enquiry ~ an enquiry where an officer of HMRC issues a formal notice under S9A or S12AC of the Taxes Management Act 1970 or under Paragraph 24(1) Schedule 18 Finance Act 1998 to investigate all of the *Insured Person's* business books and records.

VAT Disputes ~ an enquiry following a written assessment or statement of alleged arrears made by HMRC into the *Insured Person's* Value Added Tax Return and/or any related Value Added Tax default surcharges and miss declaration penalties.

Increased Excess

Where the *Insured Person* appoints an alternative *Authorised Representative* to the one chosen by the *Coverholder*, an *Increased Excess* of £2,500.00 will apply to all sections of cover in addition to the standard policy *Excess*.

Injury

Physical or bodily damage, harm or death to the *Policyholder*.

Insured Person

The directors, partners, managers and *Employees* of the *Policyholder*.

Legal Expenses

Any reasonably costs incurred by the *Authorised 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.

We will pay costs the *Insured Person* is liable to pay the *Employee* each day they are required by the *Authorised Representative* to attend as a witness at a court or tribunal hearing. *We* will work this out to the nearest half day assuming that a whole day is eight hours. If the *Insured Person* works full time, the salary or wages for each whole day equals 1/250th of the *Insured Person's* yearly salary or wages. If the *Insured Person* works part-time, the salary or wages will be a percentage of their weekly salary or wages. Indemnity limited to £100 per day and a maximum of £1,000 in *Any One Claim*.

Legal Proceedings

When formal legal proceedings are made by or brought against the *Insured Person* in an appropriate Court of Law within the *Territorial Limit*. This includes appeals and the defence of appeals, against any judgement made as the result of proceedings which have been covered by this policy.

Limit of Indemnity

This is the maximum amount *We* will pay in respect of *Any One Claim* and in aggregate for all *Claims* made during any *Period of Insurance*.

For all policy sections the maximum amount payable in respect of *Any One Claim* is £50,000

The maximum amount payable for all *Claims* notified during the *Period of Insurance* is £500,000

Period of Insurance

The period for which *We* have agreed to cover the *Insured Person* and for which the premium has been paid.

Policyholder

The organisation or person named in the Schedule.

Reasonable Prospects

Where a claim that you have submitted has a 51% or greater chance of being successful.

Tax Intervention Enquiries

An examination by H M Revenue and Customs to measure the level of compliance in the *Policyholder's* financial accounting records to highlight areas where errors have or may occur.

Territorial Limits

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

We, Us, Our, Insurer

UK General Insurance Limited on behalf of Great Lakes Insurance SE

You/Your

The *Policyholder*.

SECTIONS OF COVER

We agree to provide the insurance in this Section of Cover as long as the *Date of Occurrence* of the *Event* happens during the *Period of Insurance*, and within the *Territorial Limits*, and any *Legal Proceedings* will be dealt with by a court or other body which *We* agree to in the *Territorial Limits*, and in civil claims it is always more likely than not that an *Insured Person* will recover damages (or obtain any other legal remedy which *We* have agreed to) or make a successful defence.

For all insured *Events*, *We* will help in appealing or defending an appeal as long as the *Insured Person* tells *Us* within the time limits allowed that they want *Us* to appeal. Before *We* pay any *Legal Expenses* for appeals, *We* must agree that it is always more likely than not that the appeal will be successful. If an *Authorised Representative* is used, *We* will pay the *Legal Expenses* incurred for this. *We*

will pay Compensation Awards that *We* have agreed to. The most *We* will pay for all *Claims* resulting from one or more event arising at the same time or from the same originating cause is shown in the *Limit of Indemnity* definition.

1. Employment Disputes

We will defend the *Policyholder's* legal rights:

- 1.1. prior to the issue of *Legal Proceedings* in a court or tribunal following the dismissal of an *Employee* or
- 1.2. in the resolution of unfair dismissal disputes under the ACAS Arbitration Scheme or
- 1.3. in *Legal Proceedings* in respect of any dispute with
 - 1.3.1. an *Employee* or *ex-Employee* or a trade union acting on behalf of an *Employee* or *ex-Employee* which arises out of, or relates to, a contract of employment with the *Policyholder* or
 - 1.3.2. an *Employee*, prospective *Employee* or *ex-Employee* arising from an alleged breach of their statutory rights under employment legislation.

