

# POLICY TERMS & CONDITIONS



# COMMERCIAL LEGAL EXPENSES

# Discount Insurance

## Introduction

Thank **you** for choosing **Discount Insurance**. This is **your** Commercial Legal Expenses Insurance Policy Wording, setting out **your** insurance protection in detail.

**Your** premium has been based upon the information shown in the policy certificate and recorded in **your** statement of fact.

If you have any questions, please contact **Discount Insurance** on 0208 847 8000 or **Freephone** 0800 294 4522.

It is most important that **you** tell **us** of any material change in **your** circumstances which may affect this insurance cover. Material facts can have an effect on what **you** are covered for and how much **you** pay. If **you** are not sure whether something is important, please tell **us** anyway, since a failure to disclose a material fact relevant to this insurance, could result in **your** cover being invalid.

**We** recommend that **you** keep a copy or a record of all information **you** give to **us**.

This insurance has been arranged by **Discount Insurance** and is underwritten by AmTrust Europe Limited and administered by Arc Legal Assistance.

**Discount Insurance** is a trading name of Home & Travel Ltd, authorised and regulated by the Financial Conduct Authority. This can be checked on the FCA website at [www.fca.org.uk/register](http://www.fca.org.uk/register) or by contacting them on 0800 111 6768.

**Discount Insurance** adhere to the Codes of Practice of the Association of British Insurers (ABI) and the Financial Ombudsman Service, and are covered by the Financial Services Compensation Scheme (FSCS). Full details are available at [www.fscs.org.uk](http://www.fscs.org.uk). **Your** personal details and information provided are also covered by the Data Protection Act.

This policy is a contract between **you** and **us** and is based on the information **you** have given on **your** proposal and any other information **you** have supplied.

**We** have agreed to insure **you** under the conditions and exclusions in this policy and any endorsements.

**We** will indemnify **you** by payment, repair or reinstatement for any liability, loss, **damage**, accident or injury that happens during the **period of insurance** for which **you** have paid or agreed to pay the premium.

# Commercial Legal Expenses

## 1. Who we are

This cover is insured by AmTrust Europe Limited and administered by Arc Legal Assistance.

Arc Legal Assistance is one of the leading providers of Legal Expenses Insurance in the United Kingdom. Details of who **We** are and what **We** do can be found here: <http://www.arclegal.co.uk/>

Arc Legal Assistance Ltd is authorised and regulated by the Financial Conduct Authority. Arc Legal's Firm Reference Number is 305958. This can be checked on the Financial Services Register by visiting the website [www.fca.org.uk/register](http://www.fca.org.uk/register) or by contacting the Financial Conduct Authority on 0800 111 6768.

AmTrust Europe Limited, whose registered office is at Market Square House, St James's Street, Nottingham, NG1 6FG, is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. Financial Services Register number 202189. These details can be checked on the Financial Services Register by visiting: [www.fca.org.uk](http://www.fca.org.uk) or by contacting the Financial Conduct Authority on 0800 111 6768.

## 2. Explanation of legal expenses insurance

Commercial legal expenses insurance is used to cover **You** against the costs of:

- a) legal advice;
- b) preliminary legal steps in order to negotiate a pre-**Proceedings** solution;
- c) **Awards of Compensation**;
- d) legal representation in **Proceedings**; and/or
- e) **Attendance Expenses** for officers or **Employees** to attend **Proceedings**.

## 3. Summary of the policy

This policy is designed to provide cover to **You** in the event that **You** need legal assistance arising under one of the following sections of cover:

- Employment Disputes and Compensation Awards
- Prosecution Defence for Employers and Employees
- Contract
- Debt Recovery
- Property Damage
- Property Infringement
- Tax Disputes
- Social Media Defamation

See the 'Cover' section for further details.

In the event of a valid claim under this insurance, **We** will appoint **Our** panel solicitors, or their agents, to handle **Your** case. **You** are not covered for any other **Adviser's** fees unless court **Proceedings** are issued, or a **Conflict of Interest** arises. Where, following the issue of court **Proceedings**, **You** have elected to use an **Adviser** of **Your** own choice **You** will be responsible for any **Legal Costs and Expenses** in excess of **Our Standard Legal Costs and Expenses**.

## 4. How to make a claim

### A. TELEPHONE HELPLINES

#### Legal Expenses Helpline

The **Legal Expenses Helpline** service may be used to discuss any problem occurring under this policy within the United Kingdom, the Channel Islands and the Isle of Man. Simply telephone **0344 770 1040** quoting "**Discount Insurance Commercial**" and ask to speak to a legal **Adviser**. This service is here to help **You**. Do not hesitate to make full use of it. In particular if something **You** are proposing to do may result in a claim, **You** must use the helpline first.

#### Employment Manual

**Our** service provides access to an Employment Manual that offers comprehensive, up-to-date guidance on rapidly changing employment law. To view it, please visit **Our** website at [www.arcllegal.co.uk/informationcentre](http://www.arcllegal.co.uk/informationcentre). From the Information Centre page click on the Employment Manual link. **You** will need to input the username: 10467 and password: Discountcommercial. All sections of this web-based document can be printed off for **Your** own use.

### B. HOW TO MAKE A CLAIM - EMPLOYMENT COVER

**You** will give **Us** immediate notice in writing of any **Proceedings** or suit made or brought against **You** or believed by **You** to be considered and any summons or other process served or threatened to be served and any event which may give rise to **Proceedings** against **You**.

