

Chamber Legal Expenses Policy



SCHEDULE

POLICY NUMBER : CLE/0993/010101/13

POLICY HOLDER : Hereford & Worcester Chamber of Commerce

INSURED : Any current member of the Policyholder as declared to the Coverholder.

**LIMIT OF INDEMNITY
PER INSURED
PER ANNUM**

: **£65,000** per head of cover
with the exception of:
Jury Service: £1,000 per claim
Personal Injury: £75,000 per annum
Business Motoring: £75,000 per annum
Consumer Disputes: £1,000 per annum

EXCESS : An excess of **£1000*** is applicable on all heads of cover with the exception of Jury Service, Personal Injury, Consumer Disputes and Motor Legal Expenses.

* Members of Chambers subscribing to Chamber HR are subject to a reduced Excess of **£800** for Employment related disputes

**PERIOD OF
INSURANCE**

: To run in conjunction with the members paid up subscription with the said Chamber of Commerce

PREMIUM : The amount (including IPT) included in the Insured's annual subscription to the Policyholder.

Please note this policy **DOES NOT** include cover for **Contractual Disputes, Debt Recovery** or **Restrictive Covenants**. If you wish to obtain a quote from us to upgrade your cover to include these types of disputes then please contact us on **0871 423 5239**.

All potential claims must initially be reported to the Legal Helpline Service on

0871 423 5239

(Calls from BT landlines cost 10p per minute at all times. Mobiles and other networks may cost more)

The Coverholder, Composite Legal Expenses Ltd, Suffolk House, Trade Street, Cardiff CF10 5DT

The Insurer: Groupama Insurance Company Limited, 6th Floor, One America Square, 17 Crosswall, London EC3N 2LB

Important Notice

All potential claims must initially be reported to the Commercial Legal Helpline Service, which operates 24 hours a day, 365 days a year. **You must call the helpline before taking any action that may give rise to a claim under this policy, particularly if you are considering disciplinary action or redundancy. Failure to do so will result in any subsequent claim being declined.** The 24 hour Helpline is there to provide support and its advice **must be** strictly complied with for cover to operate.

Telephone 0871 423 5239

(Calls from BT landlines cost 10p per minute at all times. Mobiles and other networks may cost more)

This is a 'Claims Made' Policy. It only covers claims notified to the coverholder during the Period of Insurance. You must notify us within 90 days of any circumstance which may give rise to any claim. Failure to do so could lead us to decline a claim for indemnity arising from such circumstances.

1. Consideration and insurance

The Policyholder named in the schedule having made to the Insurers the proposal and declaration which shall be the basis of this contract and be deemed to be incorporated in this policy and having paid or agreed to pay the premium stated in the schedule the Insurer will, subject to the terms, limits and conditions of the policy (compliance with such conditions being deemed a condition precedent to the liability of the Insurer), indemnify the Insured up to the Limit of Indemnity in respect of any Insured Incident occurring within the Territorial Limits set out in the schedule during the Period of Insurance in connection with the Insured's business and in respect of which legal proceedings are conducted within the Territorial Limits.

Section 1

Legal Costs incurred in Disputes with Employees

2. Limit of Cover under Section 1

Legal Advice, Legal Costs and Expenses (as defined in clause 27.11) incurred by the Insured in respect of any dispute with:

an employee or ex-employee, which arises out of or relates to his contract of employment with the Insured; or

a prospective employee, leading to civil or criminal proceedings under the Race Relations Act 1976 or the Sex Discrimination Act 1975 or the Disability Discrimination Act 1995 or any Acts amending or replacing the same in defending civil or criminal proceedings, or appealing or defending an appeal against judgement, conviction or sentence by the relevant court, tribunal or arbitrator

Provided that: the total Legal Costs and Expenses payable by the Insurer in any one Period of Insurance shall not exceed the annual Limit of Indemnity stated in the Schedule or in respect of any period of insurance which is less than one year the pro rata proportion of such annual limit.

3. Exclusions Applicable to Section 1

The Insurer shall not be liable for any claim for indemnity in respect of or arising from or relating to:

- 3.1 a dispute of which the Time of Occurrence (as defined in clause 27.13) was within the first 90 days of the first Period of Insurance in the case of an employee who was subject to a written or verbal warning or involved in a dispute arising from his employment within the 6 months immediately preceding such period; or
- 3.2 a claim against the Insured in respect of damages for personal injuries to the claimant and/or loss of or damage to his property.
- 3.3 the Insured's failure to follow the procedures prescribed by the Commercial Legal Helpline
- 3.4 a dispute where the Insured has failed to consult the Commercial Legal Helpline immediately upon the Insured becoming aware of the dispute or potential dispute or where the Insured has failed to heed the written advice of a Panel Solicitor.
- 3.5 the pursuit or defence of enforcement proceedings arising out of a restrictive covenant clause contained within the employment contract, either verbal or in writing, of an employee or ex employee.

Section 2

Compensation and Damages for Dismissal of Employees

4. Limit of Cover under Section 2

The cover under Section 2 is limited to compensation or damages payable by the Insured to an employee arising from the judgement of a court or tribunal or from a settlement agreed by the Insurer (but not from a judgement by default) in any dispute accepted by the Insurer as covered by Section 1 above, provided that: the total Legal Costs and Expenses payable by the Insurer in any one Period of Insurance shall not exceed the annual Limit of Indemnity stated in the Schedule or in respect of any period of insurance which is less than one year the pro rata proportion of such annual limit.

5. Exclusions Applicable to Section 2

The Insurer shall not be liable for any claim for indemnity under Section 2 where:

- 5.1 The dismissal in question was not carried out in accordance with the guide laid down in the current edition of The Code of Practice 1 as prepared by the Advisory Conciliation and Arbitration Service (ACAS).
- 5.2 The Insured has incurred a compensation award by non-payment of money due under the relevant contract of employment or statutory provision relating thereto.
- 5.3 The award is in respect of a redundancy.
- 5.4 The award is in respect of the breach by the Insured of a fixed term contract.
- 5.5 The dismissal is of the type described in the Employment Rights Act 1996 Sections 96(1), 99 or 117(6) or any amending legislation.
- 5.6 The award is payable under the Employment Rights Act 1996 Sections 93(1-2) or 117(3-5) or any amending legislation.