What is not covered.

- Any Employment Dispute where the cause of action arises within the first 90 days of the first *Period of Insurance* provided by this policy.
- Any dispute with an *Employee* who was subject to written or oral warning (formal or informal) within 180 days immediately preceding the inception date of the policy.
- Any redundancy or alleged redundancy or unfair selection for redundancy arising within the first *Period of Insurance* provided by this policy.
- *Any Claim:* -
 - in respect of damages for personal *Injury* or loss of or damage to property;
 - arising from or relating to any transfer of business which falls within the scope of the Transfer of Undertakings (Protection of Employment) Regulation 2006 or Transfer of Employment (Pension Protection) Regulation 2005;
 - where *You* have not received prior authorisation from *Our* claims department;
 - where *You* have not followed advice given by the Lexelle Legal Advice Helpline prior to: -
 - implementing 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);
 - carrying out any disciplinary procedure of an *Employee*;
 - the dismissal of an *Employee*;
 - implementing a redundancy programme or making an *Employee* redundant;
 - where *You* have not followed advice given by the Lexelle Legal Advice Helpline immediately: -
 - an *Employee* leaves with or without written notice;
 - *You* receive formal or informal notice of a grievance from an *Employee* or *Ex-employee*;
 - *You* are notified 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;
 - *You* are notified either formally or informally of a complaint of sexual, racial or religious discrimination or discrimination relating to disability, age or sexual orientation.

2. Financial Compensation Awards

We will pay:

- 2.1. any basic and compensatory award in respect of a *Claim* *We* have accepted under Cover 1 above and/ or
- 2.2. an order for compensation following a breach of the *Policyholder's* statutory duties under employment legislation in respect of a *Claim* *We* have accepted under Cover 1 above.

Provided that:

- 2.3. In cases related to performance and/or conduct, the *Policyholder* has throughout the employment dispute either:
 - 2.3.1. followed the ACAS Code of Disciplinary and Grievance Procedures as prepared by the Advisory Conciliation and Arbitration Service or
 - 2.3.2. followed equivalent codes of practise issued by the Labour Relations Agency in Northern Ireland or
 - 2.3.3. sought and followed advice from *Our* legal advice service.
- 2.4. For an order of compensation following the *Policyholder's* breach of statutory duty under employment legislation the *Policyholder* has at all times sought and followed advice from *Our* legal advice service since the date when the *Policyholder* should have known about the employment dispute.
- 2.5. For any compensation award for redundancy or alleged redundancy or unfair selection for redundancy, the *Policyholder* has sought and followed advice from *Our* legal advice service prior to serving notice of redundancy.
- 2.6. The compensation is awarded by a tribunal or through the ACAS Arbitration Scheme, under a judgement made after full argument and otherwise than by consent or default, or is payable under settlement approved in writing in advance by *Us*.

What is not covered.

- Any compensation award relating to the following:
 - trade union activities, trade union membership or non-membership
 - pregnancy or maternity rights
 - health and safety related dismissals brought under section 44 of the Employment Rights Act 1996
 - statutory rights in relation to trustees of occupational pension schemes
 - statutory rights relating to Sunday shop and betting work.
- Non-payment of money due under the relevant contract of employment or statutory provision relating thereto.
- Any award ordered because the *Policyholder* has failed to provide relevant records to *Employees* under the National Minimum Wage laws.
- Any compensation award or increase in compensation award ordered by the tribunal for failure to comply with a recommendation it has made, including non-compliance with a re-instatement or re-engagement order.

3. Service Occupancy

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

What is not covered.

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

4. Legal Defence

At the *Policyholder's* request:

- 4.1. We will defend the *Insured Person's* legal rights:
 - 4.1.1. Prior to the issue of *Legal Proceedings* when dealing with the:
 - 4.1.1.1. Police
 - 4.1.1.2. Health and Safety Executive and/or Local Authority Health and Safety Enforcement Officer where it is alleged that the *Insured Person* has or may have committed a criminal offence or
 - 4.1.2. following an event which leads to the *Insured Person* being prosecuted in a court of criminal jurisdiction or
 - 4.1.3. if civil action is taken against the *Insured Person* for compensation under section 13 of the Data Protection Act 1998.
We will also pay any compensation award made against the *Insured Person* under section 13 of the Data Protection Act 1998.
- 4.2. We will defend the *Policyholder's* legal rights following civil action taken against the *Policyholder* for wrongful arrest in respect of an allegation of theft alleged to have been carried out during the *Period of Insurance*.
- 4.3. We will defend the *Insured Person's* (other than the *Policyholder*) legal rights if:
 - 4.3.1. an event arising from their work as an *Employee* leads to civil action being taken against them under the grounds of sex, sexual orientation, race, disability, age, religious belief or political opinion or
 - 4.3.2. civil action is taken against them as a trustee of a pension fund set up for the benefit of the *Policyholder's Employees*.
We will represent the *Insured Person* in appealing against the imposition or terms of any Statutory Notice issued under legislation affecting the *Policyholder's* business.
- 4.4. We will represent the *Policyholder* in appealing against the refusal of the Information Commissioner to register the *Policyholder's* application for registration.
- 4.5. We will pay the attendance expenses of an *Insured Person* for jury service. If the *Insured Person* works full time, the salary or wages for each whole day equals 1/250th of the *Insured Person's* yearly salary or wages. If the *Insured Person* works part-time, the salary or wages will be a percentage of their weekly salary or wages. Indemnity limited to £100 per day and a maximum of £1,000 in *Any One Claim*.

Provided that:

- In so far as proceedings under the Health and Safety at Work etc Act 1974 are concerned, the *Territorial Limits* shall be any place where the Act applies.
- At the time of the *Event*, the *Policyholder* has registered with the Information Commissioner in respect of Cover 4.1.3. above.

What is not covered.

Any *Claim* which leads to the *Insured Person* being prosecuted for infringement of road traffic laws or regulations in connection with the ownership, driving or use of a motor vehicle.

5. Property Protection

Provided the *Policyholder* will suffer financial loss if they fail to pursue or defend a dispute or *Legal Proceedings* and subject to the correct service by the *Insured* of all contractual and statutory notices, We will negotiate for the *Policyholder's* legal rights in any civil action, accepted as a claim under this policy, relating to material property which is owned by, or the responsibility of the *Policyholder*, following any event which causes physical damage to such material property or any nuisance or trespass.

What is not covered.

Any *Claim* relating to the following:

- a contract entered into by the *Policyholder*
- goods in transit or goods lent or hired out
- goods at premises other than those occupied by the *Policyholder* unless the goods are at such premises for the purpose of installation or use in work to be carried out by the *Policyholder*
- any dispute regarding subsidence or heave regardless of the cause
- boundary disputes
- defending the *Policyholder's* legal rights other than in defending a counter-claim
- a motor vehicle owned or used by, or hired or leased to an *Insured Person* other than damage to motor vehicles where the *Policyholder* is engaged in the business of selling motor vehicles.
- tenancy or rent review disputes.

6. **Bodily Injury**

At the *Policyholder's* request, *We* will negotiate for an *Insured Person's* legal rights following an event which causes the death of, or bodily *Injury* to them.

What is not covered.

Any *Claim* related to the following:

- any illness or bodily *Injury* which develops gradually or is not caused by a specific or sudden accident or
- defending an *Insured Person's* legal rights other than in defending a counter-claim or
- a motor vehicle owned or used by, or hired or leased to an *Insured Person* .

7. **Tax Protection**

- 7.1. *We* will negotiate on behalf of the *Policyholder* in respect of a *Full Enquiry* and/or *Aspect Enquiry* and represent them in any subsequent appeal proceedings.
- 7.2. *We* will negotiate on behalf of the *Policyholder* and represent them in any dealings with HM Revenue and Customs in respect of a Tax Intervention Enquiry.
- 7.3. *We* will negotiate on behalf of the *Policyholder* and represent them in any appeal proceedings in respect of a dispute concerning the *Policyholder's* compliance with Pay As You Earn or Social Security Regulations following a review by HM Revenue and Customs.
- 7.4. *We* will negotiate on behalf of the *Policyholder* and represent them in any appeal proceedings following an assessment by HM Revenue and Customs in respect of Value Added Tax due.

Provided that:

- For all *Event*, the *Policyholder* has taken reasonable care to ensure that all returns are complete and correct and that such returns are submitted within the statutory time limits.