There will be no cover under this policy unless **You** have either:

1. **Followed the formal ACAS procedure; or**
2. **You have sought and followed the advice of the Legal Expenses Helpline as to the procedure to be adopted and have received specific authorisation from the Legal Expenses Helpline:**
  - a) prior to carrying out any disciplinary procedure or action or suspension of an **Employee**;
  - b) prior to **Dismissal** of an **Employee**;
  - c) prior to notifying an **Employee** of their intended retirement date or retiring an **Employee**;
  - d) prior to instituting a redundancy programme and prior to making an **Employee** redundant;
  - e) upon notification formally or informally of a grievance from an **Employee** or ex-**Employee**;
  - f) upon notification formally or informally of a complaint relating to discrimination victimisation or harassment because of age, disability, gender reassignment, marriage/civil partnership, pregnancy/maternity, race, religion or belief, sex or sexual orientation;
  - g) prior to any adverse variation or proposed adverse variation of the terms and conditions of employment (including altering the hours or time or place worked or demotion or deduction from or reduction in an **Employee's** remuneration);
  - h) immediately an **Employee** walks out with or without written notice;
  - i) upon receipt of an appeal from an **Employee** or ex-**Employee** against a decision taken as a result of a disciplinary or grievance procedure or retirement procedure or a decision to dismiss
  - j) arising out of or in connection with any business transfer or purported business transfer falling within the scope of the Transfer of Undertakings (Protection of Employment) Regulations 2006 or the Acquired Rights Directive.

If **You** do not tell **Us** within 180 days and within the **Period of Insurance** about this event, any claim resulting from that event will not be covered.

Failure to seek and follow the advice of the helpline in any of the above situations will mean that any claim arising as a result of the action will not be covered.

- a) If **You** receive a form ET1 (claim form) from an employment tribunal and wish to obtain indemnity under this cover **You** should notify the **Legal Expenses Helpline**. This must be done immediately because of the statutory 28 days' time limit for returning a response form (ET3) or responding on-line. The response form should be left blank for completion by **Your Adviser**. Upon request, **You** must complete a claim form by visiting [www.arclegal.co.uk/informationcentre](http://www.arclegal.co.uk/informationcentre) and forward it to **Us** immediately. Alternatively, **We** will send **You** a claim form.
- b) If a former **Employee** requests a written statement of reasons for **Dismissal**, **You** must contact the **Legal Expenses Helpline**, not later than 7 days from the request and prior to the statement being given.
- c) If **You** intend to make a significant alteration to an **Employee's** terms of employment **You** must telephone the **Legal Expenses Helpline** first and follow their advice.

## **C. HOW TO MAKE A CLAIM – PROSECUTION DEFENCE FOR EMPLOYERS AND EMPLOYEES - HEALTH AND SAFETY PROSECUTIONS**

There will be no cover under this **Policy** unless **You** have sought and followed the advice from the **Legal Expenses Helpline** as to the procedure to be adopted and has received specific authorisation:

1. becoming aware of an event which could lead to a prosecution being brought under health and safety legislation; or
2. being contacted by the Police or any enforcing authority informing **You** of an intention to prosecute or to question or interview **You** about an alleged offence, or event which could result in an offence being committed.

If **You** do not tell **Us** about this event within 180 days and within the **Period of Insurance**, any claim resulting from that event will not be covered. **Legal Costs and Expenses** incurred prior to **Our** accepting **Your** claim will not be covered under this insurance. **You** can complete and submit **Your** claim form online by visiting [www.arclegal.co.uk/informationcentre](http://www.arclegal.co.uk/informationcentre). Alternatively, **We** will send **You** a claim form which must be completed, giving a complete and truthful report of the facts of the claim, indicating any potential witnesses and any documentary evidence and return it to **Us** at the earliest opportunity.

## **D. HOW TO MAKE A CLAIM – TAX (HMRC TAX OR VAT DISPUTES)**

There will be no cover under this **Policy** unless **You** have obtained specific authorisation from the **Legal Expenses Helpline** and then sought and followed the advice as to the procedure to be adopted on receiving:

1. a written decision, notification of dissatisfaction or assessment issued by HM Revenue & Customs following an examination of **Your** books, records or accounts;
2. a notification in writing by the relevant authority of an HM Revenue & Customs enquiry, investigation or dispute;
3. an enquiry following a control visit by HM Revenue & Customs into the operation of PAYE and NIC resulting in a letter of dissatisfaction with **Your** affairs;
4. an enquiry conducted into the status of **You** under the Social Security Contributions (Intermediaries) Regulations 2000 and/or the Welfare Reform and Pensions Act 1999 and/or the Finance Act 2000;
5. an enquiry by HM Revenue & Customs into **Your** self-assessment return following the issue of a notice under Section 9A or Section 12AC of the Taxes Management Act 1970 or Schedule 18, paragraph 24 of the Finance Act 1998 together with a request to examine **Your** books and records; or
6. an enquiry by HM Revenue & Customs which is limited to one or more specific aspects of the **Customer's** self-assessment Return following the issue of a notice under Section 9A or Section 12AC of the Taxes Management Act 1970 or Schedule 18, paragraph 24 of the Finance Act 1998 which does not include a request to examine all **Your** books and records.

If **You** do not tell **Us** about this event within 180 days and within the **Period of Insurance**, any claim resulting from that event will not be covered. **Legal Costs and Expenses** incurred prior to **Our** accepting **Your** claim will not be covered under this insurance. **You** can complete and submit **Your** claim form online by visiting [www.arclegal.co.uk/informationcentre](http://www.arclegal.co.uk/informationcentre). Alternatively, **We** will send **You** a claim form which must be completed, giving a complete and truthful report of the facts of the claim, indicating any potential witnesses and any documentary evidence and return it to **Us** at the earliest opportunity.