Section 3

Criminal Proceedings Defence Cover

6. Limit of Cover under Section 3

The cover under Section 3 is limited to Legal Costs and Expenses incurred by the Insured in respect of any act or

omission or alleged act or omission of the Insured, or of the proprietors, directors, partners and all other employees of the Insured either arising out of and in the course of their employment with the Insured, or as a trustee of a pension fund set up for the benefit of the Insured's employees which leads to:

- 6.1 prosecution in a court of criminal jurisdiction; or
- 6.2 the serving of an improvement notice or a prohibition notice on the Insured under the Health and Safety at Work etc. Act 1974; or
- 6.3 civil proceedings being taken against an insured person other than the Insured as such trustee of a pension fund;
In defending civil or criminal proceedings, or appealing or defending an appeal against either conviction, sentence or judgement of the relevant court, tribunal or arbitrator, or the imposition or terms of a notice specified in clause 6.3 above. In so far as proceedings under the Health and Safety at Work etc. Act 1974 are concerned the Territorial Limit shall be any place where the Act applies provided that: the total Legal Costs and Expenses payable by the Insurer in any one Period of Insurance shall not exceed the annual Limit of Indemnity stated in the Schedule or in respect of any period of insurance which is less than one year the pro rata proportion of such annual limit.

7. Exclusions applicable to Section 3

The Insurer shall not be liable for any claim or indemnity under Section 3 in circumstances where:

- 7.1 prosecutions are deliberately or intentionally solicited by the Insured; or
- 7.2 an alleged offence involves dishonesty or intentional threatened or actual violence to the person of another by the Insured unless he is subsequently acquitted of such offence.
- 7.3 The Insured has pleaded guilty and/or admitted liability.

10.1 Subject to the terms, conditions and exclusions of this Policy We will pay Your Legal Costs which arise from Your use of an Insured Vehicle during the Period of Insurance and claims made by or against You during the Period of Insurance and which relate to the pursuit by You of legal rights to obtain a remedy or to recover damages from a third party or parties in consequence of an Insured Event in which the Insured Vehicle has been involved provided such Legal Costs do not exceed the Limit of Indemnity.

10.2 Subject to the terms, conditions and exclusions of this policy we will pay the Legal Costs incurred in;

- a) Defending a criminal prosecution brought against You as a result of a driving offence where Your driving licence is at risk of being revoked or suspended or
- b) In the pursuit or defence of any claim arising out of:
 - i) The sale, purchase, hire purchase or lease of the Insured Vehicle or
 - ii) The testing, servicing or repair of the Insured Vehicle providing always that the value of the contract in dispute exceeds £500 and provided that under paragraphs 10.2(a) and (b) we shall not be liable to pay either the first £150 of Legal Costs or Legal Costs in excess of £1,000 in respect of each claim.

Credit Repairs/Credit Hire: Repairs /car hire facility qualifications. To qualify you must:

- a) Be clearly not at fault for the accident
- b) Provide full details of the other person i.e.
 - i) Name and address of owner and driver
 - ii) Name, address and relevant policy number of the third party motor insurers
 - iii) Make, Model and registration number of the third party vehicle
 - iv) The accident circumstance on a Composite Legal Expenses Claim Form

- c) Agree to our arranging an inspection of your vehicle and for repairs to take place at a garage of our choice.
- d) Agree to the receiving of costs from the other party. Solicitors may be appointed to act as necessary.
- e) The accident must have occurred in Great Britain, The Isle of Man or the Channel Islands
- f) The age and licence requirements of the hire provider must be met.
- g) If comprehensive insurance is held the vehicle must be repaired or reinstated under the terms of the policy.

The type of car provided and the choice of hirer used will be subject to availability and at the discretion of Composite Legal Expenses.

There is no pre-set limit as to the repair cost or hire period which will depend on the accident and other circumstances. Normally a vehicle can be provided for the full repair period. Please note that any repairs or car hire costs incurred without specific instructions from Composite Legal Expenses are not covered under this scheme.

Accident recovery/emergency car hire:

If your vehicle is immobilised in an accident occurring in the UK (excluding breakage to lights or windows), we will transport the driver, and up to 7 passengers to the destination of your choice in the UK, provided that your vehicle is taken to a CLE approved garage for repair. This will operate regardless of whether the accident is your fault. We will accept responsibility for your accident recovery costs (excluding ferry and toll charges). Hotel accommodation may be utilised at our discretion.

This service entitles You, if over 21, to 24 hours car hire subject to normal conditions of hire and only as supplied by CLE or its agents in conjunction with the accident recovery. Simply telephone us quoting your policy number and advising that you are a Chamber of Commerce policyholder.

Motor Claims Department

The Motor Claims Department may be contacted Monday to Friday between the hours of 9am and 5pm on 0871 423 5239

Employee Benefits Sections 4, 5 & 6
Section 4 Personal Injury
<p>8. Limit of Cover under Section 4 Pursuing a civil claim for damages in respect of Your injury or death caused by negligence of another subject to a limit of indemnity of £75,000 per annum.</p> <p>9. Exclusions applicable to Section 4 The Insurer shall not be liable for any claim or indemnity under Section 4 in respect of or arising from or relating to: 9.1 Any claim against your employer who is a member of the Chamber of Commerce. 9.2 Any claim relating to medical negligence.</p>
Section 5 Business Motoring
<p>10. Limit of Cover under Section 5 The Cover under Section 5 provides indemnity and service provision for all employees, directors and owners of the Insured subject to a limit of indemnity of £75,000 per annum.</p>

(Calls from BT landlines cost 10p per minute at all times. Mobiles and other networks may cost more).

Notes for your Guidance

Under this scheme, all the costs of recovering your Uninsured Losses are met in full, providing, of course, someone else was responsible for the accident and your claim is accepted. Items for Which You May be Able to Claim Examples of 'Uninsured Losses'.