What is not covered.

- Any dispute that started prior to the inception of the policy.
- In respect of Aspect Enquiries and Tax Intervention Enquiries the first £200 of *Legal Expenses* in each and every *Claim*.
- Any *Event* arising from a tax avoidance scheme.
- Any *Event* caused by the failure of the *Policyholder* to register for Value Added Tax.
- Any *Event* arising from any investigation or enquiries undertaken by HM Revenue and Customs Special Investigations Section or Special Civil Investigations or the Revenue and Customs Prosecution office.
- Any *Event* arising from an investigation or enquiry by HM Revenue and Customs into alleged dishonesty or alleged criminal offences.
- Any dispute or enquiry: -
 - that commenced prior to the inception of this policy.
 - where the accounts submitted are being investigated solely because earlier books, records or returns have been investigated or are already under enquiry
- 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.
- 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.
- The *Policyholder's* actual or alleged misstatement with intent to deceive contained in any relevant business books, records or returns. If such intent is shown *We* will be entitled to recover such indemnity as *We* have actually provided.
- Any issue of law practice or procedure not directly connected with the particular enquiry or dispute which is the subject of

the *Claim*.

- Any *Claim* arising from an enquiry into the *Policyholder's* tax return or an amendment to a *Policyholder'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 *policyholder'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.

8. Contract Disputes

We will negotiate for the *Policyholder's* legal rights in a contractual dispute arising from that agreement or that alleged agreement which has been entered into by or on behalf of the *Policyholder* for the purchase, hire, sale or provision of goods or services within the meaning laid down in the Sales of Goods Act 1979, and or the Supply of Goods Act 1982.

Provided that:

- The amount in dispute exceeds £1,000. If the amount in dispute exceeds £5,000, the *Policyholder* will be responsible for the first £500 of Legal Costs in each and every *Claim*.
- If the amount in dispute is payable in instalments, the instalments due and payable at the time of making the *Claim* must exceed £1,000.
- If the dispute relates to money owed to the *Policyholder*, a *Claim* under the policy must be made within 90 days of the money becoming due and payable.
- The *Legal Expenses* incurred in the pursuit of any proceedings will be limited to 75% of the amount in dispute.

What is not covered.

- 8.1. Any dispute arising from an agreement entered into prior to the inception date of this policy if the *Date of Occurrence* is within the first 90 days of the policy being in force.
- 8.2. Any *Claim* relating to the following:
 - 8.2.1. the settlement payable under an insurance policy
 - 8.2.2. 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
 - 8.2.3. a loan, mortgage, pension or any other financial product
 - 8.2.4. a motor vehicle, owned by, hired or leased to, the *Policyholder* other than agreements relating to the sale of motor vehicles where the *Policyholder* is engaged in the business of selling motor vehicles.
- 8.3. A dispute with an *Employee* or *ex-Employee* which arises out of, or relates to, a contract of employment with the *Policyholder*.
- 8.4. A dispute which arises out of the:
 - 8.4.1. sale or provision of computer hardware, software, systems or services or
 - 8.4.2. the purchase or hire of computer hardware, software, systems or services tailored by a supplier to the *Policyholder's* own specification.
- 8.5. A dispute arising from a breach or alleged breach of professional duty by an *Insured Person*.
- 8.6. The recovery of monies and interest due from another party other than disputes where the other party intimates that a defence exists.

9. Debt Recovery

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

Provided that:

- The debt exceeds £250.
- A *Claim* for debt recovery under the Policy is made within 90 days of the money becoming due and payable.
- The *Policyholder* has exhausted all other reasonable credit control and accounting procedures;
- We have the right to select the method of enforcement, or to forego judgement if We are not satisfied that there are, or will be, sufficient assets available to satisfy judgement.
- Our approved debt recovery representative should be used or We have the right to select the method of enforcement.
- The maximum number of *Claims* in any one *Period of Insurance* is limited to five.

What is not covered.