## E. HOW TO MAKE A CLAIM

### (ALL OTHER SECTIONS OF COVER)

Potential claims must be notified to **Us** by telephoning the **Legal Expenses Helpline** and before instructing an **Adviser**. **You** must make **Your** claim as soon as **You** are, or should reasonably have been, aware of any event which has resulted in, or could result in an **Insured Event**. (If **You** do not tell **Us** about this event within 180 days, and within the **Period of Insurance**, any claim resulting from that event will not be covered). **You** must follow the advice of the **Legal Expenses Helpline**. **Legal Costs and Expenses** incurred prior to **Our** accepting **Your** claim will not be covered under this insurance **You** can complete and submit **Your** claim form online by visiting [www.arclegal.co.uk/informationcentre](http://www.arclegal.co.uk/informationcentre). Alternatively, **We** will send **You** a claim form which must be completed, giving a complete and truthful report of the facts of the claim, indicating any potential witnesses and any documentary evidence and return it to **Us** at the earliest opportunity.

## 5. Important Conditions

If **Your** claim is covered under a section of this **policy** and no exclusions apply then it is vital that **You** comply with the conditions of this policy in order for **Your** claim to proceed. The conditions applicable to this section are contained under the 'General Conditions' section below and should be read carefully. Some of the main conditions to this insurance are that:

### Claims Made

This is a "Claims Made" insurance contract which means it only covers claims notified to **Us** during the **Period of Insurance** and within 180 days, of any circumstance which may give rise to any claim. Failure to do so would lead **Us** to decline a claim for indemnity under this insurance.

### Prospects of Success

There must be more than a 50% chance of winning the case and achieving a positive outcome. A positive outcome includes, but is not limited to, recovering the amount of money at stake, enforcing a judgment or achieving an outcome which best serves **Your** interests. The assessment of **Your** claim and the prospects of its success will be carried out by an independent **Adviser**. If the **Adviser** determines that there is not more than a 50% chance of success then **We** may decline or discontinue support for **Your** case.

### Proportional Costs

An estimate of the **Legal Costs and Expenses** to deal with **Your** claim must not be more than the amount of money in dispute. The estimate of the **Legal Costs and Expenses** will be provided with the assessment of **Your** case and will be carried out by the independent **Adviser**. If the estimate exceeds the amount in dispute then **We** may decline or discontinue support for **Your** case.

### Employment Matters

There will be no cover under this **policy** unless **You** have either sought and followed:

- a) the formal ACAS procedure; or
- b) the advice of the **Legal Expenses Helpline** as to the procedure to be adopted and have received specific authorisation from the **Legal Expenses Helpline** in relation to employment matters.

See the 'How to Make a Claim – Employment' section for further details.

### **Duty of Fair Presentation**

**You** are responsible for disclosing, in a clear, accessible and comprehensive way, all information which **You** should be aware would influence the **Insurer's** decision to provide insurance to **You** on the terms agreed.

### **Excluded Trades**

There is no cover under this policy if **You** are engaged in the following trades:

- Aircraft / aerospace
- Gaming gambling and night clubs
- Fairgrounds and amusement arcades
- Waste / refuse disposal
- Solicitors
- Professional sporting clubs
- Builders and allied trades
- Care/nursing homes
- Educational establishments
- Recruitment agencies and umbrella companies
- Financial Services

### **Advice and Authorisation Procedures**

There will be no cover under this insurance contract unless **You** follow the advice and authorisation procedures set out in the 'How to Make a Claim' section.

### **Suspension of Cover**

If **You** breach a condition of this insurance contract which is essential to its performance, this insurance contract will be suspended from the time of the breach until the time the breach can be remedied. The **Insurer** will have no liability to **You** for any loss which occurs, or which is attributable to something happening, during the period when this insurance contract is suspended.

## **6. Cover**

This insurance provides indemnity in respect of **Legal Costs and Expenses** up to the **Maximum Amount Payable** where:

- a) The **Insured Event** is notified to **Us** during the **Period of Insurance** and within 180 days of occurrence
- b) The **Insured Event** and any **Proceedings** take place within the **Territorial Limits**

This section is broken down into two sections: Definitions and Sections of Cover. The Definitions section sets out the meaning of important terms which will be used throughout this policy. Wherever **You** see a term highlighted in this policy, it refers to a definition contained in that section. If a term is defined in the main policy and in the Definitions section the term in the Definitions section will be used for this legal expenses part. The Sections of Cover sets out in detail what **You** are and what **You** are not insured against. Read this carefully together with the exclusions and conditions of this policy before **You** make a claim

# DEFINITIONS

## ACAS

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The Advisory, Conciliation and Arbitration Service which provides free and impartial information and advice to employers and **Employees** on all aspects of workplace relations and employment law.

## Adviser

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**Our** panel solicitors, or their agents, an accountant or other appropriately qualified person, firm or company appointed by the **Insurers** to act for **You**, or, and subject to the **Insurers** agreement, where **Proceedings** have been issued, another legal **Adviser** nominated by **You**.

## Aggregate Amount Payable

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The maximum **We** will pay for all claims arising under this insurance in one **Period of Insurance**. The **Aggregate Amount Payable** is £500,000.

## Attendance Expenses

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Means the actual loss of earnings of any **Employee**, or other officer of **Yours** for the period they are absent from work to attend at any court or tribunal hearing either:

- a) As a witness on **You** behalf and at the request of the **Adviser** in respect of a matter involving a valid claim under this insurance;
- b) As a party to the **Proceedings** and at the request of the **Adviser** in respect of a matter involving a valid claim under this insurance;

For each half or full day of such attendance and shall be calculated on the basis that the period of absence from work shall be calculated to the nearest half day, taking an eight hour day to be a whole day for this purpose and the maximum period for which a claim can be made in respect of any one day

**The maximum payable in respect of one eight hour period shall be £100 per person.**

## Awards of Compensation

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Basic and compensatory **Awards of Compensation** which **You** must pay as a result of judgment in a dispute under legislation following a claim under sub-section (a) of the 'Employment Disputes and Compensation Awards' section of cover; or

An out-of-court settlement of a claim under sub-section (a) of the 'Employment Disputes and Compensation Awards' section of cover, to which **We** have given **Our** prior written consent.

