

Employment and Health & Safety Legal Expenses Insurance Policy

Underwritten by:

Groupama Insurance Company Limited, Groupama House, 24 – 26 Minories, London EC3N 1DE

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

Policy No: **{Policy Number}**

Date of issue: **{Date Created}**

Important Notice

All potential claims must initially be reported to the Employment & Health & Safety Law Helpline Service, which operates between 9am & 5pm Monday to Friday.

Telephone 0871 423 5244

This is a 'Claims Occurring' Policy. It only covers claims notified to the Coverholder during the Period of Insurance and 90 days thereafter. You must have sought advice relating to the Claim from our Helpline within the Period of Insurance failure to do so could lead us to decline a claim for indemnity arising from such circumstances.

Important Procedure for Employment Disputes

If a **Form ET1** (Originating Application) is received from an Employment Tribunal the Insured must **immediately** contact the Employment Law Helpline.

Consideration and insurance

The Insured named in the schedule ('the Insured') 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, definitions, 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 Event occurring within the Territorial Limits set out in the schedule during the Period of Insurance in connection with the business and in respect of which legal proceedings are conducted within the Territorial Limits.

The sections which apply to this policy are those specified as being operative in the schedule.

Section 1 – Legal costs incurred in disputes with workers

1. Limit of cover under Section 1

The Insured has cover for:

- a. the pursuit or defence of the legal rights of the Insured in a dispute with a previous present or prospective Worker and which arises out of or relates to a contract of employment or a breach of employment or discrimination legislation.
- b. Awards of Compensation.

Provided that:

The Insured has consulted with and then followed with due diligence the advice and procedures provided by the Appointed Employment Representative's Advisory Service before taking any action or making and significant variation to a Worker's contract which might lead to the dismissal of or the termination of the contract of a worker.

2. 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:

- 2.1 a dispute arising from an incident or incidents occurring prior to the inception of cover; or
- 2.2 a claim against the Insured in respect of damages for personal injuries to the claimant and/or loss of or damage to his property.
- 2.3 The Insured's failure to follow the advices given by the Employment Law Helpline Service.

2.4 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

2.5 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).

Section 2 – Criminal proceedings defence cover

3. Limit of cover under Section 2

The cover under Section 2 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:

- 3.1 prosecution in a court of criminal jurisdiction; or
 - 3.2 the serving of an improvement notice or a prohibition notice on the Insured under the Health and Safety at Work etc. Act 1974; or
 - 3.3 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 judgment of the relevant court, tribunal or arbitrator, or the imposition or terms of a notice specified in clause 3.3 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.

4. Exclusions applicable to Section 2

The Insurer shall not be liable for any claim or indemnity under Section 4 in circumstances where:

- 4.1 prosecutions are deliberately or intentionally solicited by the Insured; or
- 4.2 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.
- 4.3 The Insured has pleaded guilty and/or admitted liability.
- 4.4 The Insured has failed to follow advice provided by the Helpline

5. Definitions Applicable to Policy

5.1 Acts of Parliament

All Acts of Parliament referred to in this Policy will include a reference to all orders and regulations made under them and to any subsequent amendments re-enactments, equivalent legislation Regulations or Codes of Practice enforceable within the Territorial Limits.

5.2 Advisory Service

A professional advisory service provided by The Appointed Solicitor or legally qualified consultant to advise the Insured in respect of legal proceedings relating to:

- a. Employment Disputes.
 - b. Health & Safety Disputes
- Including but not limited to the Employment Law Helpline

5.3 Any One Claim

All claims or legal proceedings including any appeal against judgement or decision arising out of the same original cause, event or circumstance will be regarded as one claim.

5.4 Awards of Compensation

All awards made against the Insured by an Employment Tribunal or an Employment Appeal Tribunal or a Superior Court or settlements agreed as a result of conciliation proceedings and to which the Coverholder has given consent other than:

- a. any punitive awards including but not limited to any Additional Award made under section 117 of the Employment Right Act 1996.
- b. Protective Awards payable under section 192 of the Trade Union and Labour Relations (Consolidation) Act 1992.
- c. any award made under Regulation 11 of the Transfer of Undertakings (Protection of Employment) Regulation 1981.
- d. Interim Relief as defined in section 130 and quantified in section 132 of the Employment Rights Act 1996.
- e. any award against the Insured in respect of a redundancy payment or monies due under a contract of employment including monies due by reason of bonus, holidays, Wages Acts, Equal Pay Acts or unlawful action short of dismissal.
- f. any award arising from a failure by the Insured to provide written reasons for dismissal.
- g. any award against the Insured in respect of monies due under any pension scheme or pension arrangement.

5.5 Appointed Representative

The Appointed Solicitor or a barrister or any other appropriately qualified person appointed by the Insured with the agreement of the Coverholder to act for the Insured in accordance with the terms of this Policy.