- 9.1. Any debt arising from an agreement entered into prior to the inception date of the indemnity provided by this Section of Cover if the debt is due within the first 90 days of the indemnity provided by this Sub-Section.
- 9.2. Any *Claim* relating to the following:
 - 9.2.1. the settlement payable under an insurance policy

- 9.2.2. a lease, licence or tenancy of land or buildings
- 9.2.3. a loan, mortgage, pension or other financial product
- 9.2.4. a motor vehicle owned by, or hired or leased to, the *Policyholder* other than agreements relating to the sale of motor vehicles where the *Policyholder* is engaged in the business of selling motor vehicles.
- 9.3. A dispute which arises out of the supply, hire, sale or provision of computer hardware, software, systems or services.
- 9.4. The recovery of money and interest due from another party where the other party intimates that a defence exists.

GENERAL CONDITIONS

Any dispute or difference of any kind between the *Insurer* and the *Insured Person* 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.

The *Insured Person* must notify the *Insurer* as soon 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 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 Person* must:

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

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

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.

This contract shall be governed and be subject to the Laws of England and Wales.

GENERAL EXCLUSIONS

The *Insurer* shall not be liable to indemnify the *Insured Person* 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*, unless it can be evidenced that the *Insured Person* previously held *Legal Expenses* cover with another *Insurer* immediately prior to inception of this Policy.
2. An *Event* reported more than 90 days after its *Date of Occurrence*.
3. An *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*:
 - (a) in respect of any *Event* where the claim, *Event* or circumstance occurred prior to the commencement of the Policy; and
 - (b) which the *insured person* actually knew or ought to have known, under the circumstances, may give rise to a claim, *Event* or *circumstance*. Such a claim, *Event* or *circumstance* includes but is not limited to *Legal Proceedings* and *HMRC Investigations* that are being brought by or against the *Insured Person* within the *Territorial Limits*.
6. Fees costs and disbursements incurred prior to the written acceptance of a *Claim*.
7. Any dispute relating to but not limited to patents, copyrights, trade or service marks, merchandise marks, registered designs, passing off, intellectual property trade, secrecy and confidentiality agreements.
8. Any loss, damage, cost, *claim* or *Legal Expenses* directly or indirectly caused by, contributed by or arising from:
 - a) War

Any direct or indirect consequence of war, civil war, invasion, acts of foreign enemies (whether war be declared or not), rebellion, revolution, insurrection, military or usurped power, or confiscation, nationalisation, requisition, destruction of or damage to property by or under the order of any government, local or public authority
 - b) Terrorism

Any direct or indirect consequence of terrorism as defined by the Terrorism Act 2000 and any amending or substituting legislation.
 - c) Radiation

Any direct or indirect consequence of:

 - i. Irradiation, or contamination by nuclear material; or
 - ii. The radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter; or

iii. Any device or weapon which employs atomic or nuclear fission or fusion or other comparable reaction or radioactive force or matter.

d) Electronic Data

Any consequence, howsoever caused, including but not limited to Computer Virus in Electronic Data being lost, destroyed, distorted, altered, or otherwise corrupted.

For the purposes of this Policy, Electronic Data shall mean facts, concepts and information stored to form useable data for communications, interpretations, or processing by electronic or electromechanical data processing or other electronically controlled hardware, software and other coded instructions for the processing and manipulation of data, or the direction and manipulation of such hardware.

For the purposes of this Policy, Computer Virus shall mean a set of corrupting, harmful, or otherwise unauthorised instructions or code, whether these have been introduced maliciously or otherwise, and multiply themselves through a computer system or network of whatsoever nature.

Section 8 includes any action taken by the *Insured Person* in controlling, preventing, suppressing, assisting, or contributing to any loss, damage, cost, *claim* or *Legal Expenses* being incurred.