## Business Premises

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The **Business Premises** declared to and accepted by **Us**.

## Conditional Fee Agreement

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An agreement between **You** and the **Adviser** or between **Us** and the **Adviser** which sets out the terms under which the **Adviser** will charge **You** or **Us** for their own fees.

## Conflict of Interest

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Situations where **We** administer and/or arrange legal expenses insurance on behalf of any other party in the dispute which is the subject of a claim under this insurance.

## Contract of Employment

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A contract of service, whether express or implied, and (if it is express) whether oral or in writing.

## Data Controller

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The party which determines the purpose for, and the manner in, which personal data are, or are to be, processed.

## Data Protection Legislation

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The relevant **Data Protection Legislation** in force in the United Kingdom at the time of the **Insured Event**.

## Disclosure Breach

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Disclosing false information or failing to disclose relevant information in the process of entering into this insurance contract.

## Dismissal

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The termination of an **Employee's Contract of Employment** by:

- a) **You**, giving notice to the **Employee**;
- b) **You** because of an **Employee's** gross misconduct;
- c) The expiry of a limited-term without renewal;
- d) An **Employee** by reason of **Your** conduct.

Any **Dismissals** must be handled in accordance with the advice provided by the **Legal Expenses Helpline** or the formal **ACAS** procedure.

## Director

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**Your Director(s)** including executive officers

## Employee/Your Employee(s)

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Any person who has entered into or works under (or, where the employment has ceased, worked under) a **Contract of Employment** with **You** in connection with the business insured under this **policy**.

## Excess

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The sum payable by **You** as a contribution towards the costs incurred arising from any claim made under this insurance as stated below:

<b>Debt Recovery:</b>	£250
<b>Tax Disputes (Aspect Enquiries Only):</b>	£200
<b>All other sections:</b>	Nil

## HMRC

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H.M. Revenue and Customs in the United Kingdom

## Identity Fraud

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A person or group of persons knowingly using a means of identification belonging to **You** without **Your** knowledge or permission with intent to commit or assist another to commit an illegal act.

## Insured Event

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The incident or the start of a transaction or series of incidents which may lead to a claim or claims being made under the terms of this insurance.

## Employment

In employment disputes the **Insured Event** will be the receipt of an ET1 Employment Tribunal Claim Form.

## Tax

In accountancy matters the **Insured Event** arises on the date that **You** or **Your Adviser** are contacted either verbally or in writing, by the relevant department of **HMRC** advising **You** of either dissatisfaction with **Your** returns, or amounts paid, or notice of intention to investigate.

## Criminal Proceedings

In criminal cases the **Insured Event** will be the date that **You** commenced or are alleged to have commenced to violate the criminal law in question.

For the purposes of the **Limit**, only one **Insured Event** will be regarded as having arisen from all causes or by actions, incidents or events which are related by cause or time.

## Insurers

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AmTrust Europe Limited

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**Legal Costs and Expenses**

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Reasonable unrecovered fees and disbursements properly and necessarily incurred by the **Adviser** with **Our** prior written authority and any costs incurred by a third party, on the standard basis of any **Proceedings**, for which **You** may be made liable by order of a court or by agreement.

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**Legal Expenses Helpline**

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The service provided by **Our** panel solicitors on **Our** behalf which enables **You** to obtain advice on any matter which may give rise to a claim under this insurance.

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**Maximum Amount Payable**

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The maximum sum payable by **Us** in respect of an **Insured Event**, subject to the **Aggregate Amount Payable**.

The **Limits** for each section of cover are as stated below:

**Tax Disputes (Aspect Enquiries Only)** £5,000  
**All other sections:** £50,000.

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**Period of Insurance**

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The period of cover declared to and accepted by **Us**

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**Proceedings**

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Civil, criminal, tribunal or arbitration **proceedings** or appeals arising from them brought in the **Territorial Limits**.

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**Standard Legal Costs and Expenses**

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The level of **Legal Costs and Expenses** that would normally be incurred by **Us** in using an **Adviser** of **Our** choice, including **Our Conditional Fee Agreement**.

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**Statutory Licence**

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A licence issued under statute or statutory instrument or by government or local authority to **You** where the licence is necessary to engage in **Your** business or trade.

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**Territorial Limits**

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United Kingdom, the Channel Islands or Isle of Man

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**We/Us/Our/Ourselves**

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Arc Legal Assistance Limited acting on behalf of **Insurers**.

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**You/Your**

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The person(s), company or companies declared to and accepted by **Us**.

# SECTIONS OF COVER

## Employment Disputes and Compensation Awards

### What is insured:

#### Legal Costs and Expenses incurred by You

- a) In defence of **Proceedings** brought in an employment tribunal, arising from a dispute with an **Employee** or ex-**Employee** relating to:
  - i. The Contract of Employment with **You**;
  - ii. Actual or alleged breaches of their statutory rights under employment legislation
- b) **Awards of Compensation** made against **You** arising from claims under section a) above