Comprehensive Insurance Policies

a) Insurance Excess

Forward the account to Composite Legal Expenses Ltd as soon as repairs are complete.

b) Travel Expenses

Take notes of all journeys and their costs and forward accounts if possible.

c) Car Hire

If your vehicle is immobilised following a clearly non-fault accident, you may be able to obtain a replacement vehicle under our special scheme.

d) Telephone/Postage etc

Keep details of these items.

e) Loss of Earnings

If you cannot work because you are injured in the accident, obtain a letter from your employer (or accountant if you are self employed), showing how much you have lost net of tax, NI contributions etc.

Third Party Fire & Theft Insurance Policies

All the items shown as above (with the exception of (a) which does not apply) plus:-

Repairs to your Vehicle

Obtain two estimates and forward them to Composite Legal Expenses Ltd as soon as possible. Usually, it is not advisable to have your car repaired immediately as the Third Party's Insurers will wish to inspect it. If you need your car urgently, please contact us. Make sure that storage charges are kept to a minimum. If possible move the car to free storage. If your vehicle has been involved in a clearly non-fault accident, you have full details of the other person and their insurers and providing we can appoint your repairer, you may be able to have the vehicle repaired without having to initially fund the bill, while we recover from the Third Party.

Personal Injuries

In addition to the above, you may be entitled to compensation if you or your passengers are injured.

Remember

It is up to you to provide us with all the information possible to prove that the other person was at fault. If they dispute your version of the accident and you have no evidence (usually in the form of independent witnesses) to prove that your version is true, the other persons Insurers may offer only a part-settlement or no settlement at all. Witnesses are therefore vitally important. Please bear in mind that we recover your losses from the other persons insurance company. They often do not offer such a speedy or helpful service as you would expect from your own Insurers. If you are unlucky enough to be involved in an accident with an uninsured driver, the chances of recovering your losses are problematic and it often takes much longer. Lastly, if you are injured we normally appoint a Solicitor to act for you from the inception of your claim.

11. Exclusions applicable to Section 5

The Insurer shall not be liable for any claim for indemnity under Section 5 in respect of or arising from or relating to:

11.1 Legal Costs incurred as a result of Legal Proceedings arising out of an Insured Event which occurred outside the Period of Insurance.

11.2 Claims which have not been made by submitting to Us Our Claim Form duly completed and signed within 30 days of the occurrence of the Insured Event.

11.3 Legal Costs including costs of appeals which are incurred without Our written consent and agreement and in any event all such costs and expenses incurred prior to notification of the relevant claim to Us.

11.4 Legal Costs, expenses, fines or other penalties You are ordered to pay by a Court of criminal jurisdiction.

11.5 Claims arising out of the use of the Insured Vehicle by You for racing, rallies, trials or competitions of any kind.

11.6 Claims arising out of an Insured Event arising out of Your deliberate act or omission.

11.7 Any claim where, when in control of the Insured Vehicle You did not have possession of both a valid driving licence and certificate of insurance.

11.8 Any claim where the Insured Vehicle was not in a roadworthy condition or did not have a valid MOT Certificate where applicable.

11.9 Any claim where loss or damage was caused by the mechanical failure of the Insured Vehicle.

11.10 The Defence of any claim or legal proceedings made or brought against You arising from injury or loss or destruction of or damage to any property provided that this exclusion shall not apply to clause 10.2(a) and (b).

11.11 Any claim or legal proceedings made commenced or brought against You outside the Territorial Limits.

11.12 Any act, omission or any claim commenced which relates to an incident which occurred outside the Period of Insurance.

11.13 Any claim under paragraph 10.2(a) of this Policy where You at the time of the claim or legal proceedings have 6 or more penalty points (as defined by the Road Traffic Offenders Act 1988) or any claim where you have no reasonable prospects of successfully defending such a Criminal Prosecution or any claim relating to a parking or non-endorseable offence or fine penalty offence where your licence is not under threat of suspension.

11.14 The defence of any criminal prosecution under Section 6 (i) of the Road Traffic Act 1988 where You have failed to provide the appropriate authorities with a breath test or a blood or urine sample as legally required or if Your breath, blood or urine alcohol level is found to be more than double the level permitted by law.

11.15 Claims made by You against any authorised passenger in the Insured Vehicle.

11.16 Claims for passengers where there is a conflict of interest between You or the authorised driver and any other passenger(s).

11.17 Legal Costs in respect of the defence of a claim or counterclaim from a third party where Your own motor insurers refuse to become involved or act solely for reasons of quantum in which case we may instruct solicitors to act but you will be personally responsible for all costs arising from the action which would otherwise have fallen upon your insurers

11.18 Claims where You:

i) Take action without first obtaining Our written consent or that of the Authorised Representative

ii) Cause delay or fail to give reasonable assistance to Us or the Authorised Representative.

11.19 Claims arising from;

i) Ionising, radiations or contamination by radioactivity from irradiated nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.

ii) Any radioactive toxic explosive or other hazardous properties of any nuclear assembly or component thereof.

iii) Riot civil commotion war invasion acts of foreign enemies hostilities (whether war be declared or not), civil war rebellion revolution insurrection military or use of power or confiscation nationalisation requisition destruction or damage to property by or under the order of any government.

11.20 Any claim where We or the Authorised Representative deem there are no reasonable prospects of success.

12. Conditions applicable to Section 5

12.1 You must

- a) Observe and perform the terms and conditions of this Policy.
- b) Take reasonable steps to minimise any amount of Your claim and attempt to prevent any event which may cause a claim.
- c) Notify us in writing forthwith of any event which has given or may give rise to a claim or legal proceedings involving You and You must send to Us Our Claim Form duly completed and signed by You within 30 days of the Insured Event. In default we shall not be liable to indemnify you in respect of Legal Costs.
- d) Send all letters, notices and communications regarding any claim made to Us at Our declared address without delay.
- e) Assist Us fully and give Us full details of any claims and provide Us with all information We reasonably request.
- f) Obtain Our consent in writing to pay Legal Costs which consent will not be given unless you can satisfy Us that:-
 - i) There are reasonable prospects for the recovery of damages or other remedy or for a successful defence.
 - ii) The Indemnifier of the responsible person is known by You or
 - iii) It is reasonable for Legal Costs to be provided in the particular case

