

TRAFALGAR

risk management limited

Commercial Legal Expenses Insurance

Professional Indemnity Insurance Policy

Underwritten by IGI Insurance Company Ltd



PROFESSIONAL INDEMNITY INSURANCE

COMMERCIAL LEGAL EXPENSES INSURANCE

This insurance is only available to Insureds whose business activities are carried out or concluded from Great Britain, the Channel Islands or the Isle of Man.

This Policy, Schedule and any endorsement shall be considered as one document. The proposal and any information provided by or on behalf of the Insured shall form part of this contract of insurance.

This is a "claims made" legal expenses insurance Policy. Subject to the terms and conditions of the Policy the Insured is covered for claims provided that such claims, potential claims or an event(s) that could give rise to a claim are notified to the Insurer during the Period of Insurance.

Definitions and Interpretation

In this Policy, unless the context otherwise requires, the following words and expressions shall bear the meaning set out below:

Appointed Representative - The solicitor or other suitably qualified professional who has been appointed to act for the insured in accordance with the terms of this Policy.

Attendance Expenses – The salary or wages paid by the Insured to any employee, director or partner for the period of absence from work to attend a court hearing either:

- i. as a witness for the Insured and at the specific request of the Appointed Representative in respect of a Claim accepted by the Insurers under the terms of this policy;
- ii. as a party to the legal proceedings and at the specific request of the Appointed Representative in respect of a Claim accepted by the Insurers under the terms of this policy.

The maximum payable per day shall be £100.00 per person subject to a limit of £5,000 per Claim.

Claim - A request by the Insured for indemnity under this Policy in respect of Legal Costs. Any Claim or series of Claims including an appeal arising out of the same original cause, circumstance or event shall be regarded as one Claim.

Conditional Fee Agreement – A valid agreement between the Insured and the Appointed Representative where the Appointed Representative's fees and disbursements are only payable by the Insured in the event that the claim is successful.

Coverholder – Trafalgar Risk Management, The Lloyd's Building, 12 Leadenhall Street, London, EC3V 1LP.

Excess - The amount stated in the Schedule which the Insured must bear in Legal Costs before the Insurer is liable to make any payment under this Policy.

Inception Date - The date on which the Insured's insurance cover commences as specified in the Schedule.

Insured - The individual person, partner, company, firm or organisation (and any subsidiary company or other associated organisation) named in the Schedule including all directors, partners and employees engaged in the Insured's business activities.

Insurer - IGI Insurance Company Limited, Market Square House, St. James's Street, Nottingham NG1 6FG.

Legal Costs:

- i) The costs and expenses incurred by or on behalf of the Insured by the Appointed Representative with the Insurer's consent and agreement to investigate, settle, prosecute or defend a Claim, and;
- ii) The costs and disbursements the Insured is ordered to pay to any third party in any proceedings to which the Insurer has given consent.

Limit of Indemnity - the maximum amount the Insurer is liable to pay for any one claim and in the aggregate under this Policy as stated in the Schedule.

Period of Insurance – The period from the Inception Date to the date on which insurance cover ceases as stated in the Schedule.

Policy - This policy of insurance between the Insurer and Insured together with the Schedule and Proposal.

Premium - The amount payable by the Insured for this Policy together with Insurance Premium Tax (IPT) as stated in the Schedule.

Proposal - The proposal for insurance provided under this Policy including any documentation or information submitted in support by the Insured to the Coverholder.

Prospects of Success – In the Insurer's reasonable opinion:

- i) it is more likely than not that the Insured's Claim will succeed at a final hearing and that the Insured will achieve the damages and or remedy being sought, and;
- ii) the Insured's best interests cannot be served or achieved by any other means.

Schedule - The schedule of insurance issued by the Coverholder specifying inter alia the Policy number, Premium, the Insured's name, the Limit of Indemnity and the Period of Insurance.

Territorial Limits means the United Kingdom of Great Britain and Northern Ireland including the Channel Islands and the Isle of Man.

This Policy and Schedule shall be read together.

The headings are for ease of reference only and do not affect its interpretation.

References to any statute, statutory provision, Order or Rule include a reference to that legislation or those Rules as amended, extended, consolidated or replaced from time to time (whether before, on or after the Inception Date of this Policy) and include any former legislation or Rules which it re-enacts, consolidates or replaces and any order, regulation, instrument or other subordinate legislation made under the relevant legislation or rules.

Unless the context otherwise requires, words denoting the singular shall include the plural and vice-versa, references to any gender shall include all other genders.

Insuring Clause

The Insured having made a proposal and declaration and having paid the Premium, The Insurer will indemnify the Insured for legal costs to extent stated herein against any Claim within the Territorial Limits for which the Insured may become legally liable, first made against the Insured and notified to the Insurer during the Period of Insurance arising out of:

1. Employment Disputes.
2. Tax and Vat investigations.

Section 1 – Employment Disputes

A. What is covered:

The Legal Costs and Attendance Expenses of defending the Insured's rights in legal proceedings in respect of any dispute with:

- i) an employee or ex-employee or a trade union acting on behalf of an employee which arises out of, or relates to, a written contract of employment with the Insured;
- ii) an employee or ex-employee, prospective employee arising from an alleged breach of his/her/their statutory rights under employment legislation.