### What is not insured:

#### Claims

- a) Which are incurred by deliberately avoiding liability for a redundancy payment or for monies or benefits due under a **Contract of Employment**;
- b) Relating to the protection of **Employees'** rights when the organisation or service they work for transfers to a new employer and impact on **You** as the outgoing or incoming employer;
- c) Relating to equal terms;
- d) For redundancy payments or an award or settlement in relation to **Employees** dismissed because of redundancy where **You** have failed to comply with the legal requirements relating to redundancy;
- e) Arising from the **Dismissal** of any **Employee** or change to an **Employees** terms of employment unless the **Dismissal** or change to an **Employees** terms of employment is handled in accordance with either the advice provided and procedures laid down by the **Legal Expenses Helpline** as described in the conditions to this insurance or the formal **ACAS** procedure;
- f) Arising where the **Insured Event** was less than 90 days after the start of the first **Period of Insurance**, or less than 180 days after the start of the first **Period of Insurance**, if the **Employee** was at that time subject to disciplinary **Proceedings** or any verbal or written warning;
- g) For any **Awards of Compensation** made against **You** relating to trade union activities including membership or non-membership; or relating to pregnancy, maternity or paternity rights;
- h) For any **Awards of Compensation** made because of **Your** failure to provide written reasons for **Dismissal**;
- i) For any compensatory award specified in a reinstatement or re-engagement order or made because of **Your** failure to provide written reasons for a **Dismissal**;
- j) For any award to the extent that it relates to contractual rights accruing to the **Employee** or ex-**Employee** prior to the actual or alleged breach of the actual or alleged **Contract of Employment**;
- k) Relating to pension rights;
- l) Arising from **Your** failure to follow the process set out in the 'How to Make a Claim' section in this **policy**.

## Prosecution Defence for Employers and Employees

### What is insured:

#### Legal Costs and Expenses incurred by:

- a) **You** arising from any act or omission - or alleged act or omission - which leads to **Your** prosecution in a court of criminal jurisdiction
- b) **You** arising from appeals by **You** against the service of improvement and prohibition notices under The Health and Safety at Work Act 1974
- c) **Your Employees** or Directors, concerning any matter arising out of his or her duties as **Your Employee** arising from any act or omission, or alleged act or omission, which leads to the prosecution of **Your Employee** in a court of criminal jurisdiction.

### What is not insured:

#### Claims

- a) Arising from deliberate discrimination by **You**, or an **Employee** or a Director amounting to an act of unlawful discrimination;
- b) For incidents dealt by the Health and Safety Executive under the Fee for Intervention (FFI) cost recovery schemes under the Health and Safety (Fees) Regulations 2012;
- c) For criminal prosecutions brought under Health and Safety legislation;
- d) For damages, compensation, interest, fines, costs or other penalties that **You** are ordered to pay by a court of criminal jurisdiction;
- e) Arising from a motor prosecution;
- f) Arising from **Your** prosecution alleging:
  - i. Intentional obstruction of a person in the execution of a warrant issued under Data Protection Legislation by **You** or by an **Employee**;
  - ii. Arising from **Your**, or an **Employee's**, failure to give a person executing such a warrant the assistance they reasonably require for its execution;
  - iii. Arising from prosecutions of **Employees** for personal matters which do not relate to their duties as **Your Employees**.

## Contract

### What is insured:

**Legal Costs and Expenses** arising from any dispute between **You** and a customer or supplier about a contract for the supply of goods or services where the total amount in dispute, or the amount due to be paid at the time of the dispute, is at least £250, but no more than £5,000.

The contract must have been either entered into:

- a) after the start of the first **Period of Insurance**; or
- b) before the start of the first **Period of Insurance** subject to **You** providing signed copies which confirm that the contract has been reviewed (and updated) at least once within the last 5 years and confirm that **You** are not aware of any circumstances which may lead to a claim.

### What is not insured:

#### Claims

- a) For any **Insured Events** which occurs within 90 days of the start of the first **Period of Insurance**;
- b) For the recovery of a debt from a customer where the customer does not dispute that the money is owed to **You**;
- c) For any dispute **You** may have as a landlord or a tenant in connection with a lease or licence or tenancy agreement;
- d) For the defence of any matter which should be covered under a professional indemnity insurance;
- e) Arising from the sale, lease, service, repair or test of a motor vehicle;
- f) Arising from a dispute over a financial services product, including payments which may be due under an insurance **policy**;
- g) Arising from a dispute with an **Employee** or former **Employee** arising from a Contract of Employment;

- h) Arising from any licence or franchise agreements;
- i) Arising from adjudication or arbitration **proceedings**;
- j) Arising from a dispute over the purchase, sale, lease, provision, service or repair of computer hardware, software, systems or services.

## Debt Recovery

### What is insured:

**Legal Costs and Expenses** incurred in order to recover money and interest due arising from a contract for the sale or supply of goods or services entered into after the start of the first **Period of Insurance** and where the total amount in dispute, or the amount due to be paid at the time of the dispute, is at least £250 but below £10,000.

### What is not insured:

#### Claims

- a) For any **Insured Events** which occurs within 90 days of the start of the first **Period of Insurance**;
- b) Relating to a lease or licence or tenancy agreement;
- c) Arising from the purchase, sale, lease, service, repair or test of a motor vehicle;
- d) Relating to a financial services product, including payments which may be due under an insurance **policy**;
- e) Arising from a dispute over the purchase, sale, lease, provision, service or repair of computer hardware, software, systems or services;
- f) For the recovery of any amount due which the other party disputes on the basis of a defence.

## Property Damage

### What is insured:

**Legal Costs and Expenses** incurred in pursuit of **Proceedings** against a third party, other than an **Employee** or former **Employee**, following an act or omission relating to material property owned by **You** which results in, physical damage to that property.

### What is not insured:

#### Claims

- a) Arising from a contract made between **You** and a third party;
- b) Arising from a lease or tenancy agreement applying to **Your** Business Premises and disputes relating to the occupation of land or property owned by **You**, by a party or parties whose licence to occupy such property has been determined or revoked or which was never granted by or on **Your** behalf;
- c) Involving:
  - i. Goods in transit
  - ii. Goods hired or lent to third parties
  - iii. Goods at premises other than those occupied by **You**, unless they are at the premises for the purpose of installation or use in work carried out by **You**
- d) Involving a motor vehicle belonging to **You** or in **Your** possession, except whilst on **Your Business Premises**

## Property Infringement

### What is insured:

**Legal Costs and Expenses** incurred by **You** in **Proceedings** for nuisance or trespass against the person or organisation infringing **Your** legal rights in relation to the Business Premises.