12.2 We can

- a) Take over and conduct in Your name any claim or the defence of any claim at anytime
- b) Attempt to make a fair settlement before the Authorised Representative is instructed or legal proceedings issued.
- c) Take proceedings for Our own benefit but in Your name to recover any payment We have made under this Policy.
- d) If We consider it appropriate to do so appoint a claims handler to act as your Authorised Representative rather than a solicitor. However if We consider legal proceedings are appropriate you have a right to nominate a Solicitor to act for you by immediately providing Us with the name and address of the nominated Solicitor in writing. We may refuse this nomination in exceptional circumstances and if We do refuse the nomination you shall have the right to arbitration as provided in this Policy.
- e) If We consider it appropriate or necessary appoint an Authorised Representative before Your nomination is known to us.
- f) Any Authorised Representative will be appointed by Us in Your name and on Your behalf.

12.3 In the event that You appoint the Authorised Representative. You must ensure that the Authorised Representative is aware of the conditions of this policy and the Limit of Indemnity.

12.4 We shall be under no liability to You howsoever arising in respect of anything said or done or omitted to be said or done with respect to the appointment of any Authorised Representative and you will indemnify Us against any such liability.

12.5 You must;

- a) Give such instructions to the Authorised Representative as We reasonably require and fully co-operate with both Us and the Authorised Representative in all respects keeping him and Us fully advised of all developments in the claim.
- b) Tell us at once of all offers to settle the claim. No offer of settlement or negotiation of the same can be made without Our agreement in writing.
- c) If requested instruct the Authorised Representative to have Legal Costs taxed by the Court or certified by the appropriate Law Society as appropriate.
- d) Take all steps possible to recover any Legal Costs We have paid and pay any such amounts recovered to Us.

12.6 We are entitled to obtain from the Authorised Representative any information, document or advice relating to a claim or legal proceedings whether or not privileged. On request You will give any instruction as necessary to ensure such access. If the Authorised Representative refuses to grant such access however We shall have the right to refuse to pay Legal Expenses.

12.7 You must not without Our written consent enter into any agreement with the Authorised Representative as to payment of your costs. Any consent given may be withdrawn at any time.

12.8 If You are declared bankrupt or go into liquidation or appoint or have a receiver appointed We may withdraw Our support of any claim or legal proceedings.

12.9 If You discontinue or abandon legal proceedings without both Our consent and the Authorised Representative's written advice that proceedings should be either discontinued or abandoned We will be entitled to be reimbursed by You the amount of any Legal Costs which We have paid or may become liable to pay.

12.10 At Our discretion We may discharge Our liabilities to You by paying an amount equal to the sum claimed

12.11 If at the time of any Insured Event resulting in a valid claim on this Policy there exists other insurances under which You are entitled to be indemnified for Legal Costs or any part thereof We shall only be responsible for any excess in the amount of Legal Costs not recoverable under such other policy of insurance.

12.12 In the event of any dispute arising between the parties, either party may ask for the dispute to be considered by an independent arbitrator agreed upon by both parties or failing agreement one who is nominated by the President of the local Law Society. All costs of the arbitration shall be met in full by the party against whom the decision is made.

Section 6 Consumer Disputes

13. Limit of Cover under Section 6

Pursuing or defending claims subject to a Limit of Indemnity of £1,000 per Chamber member per annum arising out of a contract entered into by You or on Your behalf for

- a) obtaining services
- b) the purchase hire, hire - purchase or sale of any personal goods obtained new after inception of this policy.

14. Exclusions applicable to Section 6

This Policy specifically does not cover:

- a) any contract entered into by You in connection with a profession business or trade other than for your Contract for full-time employment
- b) any contract where the dispute arises within the first 90 days of the Period of the Insurance
- c) any contract under which a sum of money was due and payable more than six months before the claim was reported
- d) any contract relating to any work carried out in on or for the benefit of land or buildings other than the Home
- e) any contract of insurance in so far as the dispute is solely in respect of the sum of money or other compensation payable under such contract
- f) claims relating to or arising from an act of professional negligence.
- g) any claims relating to the planning, erection or alteration of buildings
- h) any dispute with local or government authorities
- i) the payment of Legal Costs of a claim falling within the Small Claims Court limits where We shall provide legal advice and assistance and the payment of any unrecovered issue fee.

15. General exclusions to Section 6

We shall not be liable for Legal Costs in respect of:-

15.1 any matter arising from or relating to any business or trading activity or venture for gain undertaken by the Insured including but not limited to any personal guarantee and investment in unlisted companies.

15.2 the pursuit or defence of any action alleging defamation.

15.3 Legal Proceedings between the Insured and a central or local government authority.

- a) unless the Insured has suffered or could suffer pecuniary loss if the Legal Proceedings are not pursued or defended or

b) the legal proceedings relate to the imposition of statutory charges.

15.4 Legal Proceedings in relation to any contract of insurance insofar as the dispute is solely in respect of quantum

15.5 Claims where the Insured

a) takes action without first obtaining Our agreement or that of the Authorised Representative

b) causes delay or fails to give reasonable assistance to Us or the Authorised Representative

15.6 Claims reported to Us more than 30 days after the Insured Incident

15.7 Any claim, where Legal Costs are incurred without Our specific written authority

15.8 Any matter in respect of which you are entitled to Legal Aid

16. Conditions

Claims Presentation and Control

You must

16.1 contact the telephone advice service on 0871 423 5239 (Calls from BT landlines cost 10p per minute at all times. Mobiles and other networks may cost more) and provide full details of the claim in writing together with any supporting information requested by Us and liaise with Us before appointment of an authorised representative.

16.2 report claims to Us within 30 days of their occurrence unless the claim is in respect of a criminal prosecution.

16.3 give proper and full instructions to and act throughout in accordance with the advice of the Authorised Representative.

16.4 cause no delay or otherwise act to the prejudice of the claim.

16.5 submit to Us for payment without delay any bills for Legal Costs which must not be incurred without Our prior authority in writing.