9. Any *claim* directly or indirectly caused by or resulting from any device failing to recognise, interpret, or process any date as its true calendar date.
10. Disputes relating to written or verbal remarks, which damage the *Insured Person's* reputation.
11. Causes of action deliberately brought about by the *Insured Person* including omissions and misrepresentation.
12. Any *Claim* which, in the *Insurer's* opinion, or the *Authorised Representative's* opinion, is believed not to have *Reasonable Prospects* of achieving the result for which *Legal Proceedings* are contemplated.
13. Any *claim*, action taken or *Legal Expenses* incurred by the *Insured Person* which the *Insurer* has not agreed to or where the *Insured Person* does anything that hinders or prejudices the *Authorised Representative*.
14. Any *Claim* where the *Insured Person*, in the reasonable opinion of the *Insurer*, acts in a manner which is prejudicial to the case, including but not limited to being responsible for any unreasonable delay, withdrawing or failing to provide instructions to the *Authorised Representative* or withdrawing from the case entirely.
15. *Legal Expenses* which can be recovered by the *Insured Person* 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 Person* is ordered to pay by a Court or other authority.
17. *Legal Expenses* relating to any judicial review.
18. Any *Claim*, either at the commencement or during the course of the claim, for *Legal Expenses* the *Insured Person* is bankrupt or has filed a bankruptcy petition or winding up petition, or is in receivership, liquidation, administration, has made an arrangement with creditors, has entered into a Deed of Arrangement or part or all of the *Insured Person's* affairs or property are in the care or control of a receiver or an administrator.
19. Any dispute with the *Coverholder* or the *Insurer*.
20. Please note that the rights conferred by the Third Parties (Rights Against *Insurers* Act) 1930 and The Contracts (Rights of Third Parties) Act 1999 are specifically excluded from applying to this policy.
21. The defence of the *Insured Person* in civil *Legal Proceedings* arising from:
 - 21.1. *Injury* or disease including psychiatric *Injury* or stress;
 - 21.2. Loss, destruction, or damage of or to property;
 - 21.3. Alleged breach of professional duty;
 - 21.4. Any tortious liability (other than specified in Sections of Cover 5 - Property Protection).
22. Disputes relating to Criminal Proceedings as defined by Statute and specifically including the Corporate Manslaughter and Corporate Homicide Act 2007.
23. 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;

CLAIMS CONDITIONS

Making a Claim

All potential claims must be reported to our Claims Department within 30 days of any circumstances which may result in a claim on Tel: **0114 296 5426** or by writing to:

Claims Department
Lexelle Limited
PO Box 4428
Sheffield
S9 9DD
E-mail: assist@lexelle.com

The *Insured Person* 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.

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 Counsel, 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 Indemnity*.

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.

Choice of Authorised Representative and Counsel

The *Coverholder* will choose an *Authorised Representative* to act on behalf of the *Insured Person* in any *Claim*..

Where recourse is necessary to a lawyer and proceedings are issued, the *Insured Person* is free to choose an *Authorised Representative* to act in the name of and on behalf of the *Insured Person* in any *Legal Proceedings* to which the *Coverholder* has consented subject to the *Increased Excess*. The name and address of the *Authorised Representative* the *Insured Person* proposes to instruct, must be notified to the *Coverholder* in writing. The *Coverholder* will accept such nomination provided the *Coverholder* is satisfied the proposed *Authorised Representative* will cooperate and enable the *Insured Person* to comply with the terms and conditions of this policy and provided the proposed *Authorised 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 1. The *Insured Person* must not, without the written consent of the *Coverholder*, enter into any agreement with the *Authorised Representative* as to the basis of calculation of *Legal Expenses*. The *Coverholder* may withdraw consent previously given at any time.

In selecting the *Authorised Representative* the *Insured Person* 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 *Authorised Representative* subject to the *Excess*.

In all cases the *Authorised 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 *Authorised 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.

Disclosure

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

1. The *Insured Person* must give to the *Authorised 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 Person* 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 *Authorised Representative* and the *Insured Person* any information, documentation or advice in connection with any *Claim* or *Legal Proceedings* even if privileged. In addition the *Insured Person* must instruct the *Authorised 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 Person* will give to the *Authorised Representative* any instructions necessary to secure the required access.

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

Offer of Settlement

It is a condition precedent to the liability of the *Insurer* that the *Insured Person* must inform the *Coverholder* in writing as soon as an offer to settle a *Claim* or *Legal Proceedings* is received and or the *Insured Person* proposes to make an offer of settlement. In any settlement, the *Insured Person* must have regard to *Legal Expenses* incurred or likely to be incurred by the *Insurer* and the recovery thereof. No indemnity will be provided if the *Insured Person* 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*, or *Awards of Compensation* previously paid. If the *Insured Person* 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 Person* the amount of damages that the *Insured Person* is claiming or is being claimed against the *Insured Person* instead of indemnifying the *Insured Person* for *Legal Expenses* or *Awards of Compensation*. Where the *Insurer* exercises this discretion the *Insurer* will cease to be liable for any further *Legal Expenses*, or *Awards of Compensation*.