### What is not insured:

Disputes relating to a tenancy agreement or any other lease or licence to occupy property or land.

## Statutory Licence Protection

### What is insured:

**Legal Costs and Expenses** and **Attendance Expenses** incurred by **You** in an appeal to the relevant statutory body, or in **Proceedings** where the relevant authority suspends, revokes, alters the terms of or refuses to renew **Your** Statutory Licences.

### What is not insured:

#### Claims

- a) Arising from an original application or standard renewal of a licence;
- b) Arising from a criminal prosecution;
- c) Where **You** are engaged in the following trades:
  - i. Gentlemen's clubs and other venues providing entertainment in the form of lap dancing, table dancing, pole dancing and/or where striptease and/or erotic dance is regularly performed
  - ii. Fairgrounds and amusement arcades

## Tax Disputes

### What is insured:

**Legal Costs and Expenses** incurred by **You** and arising directly from:

- a) **HMRC Enquiries and Disputes**
  - i. A full or aspect enquiry by **HMRC** into **Your** corporation tax return following the issue of formal notification by **HMRC**;
  - ii. Any challenge in writing by **HMRC** of the accuracy or completeness of returns submitted in accordance with the PAYE regulations following a compliance check or routine inspection undertaken by **HMRC** into the operation of PAYE;
  - iii. An enquiry conducted into the employment status of **Your Employees** under the PAYE and/or NIC Regulations or Part 2, Chapter 8 of Income Tax (Earnings and Pensions) Act 2003 (IR35).
- b) VAT Disputes
  - i. A dispute following a compliance check or routine inspection undertaken by **HMRC** of **Your** VAT record-keeping;
  - ii. An enquiry held under Section 60 or 61 of the VAT Act 1994 or any matters handled by the National Investigations Service of **HMRC** providing that at the culmination of such investigation it is proved that **You** were not found guilty of dishonesty, fraud or fraudulent intent.

### What is not insured:

#### Claims

- a) Involving criminal **proceedings** or alleged fraudulent evasion of tax, and any case dealt with by Special Civil Investigations Office, Boards Investigation Unit of any other special office of **HMRC**;
- b) Arising from or relating to attendance at a compliance and/or control review or routine inspection undertaken by **HMRC** (PAYE/NIC and/or VAT);
- c) Where deliberate miss-statements have been made in respect of accounts, returns or any other submissions made to the relevant authorities;
- d) Where **You** have failed to give **Your** business status to the relevant authorities within a statutory period;
- e) Which originate from any enquiry, investigation or dispute which existed before the first **Period of Insurance**;
- f) Involving tax or National Insurance contributions avoidance schemes;
- g) Which occurs during the first 90 days of the first **Period of Insurance**;
- h) Where **You** have failed to maintain or submit accurate, truthful and up to date records, or where returns have not been submitted within statutory time limits or requirements;

- i) Arising from a dispute as to whether an **Employee's** remuneration should fall under either PAYE or sub-contract rules;
- j) In respect of any dispute arising under the National Minimum Wage Act 1998 or the Tax Credits Act 2002;
- k) In any claim where the policyholder has adopted a tax avoidance scheme; or
- l) In respect of the preparation or rectification of self-assessment tax returns, accounts, P11Ds, P35s, VAT returns or any other statutory returns or for any professional fees incurred for the routine presentation of **Your** affairs, including the reconciliation of annual accounts with VAT returns

### **Legal Costs and Expenses**

- a) Incurred in dealing with technical or routine matters not connected with or arising out of an expression of dissatisfaction with **Your** affairs;
- b) Incurred in dealing with aspect enquiries;
- c) Incurred in dealing with any deficiencies in books, records, accounts or returns including the costs of repairing a return;
- d) Arising after **You** receive a notice telling **You** that the enquiry has been completed; or
- e) Arising from or relating to a Tax Tribunal.

### **Conditions applicable to Tax Disputes**

- a) **You** must have maintained and must continue to maintain accurate, truthful and up to date records and make returns in accordance with statute and account conventions acceptable to **HMRC** and other agencies and have made all returns and payments except those which are disputed and provided information to these bodies where applicable;
- b) **You** must contact the **Legal Expenses Helpline** as soon as possible after the **Insured Event** and comply with the advice given; and
- c) **You** or **Your Adviser** should notify **Us** by contacting the **Legal Expenses Helpline** as soon as possible if **You** receive any invitation by **HMRC** to make an offer in settlement

In respect of **HMRC** enquiries **Your Adviser** must provide a copy of the **HMRC** notice of enquiry and a copy of the return giving rise to the enquiry

### **Social Media Defamation**

#### **What is insured:**

Following defamatory comments made about **You** through a social media website, **Standard Advisers' Costs** to write one letter to the provider of the Social Media website requesting that the comments are removed. Where the authors' identity of the defamatory comments is known, **You** are also covered for Standard Advisers' Costs to write one letter to the author requesting that the comments are removed from the social media website.

# 1. GENERAL EXCLUSIONS

In addition to those exclusions detailed under the 'Important Conditions' section of this policy, the following exclusions apply to all sections of cover.

## 1. There is no cover for the following events:

- a) War, invasion, terrorism, piracy, act of foreign enemy, hostilities (whether war be declared or not), civil war, rebellion, revolution, military or usurped power
- b) Confiscation, destruction, requisition, nationalisation or seizure by order of the Government or public authority
- c) Ionising radiation or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
- d) The radioactive, toxic, explosive or other hazardous properties of any nuclear assembly or nuclear component
- e) **Proceedings** alleging seepage, pollution or contamination or the breach of any statute, regulation or ordinance prohibiting or controlling emissions or effluent of any kind or arising from any enforcement action or **Proceedings** brought under or pursuant to any such statutes, regulations or ordinances
- f) Other than in relation to claims made under the Corporate Identity Fraud section of cover, any cyberattack or any attack which, while not designated as such, derives from the misuse, illegal operation, or hacking of a computer system, device, or hardware.