16.6 take every possible step to recover legal costs from Your opponent and pay any Legal Costs recovered to Us.

16.7 submit to Us any reasons for wishing to appeal against the judgement of a court not later than 10 days before the final date for lodging an appeal. If We do not give Our approval to such appeal then no indemnity shall be granted unless the appeal is successful.

16.8 Observe and perform to the terms and conditions of this insurance.

16.9 have reasonable prospects of successfully pursuing or defending a claim or have reasonable prospects for successfully defending a criminal prosecution.

16.10 obtain Our agreement to pay Legal Costs in writing before incurring Legal Costs.

16.11 obtain if We so require an Opinion from the Authorised Representative on whether or not the claim or defence has reasonable prospects of success. In the event of the opinion being that there are no reasonable prospects for success You will pay the Authorised Representatives fees for his/her opinion.

16.12 take all reasonable steps to minimise Legal Costs and obtain legal aid when You are entitled to it. If You are entitled to legal aid general exclusion 15.8 of this Policy precludes you from claiming legal costs from Us.

17. We Can

17.1 take over and conduct in Your name the prosecution pursuit or defence or settlement of any claim or proceedings through our own employees agents solicitors or accountants.

17.2 at the Insureds request nominate an Authorised Representative for the Insured. However the Insured is free to choose any Authorised Representative to act in any Legal Proceedings in respect of which we have agreed to indemnify You against Legal Costs.

The Authorised Representative will be appointed in the name of and on behalf of the Insured however, We can accept or refuse a nomination without giving reason. Any dispute arising from the choice of the Insured may be referred to arbitration, in accordance with the Arbitration clause set out in this Policy.

17.3 have direct access to the Authorised Representative at all times so that We may be kept fully informed of all details which in our absolute discretion we deem relevant to the claim.

17.4 have access to all written opinions documents or reports of counsel or expert witnesses whether or not privileged.

17.5 discontinue indemnity if during the course of the claim We consider that reasonable prospects of success no longer exist. If we discontinue cover and you succeed with your claim we will reimburse you for reasonable costs properly incurred for continuing the claim and which are not otherwise recoverable.

17.6 extend the appointment of the Authorised Representative in the event of circumstances changing during a claim on such terms as We may in our absolute discretion determine.

17.7 attempt negotiation followed by alternative dispute resolution before any nomination or appointment of an Authorised Representative.

17.8 refuse to pay any Legal costs until they fall due upon termination of the Claim.

Section 7

Jury Service and Attendance Allowance

18. Limit of Cover under Section 7

18.1 The cover under Section 7 is limited to the amount of the salary of any employee or director of the Insured or to the amount of any remuneration of any Partner of the Insured or of the Insured for any period of absence from work during which any such person has to attend a Court or tribunal in respect of:-

18.1.a) Any proceedings covered under any operative section of this policy.

18.1.b) Attendance at Court for Jury Service excluding the first 5 days of such service provided that the amount paid under this Section shall not exceed:-

£100 per person per day

£1000 per claim

18.2 And provided that: the total Legal Costs and Expenses payable by the Insurer in any one Period of Insurance shall not exceed the annual Limit of Indemnity stated in the Schedule or in respect of any period of insurance which is less than one year the pro rata proportion of such annual limit.

Basis of Calculation

18.3 Absence from work shall be calculated to the nearest half day taking an 8 hour day to be a whole day and 8 hours to be the maximum for which a claim can be made in respect of any one day.

18.4 For full-time employees or directors or salaried partners 1 whole days salary or wages shall mean 1/250 of the employees or directors salaried partners gross annual salary at the time of his attendance.

18.5 For part-time employees or directors or salaried partners the salary or wages lost shall bear the same proportion to their gross weekly salary or wages as the period of absence from work bears to their normal working week for the Insured.

18.6 In the case of a person who is not a salaried employee, Director or Partner and who is entitled only to a share in the profit of the Insured's business such person for the purpose of Section 7 of this policy shall be deemed to have an annual salary of £12,500.

Section 8

Protection of Licences

19. Limits of Cover under Section 8

19.1 The Cover under Section 8 is limited to Legal Costs and Expenses incurred by the Insured in relation to an appeal to the relevant statutory body Court or tribunal where the relevant Authority suspend revoke alter the terms of or refuse to renew the Insured's licence(s)

provided that the amount payable by the Insurer under Section 8 in any one Period of Insurance shall not exceed the annual Limit of Indemnity stated in the Schedule or in respect of any period of insurance which is less than one year the pro rata proportion of such annual limit.

- 19.2 In Section 8 a licence means a licence issued under statute or statutory instrument or by the Government or Local Authority to the Insured where such licence is necessary to engage in the business or trade.

Section 9 Data Protection Defence

20. Limits of Cover under Section 9

- 20.1 The cover under Section 9 is limited to Legal Costs and Expenses incurred by the Insured in;
- 20.2 The Defence of Civil Legal proceedings brought against the Insured's employee for compensation under Sections 22 or 23 of the Data Protection Act 1998.
- 20.3 Appeals against imposition of or terms of an Enforcement Deregistration or Transfer Prohibition Notice issued under the Data Protection Act 1998.

Section 10 Property Legal Protection

21. Limits of Cover under Section 10

The cover under Section 10 is limited to Legal Costs and Expenses incurred by the Insured in pursuing or defending the Insured's legal rights appealing or defending an appeal against judgement of the relevant Court, Tribunal or Arbitrator in respect of:

- 21.1 any negligent act or omission of a third party, or
- 21.2 any nuisance, trespass or criminal damage by a third party, or
- 21.3 a tort committed by a third party under the rule in *Rylands v Fletcher* which results or could result in physical damage to the Insured's Property and/or pecuniary loss to the Insured in relation to property owned by the Insured or for which the Insured is legally responsible provided that the amount payable by the Insurer under Section 10 in any one Period of Insurance shall not exceed the annual Limit of Indemnity stated in the Schedule or in respect of any period of insurance which is less than one year the pro rata proportion of such annual limit.