B. What is not covered:

Any Legal Costs and Attendance Expenses in respect of:

- i) any claim where the dispute arises within the first 30 days following the Inception Date in the Schedule;
- ii) any claim where an employee was subject to disciplinary proceedings or any form of warning either formal or informal within 180 days following the Inception Date in the Schedule;
- iii) any Claim arising from or relating to any transfer of business falling within the ambit of Transfer of Undertakings (Protection of Employment)(Amendment) Regulations 1999;
- iv) compensation awards;
- v) any Claim in respect of damages for personal injury or loss and damage to property.
- vi) any Claim arising from the Insured avoiding liability for redundancy payments and/or liability for monies or benefits under a contract of employment.
- vii) the dismissal of any employee unless the dismissal is handled in accordance with ACAS guidelines;
- viii) any reference given by the Insured concerning any existing or former employee;
- ix) any claim concerning a restrictive covenant in a contract of employment.

Section 2 – Tax and VAT Investigations

A. What is covered:

The Legal Costs and Attendance Expenses arising from:

- i) H M Revenue and Customs enquiry into the Insured's business accounts and records;
- ii) VAT disputes with H M Revenue & Customs;
- iii) disputes with H M Revenue & Customs following an Employer Compliance Review.

B. What is not covered:

Any Legal Costs and Attendance Expenses arising from:

- i) any Claim involving an investigation or enquiry by H M Revenue & Customs into alleged dishonesty and/or alleged criminal offences;
- ii) any Claim involving an investigation or enquiry by H M Revenue & Customs Special Compliance Office;
- iii) any Claim arising from a tax avoidance scheme;
- iv) any Claim arising from the Insured's failure to register for VAT and/or notify the relevant authorities of the Insured's business status;
- v) any Claim arising from technical or routine matters, including but not limited to audits by H M Revenue & Customs;
- vi) any Claim arising from deliberate, knowing or reckless misstatements made by the Insured in respect of accounts, returns and other submissions to the relevant authorities or which arise as a result of the Insured's failure to observe statutory time limits or requirements.

Section 3 – General Exclusions applying to this Policy

The Insurer is not liable to make any payment under this Policy for:

- i) any Claim the Insured knew or ought to have known prior to the Inception Date would or potentially could give rise to a claim under this Policy.
- ii) Legal Costs and Attendance Expenses incurred before the Insurer confirms written acceptance of the Claim;
- iii) any Claim relating to intellectual property;
- iv) any Claim arising from the Insured's intentional disregard to take all reasonable steps to avoid, prevent and/or mitigate any such Claim;
- v) any Claim where the Insured is entitled to indemnity under any other policy of insurance;
- vi) awards of damages, fines or penalties the Insured is ordered to pay by a court or other authority;
- vii) Legal Costs and Attendance Expenses incurred as a result of any delay or default on the part of the Insured or the Appointed Representative.
- viii) Any Claim notified after the expiry of this Policy.

Section 4 – General Conditions applying to this Policy

The Insured must at all times:

- i) notify the Coverholder of any or any potential fact, matter or circumstance that might give rise to a Claim under this Policy as soon as reasonably practicable and in any event prior to expiry of this Policy;
- ii) conduct all Claims with the same care and economy as though not insured;
- iii) comply with and follow all the rules of the court, court orders and any advice given by the Appointed Representative.
- iv) advise the Coverholder immediately of any offers of payments to settle any Claim.
- v) Advise the Coverholder immediately of any fact, matter or circumstance affecting the Insured's prospects of success or of any other development affecting whether or not it is reasonable and proportionate in all the circumstances to continue to incur Legal Costs and Attendance Expenses.

- 4.1 The Insurer reserves the right to attempt to settle any Claim prior to the appointment of the Appointed Representative or the issue of proceedings.
- 4.2 The Insurer reserves the right to take over the conduct, settlement or defence of any Claim at any time in the Insured's name.
- 4.3 The Insurer has the right to withdraw indemnity under the terms of this Policy if the Insured is adjudged bankrupt, go into liquidation (voluntary or otherwise), appoint a receiver or have a receiver appointed.
- 4.4 The Insurer at its sole discretion, has the right to discharge any liability to the Insured by paying a sum equal to the amount claimed subject to such sum not exceeding the Limit of Indemnity.
- 4.5 The Insurer will pay the Appointed Representative's bills direct if the Insurer is satisfied that the charges are reasonably and properly incurred subject to the Insured paying recoverable VAT.

Section 5 – Cancellation

This insurance may be cancelled by the Insurer or the Insured on 30 days notice in writing. The Insured may be entitled to a pro-rata return of Premium if no claims have been notified.

Section 6 – Third Parties

The rights afforded under this policy are not transferable and cannot be assigned. Any person, company or partnership who is not a party to this Policy has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

Section 7 – Fraudulent Claims

If the Insured or anyone on the Insured's behalf makes a fraudulent or false claim or request for payment this insurance shall be declared void, any premiums shall be deemed forefeet and the Insurer shall be entitled to recover any payments made under this Policy.

Section 8 – Applicable Law

This Policy will be governed under the laws of England and Wales.

COMPLAINTS PROCEDURE

We aim to provide a first class service at all times. If you have a complaint concerning the service you have received, please contact the Managing Director at Trafalgar Risks Management Limited.

If your complaint remains unresolved please write to:

The Managing Director

IGI Insurance Company Limited

Market Square House

St. James's Street

Nottingham

NG1 6FG

The insurer will endeavour to resolve the matter within 8 weeks. If the insurer has not resolved the issue to your satisfaction within that time, you can refer the matter to:

The Financial Ombudsman Service

South Quay Plaza

183 Marsh Wall

London

E14 9SR

IGI Insurance Company Limited and Trafalgar Risk Management Limited are authorised and regulated by the Financial Services Authority. The insurer is covered by the Financial Services Compensation Scheme (FSCS). Further information concerning the Scheme is available from the Financial Services Authority.

This complaints procedure does not affect your statutory or legal rights you may have to take action the insurer.