## 2. There is no cover where:

- a) **You** should have known when buying or renewing this insurance that the circumstances leading to a claim under this insurance already existed
- b) Something **You** do or fail to do prejudices **Your** position or the position of the **Insurer** in connection with the **Proceedings**
- c) An estimate of **Advisers' Costs** of acting for **You** is more than the amount in dispute
- d) **Advisers' Costs** or any other costs and expenses incurred which have not been agreed in advance or are above those for which **We** have given **Our** prior written approval
- e) **You** fail to instruct or give proper instructions to **Us** or to the **Adviser**
- f) **You** are responsible for anything which in **Our** reasonable opinion prejudices **Our** position in respect of the **Proceedings** or the success in the prosecution, defence or settlement of the **Proceedings**
- g) **You** fail to provide evidence or information reasonably required by **Us** to establish whether support can be provided under this cover
- h) In respect of the amount in excess of **Our Standard Legal Costs and Expenses**, **You** have elected to use an **Adviser** of **Your** own choice
- i) The **Insured Event** occurs outside of the Territorial Limits

## 3. There is no cover for:

- a) Claims over loss or damage where that loss or damage is insured under any other insurance
- b) Claims made by or against **Your** insurance adviser, the **Insurer**, the **Adviser** or **Us**
- c) Any claim **You** make which is false or fraudulent or exaggerated
- d) Defending legal actions arising from anything **You** did deliberately or recklessly
- e) Costs if **Your** claim is part of a class action or will be affected by or will affect the outcome of other claims
- f) **Legal Costs and Expenses:**
  - ii. Incurred in avoidable correspondence
  - iii. Which are recoverable from a court, tribunal or elsewhere
- g) Damages, interest, fines or other penalties which **You** are ordered to pay unless provided for in this cover.
- h) The costs of an appeal unless **We** have given **Our** prior written consent to such costs being incurred.
- i) The fees of an expert witness without **Our** approval being obtained for the appointment of the expert witness and to the amount of his fees.
- j) Prior to the issue of court **Proceedings**, the legal costs and disbursements of a firm of solicitors instructed by **You** other than those of **Our** panel solicitors or their agents.

**4. There is no cover for any claim directly or indirectly arising from:**

- a) A dispute between **You** and someone **You** live with or have lived with
- b) **Your** business trade or profession other than as an **Employee**
- c) An application for a judicial review
- d) Defending or pursuing new areas of law or test cases

**5. There is no cover for claims:**

- a) Where **You** fail to comply with the conditions of this insurance
- b) Arising from any deliberate criminal act or omission by **You**
- c) Involving prosecutions which allege dishonesty or intentional violence
- d) Notified to **Us** outside of the **Period of Insurance**
- e) Notified to **Us** more than 180 days after the **Insured Event**
- f) For an application for a judicial review
- g) Made by or against **You** against or by **Us**
- h) Directly or indirectly caused by, contributed to or arising from:
  - i. Subsidence or mining or quarrying activities
  - ii. Patents, copyrights, trademarks, merchandise marks, service marks, registered designs, intellectual or artistic property
  - iii. Secrecy or confidentiality agreements other than claims under Employment cover and passing off
  - iv. Computer software except operating systems and packaged software that have not been tailored by the supplier to the customer's own requirements
  - v. Actual, planned or proposed works by or under the order of any government or public or local authority
  - vi. Planning law including town and country planning legislation
  - vii. The construction of or structural alteration to buildings or parts of buildings
  - viii. Libel or slander or malicious falsehood other than in relation to Social Media Defamation cover
- i) Where **You** act without **Our** consent or contrary to or in a manner different from **Our** advice or that of **Your Adviser**
- j) Made under this cover which do not arise from or relate to **Your** normal business as shown in the schedule
- k) Relating to prosecutions arising out of deliberate discrimination amounting to an act of unlawful discrimination
- l) Which are false or fraudulent
- m) To defend or pursue new areas of law or test cases

**6. Contracts (Rights of Third Parties) Act 1999**

A person who is not a party to this contract is known as a third party. Third parties do not have any right to enforce any term of this contract unless they have a right or remedy other than by virtue of the Contracts (Rights of Third Parties) Act 1999.

**We** will not be bound by any agreement to which **We** are not a party.

**7. Value Added Tax**

If **You** are registered for VAT, the **Insurer** will not be liable to indemnify **You** for the VAT element of any legal expenses invoices.

## 2. GENERAL CONDITIONS

This section should be read together with the 'Important Conditions' section.