22. Exclusions Applicable to Section 10

The Insurer shall not be liable for any claim for indemnity under Section 10 in respect of or arising from or relating to:

- 22.1 a contract made between the Insured and the third party;
- 22.2 goods in transit or goods lent or hired to third parties;
- 22.3 goods at premises other than those occupied by the Insured unless they are at such premises for the purpose of installation or use in work to be carried out by the Insured; or
- 22.4 mining subsidence

Section 11 Disputes with Landlords

23. Limit of Cover under Section 11

The cover under Section 11 is limited to Legal Costs and Expenses incurred by the Insured in the pursuit or defence of Civil Legal Proceedings between the Insured and his Landlord under the terms of a lease or tenancy agreement applying to the business premises of the Insured.

24. Exclusions applicable to Section 11

- 24.1 The Insurer will not indemnify the Insured in respect of Disputes relating to rent and service charges and any relevant taxes or
- 24.2 an Insured Incident arising in the first 3 months of the first Period of Insurance

Section 12 Tax, VAT, PAYE and NIC Investigations including Inland Revenue Schedule D and Corporation Tax Investigations

25. The cover under Section 12 is limited to Professional Fees incurred by the Insured in respect of:
- Comprehensive Enquiries or
In-Depth Investigations arising out of the Insured's tax affairs:
VAT Disputes
PAYE Disputes
NIC Disputes

26. Exclusions Applicable to Section 12:

The Insurer shall not be liable of any claims for Indemnity under Section 12 in respect of or arising out of :-

- 26.1 Aspect Enquiries.
- 26.2 Professional Fees in any claim involving criminal proceedings or alleged fraudulent evasion of tax, and any case dealt with by a Special Compliance Office, Boards Investigations Unit or any other special office of the Inland Revenue.
- 26.3 Claims which originate from any matter which existed before the Period of Insurance.
- 26.4 Disputes where the prospect of success is remote.
- 26.5 The costs of making good any deficiencies in books, records, accounts or returns including the costs of repairing a return.
- 26.6 Costs of appeals which have not been approved by the Insurer.
- 26.7 Any claim which occurs during the first 60 days of the first Period of Insurance.
- 26.8 Fees and Disbursements payable to an Accountant, firm of Accountants or person not approved of in writing by the Insurer.
- 26.9 Technical or routine treatment of matters not connected with or arising out of an expression of dissatisfaction of the Insured's affairs.
- 26.10 Pre notification costs

Helpline

Composite Legal Expenses Ltd offer a telephone legal service giving expert guidance on a wide range of personal and commercial matters. To take advantage of this service, telephone **0871 423 5239** (Calls from BT landlines cost 10p per minute at all times. Mobiles and other networks may cost more).

27. Definitions

- 27.1 Professional Fees
Reasonable fees and disbursements incurred with the approval of the Insurer by the accountant, firm of accountants or other appropriately qualified person appointed and approved by the Insurer to act for the Insured.
Professional fees will include VAT where it cannot be recovered.
- 27.2 Comprehensive Enquiry
A comprehensive Enquiry is an extensive examination which considers all aspects of the self-assessment tax return. It will involve a comprehensive review by the

- Inspector of Taxes of all books and records underlying the entries made on the return.
- 27.3 **Aspect Enquiry**
An Aspect Enquiry is where the Inspector of Taxes enquires into one or more aspects of the self-assessment tax return which may involve clarification of particular entries, to detailed consideration of whether those entries have been treated correctly for tax purposes. It may involve a check on the records upon which the particular entries were based.
- 27.4 **In-Depth Investigations**
An In-Depth Investigation into a limited company is a fundamental review of the accounts and the underlying records as signalled by the issue of the form IR72 or otherwise stated.
- 27.5 **VAT Dispute**
A VAT dispute is a challenge by HM Customs & Excise of the accuracy or completeness of returns submitted.
- 27.6 **PAYE Dispute**
A PAYE dispute is a challenge by the Inland Revenue of the accuracy or completeness of returns submitted in accordance with Pay As You Earn regulations.
- 27.7 **NIC Dispute**
A NIC dispute is a challenge by the Contributions Agency of the accuracy or completeness of returns submitted in accordance with Social Security regulations.
- 27.8 **We, Us, Our**
The Underwriters of this Insurance Policy and / or Coverholder acting on their behalf.
- 27.9 **Insured, You, Your**
The person to whom this Policy has been issued and who has paid the Premium.
- 27.10 **Insured Vehicle**
Any motor vehicle that you own or for which you are legally responsible including any caravan or trailer properly constructed to be towed by such vehicle and which is attached to it by normal means of towing and for which the appropriate premium has been paid including bicycles that You own or for which You are legally responsible and which are permitted to use the public highway.
- 27.11 **Legal Costs and Expenses (other than Section 5)**
Legal Costs and Expenses means the legal fees and costs and disbursements reasonably and properly incurred by the solicitor appointed by the Insurer under this policy, plus the legal costs awarded or otherwise payable by the Insured to the other party for a dispute accepted by the Insurer to be the subject of a claim under any operative section of this policy. The policy will not pay the VAT on legal costs where the Insured is VAT registered.
- 27.12 **Legal Costs – (applicable to Section 5)**
Any irrecoverable fees, expenses and other disbursements reasonably and properly incurred by the Authorised Representative with our prior written authority in connection with any claim or legal proceedings by or against you provided that, in any case, such fees, expenses or other disbursements shall not exceed such amounts as would be allowed on an inter partes detailed assessment of Costs pursuant to parts 43-48 of the Civil Procedure Rules or, subject to the terms, conditions and exclusions contained in this policy, the costs incurred by the other party or parties which you are ordered to pay by any Court or which are payable by you under the terms of a settlement approved in writing by us or which became payable by You as a result of You discontinuing proceedings with Our consent.
- 27.13 **Time of Occurrence**
Time of Occurrence means:
a) in civil cases the time at which the cause of action occurred or commenced, whichever is the earlier in time; and
b) in criminal cases the time at which the Insured or any other person insured under this policy commenced or is alleged to have commenced to violate the criminal law in question.
- 27.14 **Insured Incident**
Insured Incident means:
an event, act or omission giving rise to a claim for indemnity against the Insurer or entitling the Insured to a service from the Coverholder.
- 27.15 **Insured Event**
An event causing loss or damage to an Insured Vehicle whilst You are travelling in, on, mounting or dismounting an Insured Vehicle which occurs within the Territorial Limits and where the loss or damage is caused by a third party mechanically propelled vehicle as defined in part (vi) of the Road Traffic Act 1988.
- 27.16 **Period of Insurance**
Period of Insurance means:
the Period of time specified on the schedule during which this Policy shall remain in force.
- 27.17 **Limit of Indemnity**
Limit of Indemnity means:
The limit in any one Period of Insurance as specified in the Schedule.
- 27.18 **Territorial Limits**
Territorial Limits means:
United Kingdom, the Isle of Man and the Channel Islands.
- 27.19 **Premium**
The amount (including IPT) included in the Insured's annual subscription to the Policyholder.
- 27.20 **Mediator**
The independent expert appointed by Us to offer alternative dispute resolution.
- 27.21 **The Effective Date**
The date of inception of this Policy
- 27.22 **Agreement**
We will indemnify You against Legal Costs arising from an Insured Incident occurring within the Territorial Limits where You notify Us of the Insured Incident both within 30 days of its occurrence and within the Period of Insurance subject to the terms, conditions and exclusions of this Policy.
- 27.23 **Authorised Representative**
A solicitor, counsel, or claims handler appointed under the terms and conditions of this Policy to represent your interests.