Payment of Legal Expenses and Awards of Compensation

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

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

Appeal Procedure

If, following *Legal Proceedings* to which the *Coverholder* has consented, the *Insured Person* 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 *Authorised 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 Person* following *Legal Proceedings* to which the *Coverholder* has consented, the *Insured Person* must notify the *Coverholder* immediately in order that cover shall continue. The *Coverholder* will inform the *Authorised Representative* of its decision. If, the *Coverholder* so requires it the *Insured Person* must co-operate in an appeal against the judgment or decision of a Court or Tribunal.

Recovery of Costs

Whenever the *Insured Person* 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 Person* and their *Authorised 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 Person* 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.

Fraudulent Claims

If the *Insured Person* 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 *Awards of Compensation* previously paid.

Insolvency or Liquidation of the Insured

If the *Insured Person* 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 Person* 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.

Duty to Minimise

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

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

Value Added Tax

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

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*.

CANCELLATION

If *You* decide that for any reason, this Policy does not meet *Your* insurance needs then please return it to *Us* or *Your* agent within 14 days from the day of purchase or the day on which *You* receive *Your* policy documentation, whichever is the later. On the condition that no claims have been made or are pending, *We* will then refund your premium in full.

If *You* wish to cancel **Your** Policy after 14 days, *You* will be entitled to a pro- rata return of premium. Thereafter *You* may cancel the insurance cover at any time by informing **Us** or *Your* agent however no refund of premium will be payable.

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

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

Where *Our* investigations provide evidence of fraud or a serious non-disclosure, *We* may cancel the policy immediately and backdate the cancellation to the date of the fraud or the date when you provided *Us* with incomplete or inaccurate information, which may result in your policy being cancelled from the date *You* originally took it out.

If *We* cancel the policy and/or any additional covers *You* will receive a refund of any premiums *You* have paid for the cancelled cover, less a proportionate deduction for the time *We* have provided cover, unless the reason for cancellation is fraud and/or *We* are entitled to keep the premium under the Consumer Insurances (Disclosure and Representations) Act 2012

CUSTOMER SATISFACTION

It is the intention to give *You* the best possible service but if *You* do have any questions, concerns or complaint about the handling of this insurance or the handling of a *Claim* *You* should contact the Claims Manager at Lexelle Ltd. The contact details are: Claims Manager, Lexelle Ltd, P.O. Box 4428, Sheffield, S9 9DD. Tel 0114 249 3300 Fax 0114 249 3323.E-mail :assist@lexelle.com.

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

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 €2million and fewer than ten staff. *You* may contact the Financial Ombudsman Service at: Financial Ombudsman Service, Exchange Tower, Harbour Exchange Square, London, E14 9GE. Tel 0300 123 9 123.

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.

This does not affect *Your* statutory rights

COMPENSATION SCHEME

Great Lakes Insurance SE, is covered by the Financial Services Compensation Scheme (FSCS). *You* may be entitled to compensation from the scheme, if Great Lakes Insurance SE cannot meet their obligations. Most insurance contracts are covered for 90% of the claim with no upper limit. This depends on the type of business and the circumstances of the claim. *You* can get more information about the compensation scheme arrangements from the FSCS by visiting www.fscs.org.uk. *You* may also contact the FSCS on their Freephone number: 0800 678 1100 or 020 7741 4100 or you can write to: Financial Services Compensation Scheme, P O Box 300, Mitcheldean, GL17 1DY

DATA PROTECTION ACT 1998

Please note that any information provided to *Us* will be processed by *Us* and *Our* agents in compliance with the provisions of the Data Protection Act 1998, for the purpose of providing insurance and handling claims, if any, which may necessitate providing such information to third parties. *We* may also send the information in confidence for process to other companies acting on their instructions including those located outside the European Economic Area (EEA). All countries in the EEA, which includes the UK, have similar standards of legal protection for *Your* personal information. If *We* share your information outside the EEA *We* will require your personal information to be protected to at least UK standards.

CONSUMER INSURANCE ACT

You are required by the provisions of the Consumer Insurance (Disclosure and Representations) Act 2012 to take care to:

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

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

Fraudulent Claims/Fraud

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

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

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