### 1. Claims

- a) **You** must notify claims as soon as reasonably possible once **You** become aware of the incident and within no more than 180 days of **You** becoming aware of the incident. There will be no cover under this policy if, as a result of a delay in reporting the claim, **Our** position has been prejudiced.
- b) **We** may investigate the claim and take over and conduct the legal **proceedings** in **Your** name. Subject to **Your** consent which shall not be unreasonably withheld **We** may reach a settlement of the legal **proceedings**. **You** must supply at **Your** own expense all of the information which **We** reasonably require to decide whether a claim may be accepted. Where it is necessary to start court **Proceedings** or a **Conflict of Interest** arises, and **You** wish to nominate a legal representative to act for **You**, **You** may do so. Where **You** have elected to use a legal representative of **Your** own choice **You** will be responsible for any Advisers' Costs in excess of **Our Standard Legal Costs and Expenses**. The **Adviser** must represent **You** in accordance with **Our** standard conditions of appointment available on request.
- c) The **Adviser** will:-
  - i.) Provide a detailed view of **Your** prospects of success including the prospects of enforcing any judgment obtained.
  - ii.) Keep **Us** fully advised of all developments and provide such information as **We** may require.
  - iii.) Keep **Us** advised of Advisers' Costs incurred.
  - iv.) Advise **Us** of any offers to settle and payments in to court. If against **Our** advice such offers or payments are accepted or rejected cover under this insurance shall be withdrawn unless **We** agree in **Our** absolute discretion to allow the case to proceed.
  - v.) Submit bills for assessment or certification by the appropriate body if requested by **Us**.
  - vi.) Attempt recovery of costs from third parties.
- d) In the event of a dispute arising as to Advisers' Costs **We** may require **You** to change **Adviser**.
- e) The **Insurer** shall only be liable for Advisers' Costs for work expressly authorised by **Us** in writing and undertaken while there are prospects of success.
- f) **You** shall supply all information requested by the **Adviser** and **Us**.
- g) **You** are responsible for all **legal costs and expenses** including adverse costs if **You** withdraw from the legal **proceedings** without **Our** prior consent. Any **legal costs and expenses** already paid under this insurance will be reimbursed by **You**.
- h) **You** must instruct the **Adviser** to provide **Us** with all information that **We** ask for and report to **Us** as **We** direct at their own cost.
- i) Where **You** are awarded any kind of monies, those are to be paid to **Us** first.

### 2. Other insurances

If any claim covered under this **policy** is also covered by another legal expenses **policy** or primary insurance **policy**, or would have been covered if this **policy** did not exist, **We** will only pay in excess of any other cover.

### 3. Disclosure

If **You** fail to disclose relevant information or **You** disclose false information in relation to this **policy We**, or the broker, may:

- a) Cancel the contract and keep the premiums if the **Disclosure Breach** is deliberate or reckless
- b) Cancel the contract but return the premiums proportionately if this contract would not have been entered into had the **Disclosure Breach** been known
- c) Amend the terms of the contract accordingly if the contract would have been entered into on different terms had the **Disclosure Breach** been known
- d) Proportionately reduce the amount **You** are entitled to in the event of a successful claim if a higher premium would have been charged had the **Disclosure Breach** been known

### 4. Fraud

In the event of fraud **We**:

- a) Will not be liable to pay the fraudulent claim
- b) May recover any sums paid to **You** in respect of the fraudulent claim
- c) May cancel this **policy** with effect from the fraudulent act and keep all premiums paid to **Us**.
- d) Will no longer be liable to **You** in any regard after the fraudulent act.

### 5. Cancellation

**You** may cancel this insurance at any time by writing to **Your** insurance **adviser** providing 14 days written notice. If **You** exercise this right within 14 days of taking out this insurance, **You** will receive a refund of premium provided **You** have not already made a claim against the insurance.

**We** may cancel the insurance by giving 14 days' notice in writing to **You** at the address shown on the schedule, or alternative address provided by **You**. No refund of premium shall be made.

**We** will only invoke this right in exceptional circumstances as a result of **You** behaving inappropriately, for example:

- i. Where **We** have a reasonable suspicion of fraud
- ii. **You** use threatening or abusive behaviour or language or intimidation or bullying of **Our** staff or suppliers
- iii. Where it is found that **You**, deliberately or recklessly, disclosed false information or failed to disclose important information

### 6. Disputes

If a complaint cannot be dealt with by the Financial Ombudsman Service (see 'How to Make a Claim'), any dispute between **You** and **Us** may, where **we** both agree, be referred to an arbitrator who will be either a solicitor or a barrister. If the parties cannot agree on their choice of arbitrator the Law Society may be asked to make a nomination. The arbitration will be binding and carried out under the Arbitration Act. The costs of the arbitration will be at the discretion of the arbitrator.

### 7. Data Protection Act

**Your** details, **Your** insurance cover and claims will be held by **Us** and or the Insurers for underwriting, processing, claims handling and fraud prevention subject to the provisions of **Data Protection Legislation**.

### 8. Law and Language

This contract is governed by English Law and the language for contractual terms and communication will be English.

### 3. CUSTOMER SERVICE

**Our** aim is to get it right, first time, every time. If **We** make a mistake, **We** will try to put it right promptly. If **You** are unhappy with the service that has been provided, **You** should contact **Us** at the address below. **We** will always confirm to **You**, within five working days, that **We** have received **Your** complaint. Within four weeks **You** will receive either a final response or an explanation of why the complaint is not yet resolved plus an indication of when a final response will be provided. Within eight weeks **You** will receive a final response or, if this is not possible, a reason for the delay plus an indication of when a final response will be provided. After eight weeks, if **You** are not satisfied with the delay **You** may refer **Your** complaint to the Financial Ombudsman Service. **You** can also refer to the Financial Ombudsman Service if **You** cannot settle **Your** complaint with **Us**. Further information about the service and eligibility is available at <http://www.financial-ombudsman.org.uk>.

#### **Our contact details are:**

Arc Legal Assistance Ltd  
PO Box 8921  
Colchester  
CO4 5YD  
Tel 01206 615000  
Email [customerservice@arclegal.co.uk](mailto:customerservice@arclegal.co.uk)

#### **The Financial Ombudsman Service contact details are:**

Financial Ombudsman Service  
Exchange Tower  
London  
E14 9SR  
Tel 08000 234 567  
Email [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

#### **Compensation**

**We** are covered by the Financial Services Compensation Scheme. **You** may be entitled to compensation from the scheme if **We** or the **Insurer** are unable to meet their obligations, **Your** entitlement to compensation will depend on the circumstances of the claim. Further information about compensation scheme arrangements and eligibility is available at <http://www.fscs.org.uk/>



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**DISCOUNT INSURANCE**

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September 2017 edition