Policy Exclusions

28. General Exclusions

The Insurer shall not be liable for any claim for indemnity in respect of or arising from or relating to:

- 28.1 an Insured Incident reported to the Insurer more than 90 days after its Time of Occurrence unless the claim is in respect of a criminal prosecution;
- 28.2 an Insured Incident reported to the Insurer outside the Period of Insurance
- 28.3 fees, costs and disbursements incurred prior to the written acceptance of a claim by the Insurer;
- 28.4 fines, penalties, compensation or damages which the Insured or any other person insured under this policy is ordered to pay by the relevant court, tribunal or arbitrator except as covered under Section 2 above;
- 28.5 any prosecution, contract, act or omission which arises from or relates to the ownership, hiring or use

- of a motor vehicle by the Insured or any other person insured under this policy; except as covered under Section 5 of this policy.
- 28.6 any contract where the cause of action arises within the first 90 days of the first Period of Insurance under the relevant section of this policy;
- 28.7 a shareholding or partnership share in any company insured by this policy, unless such shareholding or partnership share was acquired under a scheme open to all employees of the Insured or a substantial number of them of a certain minimum grade, other than the directors or partners of the Insured;
- 28.8 patents, copyrights, trademarks, merchandise marks registered designs, intellectual property, secrecy and confidentiality agreements.
- 28.9 a) ionising radiations or contamination by radioactivity from an irradiated nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 b) any radioactive toxic explosive or other hazardous properties of any nuclear assembly of component thereof
 c) riot civil commotion war invasion acts of foreign enemies hostilities (whether war be declared or not) civil war rebellion revolution insurrection military or usurped power or confiscation nationalisation requisition destruction or damage to property by or under the order of any government.
- 28.10 Disputes claims or prosecutions deliberately or intentionally solicited by You or arising out of any deliberate or criminal act or omission on Your part.
- 28.11 Disputes with Us except as provided with by the Arbitration condition
- 28.12 legal proceedings outside the United Kingdom and proceedings in constitutional international or supranational courts or tribunals including the European Court of Justice and the Commission and Court of Human Rights.

29. Delay and Improper Instructions

The Insurers shall not be liable for any claims for indemnity where the Insured or any person insured under this policy:

- 29.1 pursues or defends a case without the Insurers consent or contrary to or in a different manner from that advised by the appointed solicitor; or
- 29.2 fails to give proper instructions in due time to the appointed solicitor or counsel appointed by him; or
- 29.3 is responsible for delay which in the Insurers reasonable opinion is prejudicial to his case.

30. Bankruptcy of the Insured

The Insurer shall not be liable for any claim for indemnity when the Insured is bankrupt, or has made an arrangement with his creditors, or has entered into a deed of arrangement or, is in liquidation or part or all of the Insured's affairs or property are in the care or control of a receiver.

Conditions

31. Presentation of Claim

When presenting a claim under this policy the Insured must give the Insurers full written details of the Insured Incident and provide such proofs, supporting evidence and other information as the Insurer may require.

32. Prospects of Success

The Insurer shall accept a civil claim if it is covered under this policy provided that it offers reasonable prospects for the recovery of damages or other remedy or for a successful

defence. The Insurer may discontinue indemnity if during the course of the claim it considers that such prospects no longer exist. If the Insurer either refuses to accept or discontinue a claim it shall inform the Insured of its reasons which, shall be final.

33. Representation

- 33.1 The Insurer reserves the right through its agents or solicitors to take over and conduct in the name of the Insured the prosecution, pursuit or defence or settlement of any claim or proceedings save in the event of any conflict of interest arising between the interests of the Insurer and the Insured in which event the Insured shall be free to choose a lawyer to serve his interests.
- 33.2 When presenting a claim the Insured should notify the Insurer of the solicitor whom he wishes to act for him.
- 33.3 The Insured may in any event request the Insurer to nominate a solicitor to act for him and the Insured and/or any other person insured by this policy.
- 33.4 Prior to the Insurers acceptance of the Insured's nomination of a solicitor, the Insurer shall be entitled but not bound to instruct a solicitor, or if the Insured fails to nominate a solicitor, the Insurer shall be entitled but not bound to instruct a solicitor on behalf of the Insured and/or any other person insured by the policy if it considers this necessary to safeguard the Insured and/or such other persons immediate interests.

34. Control of Claim

- 34.1 The Insurer shall have direct access to the appointed solicitor or accountant at all times and the Insured shall co-operate fully with the Insurer in all respects and shall keep the Insurer fully and continually informed of all material developments in the legal representation or proceedings. At the Insurers request the Insured shall instruct the appointed solicitor or accountant to produce to the Insurer immediately any documents, information or advice in his possession, and further shall give him such other instructions in relation to the conduct of his claim as the Insurer may require.
- 34.2 Legal Costs and Expenses relating to an expert witness called on behalf of the Insured will be covered by the Insurer only if it has given prior written approval of the appointment of such witness.
- 34.3 The appointed solicitor or the Insured shall inform the Insurer immediately in writing of any offer or payment into court made with a view to settling the claim. No agreement to settle which may result in a claim for indemnity under this policy is to be made without the Insurers prior approval. If any offer or payment into court is not accepted by the Insured but the amount thereof is equal to or in excess of the total damages eventually recovered by him the Insurer shall have no liability in respect of any further Legal Costs and Expenses or attendance expenses unless upon being notified of the offer or payment into court the Insurer agreed to the continuation of the proceedings.
- 34.4 If in any proceedings the Insured is not successful in his claim or defence no appeal or other proceedings will be covered unless the Insurer is notified in writing of the intention to appeal no later than 6 clear days before the time for making an appeal expires and the Insurer considers that there are reasonable prospects of such appeal succeeding.
- 34.5 At the Insurers request the Insured shall require the appointed solicitor to have the Legal Costs and Expenses taxed, assessed or audited by the relevant court or tribunal.

- 34.6 If for any reason the appointed solicitor or accountant refuses to act for the Insured or if the Insured withdraws his claim from the appointed solicitor or accountant, then the Insurers liability will cease forthwith unless in its absolute discretion it agrees to the appointment of another solicitor or accountant to continue with the claim.
- 34.7 If the Insured withdraws from the claim without the prior agreement of the Insurer then the Legal Costs and Expenses and attendance expenses will become the responsibility of the Insured, and the Insurer will be entitled to be reimbursed by the Insured for any costs paid or incurred during the course of the claim including any Legal Expenses and attendance expenses the Insurer considers it is obliged to pay on the Insured withdrawing from the claim.

35. The Authorised Representative must as a condition of his employment:

1. obtain Our prior consent before instructing counsel or expert witnesses whose identity and fee must also be approved by Us
2. advise Us if at any stage it is considered that You no longer have reasonable prospects of success.
3. notify Us of any payment into court or any offer to settle so that Our prior approval can be obtained to the acceptance or rejection of the same. If We do not approve of You continuing with the case but You nevertheless continue and obtain a result which is not better than the payment or offer We shall not be obliged to provide indemnity from the date of such payment or offer.
4. report the result of the claim to Us on its completion.
5. have assessed taxed certified or audited the Legal Costs for which indemnity is claimed at Our request in accordance with the provisions of the Solicitors Act 1974 and /or the Solicitors Remuneration Order 1972 or in accordance with parts 43 to 48 of the Civil Procedure Rules.

36. Third Party Agreements

Our liability shall in no way be affected by any agreement undertaking or promise entered into between You and the Authorised Representative or by either with any third party.

37. Arbitration

In the event of any dispute arising the Insured may ask for the dispute to be considered by an independent arbitrator agreed upon by both parties or failing agreement one who is nominated by the President of the local Law Society or appropriate professional body. All costs of the arbitration shall be met in full by the party against whom the decision is made.

38. Payment of Costs

All accounts for Legal Costs and Expenses and attendance expenses payable under this policy shall be submitted to the Insurer immediately.

39. Recovery

The Insured shall take, at the Insurers expense, every available step to recover from third parties Legal Costs and Expenses payable under this policy and such Legal Costs and Expenses shall be paid to the Insurer.

40. Alteration of Risk

The Insured shall notify the Insurer immediately of any alteration in risk which materially affects this insurance.

41. Notices

Every notice or communication approval consent or otherwise required under the Policy shall be made in writing by You to our head office and by Us to You at the last address declared under the Policy.

42. Due Observance

The due observance of and compliance with the terms, provisions and conditions of this Policy by the Insured are conditions precedent to Us incurring any liability under this Policy.

43. Reasonable Care

The Insured shall take all reasonable steps to prevent any occurrence which may give rise to a claim under this Policy.

44. Law

The Law applicable to this Policy shall be English Law and the parties hereby submit to the jurisdiction of the Courts of England and Wales.

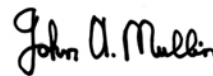
45. Contribution

If at the time of any occurrence or claim there is or but for the existence of this policy would be any other policy of indemnity or insurance in favour of or effected by or on behalf of the Insured applicable to such occurrence or claim the Insurer shall not be liable under this policy to indemnify the Insured in respect of such occurrence or claim except in respect of any excess beyond the amount which would be payable under such indemnity or insurance had this policy not been effected.

46. Cancellation

We hope you are happy with the cover this policy provides. However, You have the right to cancel it within 14 days of inception of the policy, without giving any reasons. Cancellation must be in writing to us at Composite Legal Expenses, Suffolk House, Trade Street, Cardiff CF10 5DT. The Insurer may cancel the policy at any time by sending 30 days written notice by recorded delivery post and in such event the Insured shall be entitled to a return of a proportionate part of the premium corresponding to the unexpired Period of Insurance.

Such cancellation shall not prejudice the rights of the Insured, or any other person insured by this policy, under the policy in respect of any Insured Incident occurring prior to the date of cancellation.



Signed by

Managing Director
Composite Legal Expenses Limited

Complaints Procedure

In the event of a complaint arising under this Insurance, you should in the first instance write to The Managing Director, Composite Legal Expenses Ltd, Suffolk House, Trade Street, Cardiff CF10 5DT.

If the matter remains unresolved thereafter you can then write to the Insurers at: Groupama Insurance Company Limited, 6th Floor, One America Square, 17 Crosswall, London EC3N 2LB quoting the policy number and where the insurance was purchased. Finally, if the matter still remains unresolved once the above have been contacted, you can, subject to qualifying criteria, approach The Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR. Tel: 0845 080180.

Groupama Insurance Company Limited is authorised and regulated by the Financial Services Authority and is a member of the Association of British Insurers (ABI).

You may be entitled to compensation from the Financial Services Compensation Scheme in the event that the insurer is unable to meet its liabilities.