5.6 Coverholder

Composite Legal Expenses Limited

5.7 Insured

Clients of The Appointed Representative who subscribe to their employment and health and safety services details of whom have been declared to and accepted by the Coverholder.

For the purposes of a claim for the defence of legal proceedings arising out of a criminal prosecution this Definition will include the proprietors, partners and directors of the Insured and also all workers acting in the normal course of their employment or duties.

5.8 Legal Costs and Expenses

'Legal Costs and Expenses' means the legal fees and costs and disbursements reasonably and properly incurred by the solicitor or legally qualified consultant 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.

5.9. 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.

5.10. Insured Event

'Insured Event' 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.

5.11 Period of Insurance

'Period of Insurance' means:

the Period of time specified on the schedule during which this Policy shall remain in force.

5.12. Limit of Indemnity

'Limit of Indemnity' means:

the annual limit of indemnity specified in the Schedule or where the Period of Insurance is less than one year the pro rata proportion of such limit. The limit of indemnity is the maximum amount the insurer is liable to pay under the terms of the Policy to any Insured in respect of:

- a) any one claim
- b) all claims or legal proceedings made, brought, commenced and notified to and accepted by the Coverholder during the Period of Insurance.

5.13. Territorial Limits

'Territorial Limits' means the limits specified in the Schedule.

5.14 Reasonable Prospects of a Satisfactory Outcome

Reasonable Prospects of a satisfactory outcome exist if:

- a. the insured has a reasonable prospect of either pursuing or defending a claim
- b. the Appointed Solicitors or legally qualified consultant would advise a paying party of moderate financial means to proceed with the claim and
- c. the benefits likely to be obtained by proceeding with the claim justify the likely costs and
- d. the Appointed Solicitor or legally qualified consultant considers it reasonable in all the circumstances that the claim should proceed.

5.15 Worker

An individual who has entered into or works under (or where the employment has ceased worked under)

- a. a contract of employment
- b. any other contract whether express or implied and if it is express whether oral or in writing whereby the individual undertakes to do or perform personally and work or service for another party to the contract whose status is not by virtue of the contract that of a client or customer or any profession or business undertaking carried on by the individual.

Policy exclusions

6. General exclusions

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

- 6.1 an Insured Event reported to the Insurer more than 30 days after its Time of Occurrence
- 6.2 an Insured Event reported to the Insurer outside the Period of Insurance
- 6.3 an Insured event where the authorised representative deems there to be no reasonable prospects of success
- 6.4 fees, costs and disbursements incurred prior to the written acceptance of a claim by the Insurer;
- 6.5 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;
- 6.6 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;
- 6.7 any contract where the cause of action arises within the first 60 days of the first Period of Insurance under the relevant section of this policy;
- 6.8 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 workers of the Insured or a substantial number of them of a certain minimum grade, other than the directors or partners of the Insured;
- 6.9 patents, copyrights, trademarks, merchandise marks registered designs, intellectual property, secrecy and confidentiality agreements.
- 6.10
 - 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.

7. 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:

- 7.1 pursues or defends a case without the Insurer's consent or contrary to or in a different manner from that advised by the Appointed Representative; or
- 7.2 fails to give proper instructions in due time to the Appointed Representative or counsel appointed by him; or
- 7.3 is responsible for delay which in the Insurer's reasonable opinion is prejudicial to his case.

8. 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

9. Presentation of claim

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

10. Prospects of success

The Insurer shall accept a civil claim if it is covered under this policy provided that it offers Reasonable Prospects of a Satisfactory Outcome. 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.

11. Representation

11.1 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.

11.2 When presenting a claim the Insured should notify the Insurer of the solicitor whom he wishes to act for him.

11.3 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.

11.4 Prior to the Insurer's 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 person's immediate interests.

12. Control of claim

12.1 The Insurer shall have direct access to the Appointed Representative 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 Insurer's request the Insured shall instruct the Appointed Representative 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.

12.2 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.

12.3 The Appointed Representative 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 Insurer's 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.

12.4 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.

12.5 At the Insurer's request the Insured shall require the Appointed Representative to have the Legal Costs and Expenses taxed, assessed or audited by the relevant court or tribunal.

12.6 If for any reason the Appointed Representative or accountant refuses to act for the Insured or if the Insured withdraws his claim from the Appointed Representative or accountant, then the Insurer's liability will cease forthwith unless in its absolute discretion it agrees to the appointment of another solicitor or accountant to continue with the claim.

12.7 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.

13. 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.

14. Payment of costs

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

15. Recovery

The Insured shall take, at the Insurer's 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.

16. Alteration of risk

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

17. 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.

18. 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, in respect of any Insured Event occurring prior to the date of cancellation.

19. Adjustment of provisional premium

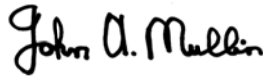
19.1 If the premium has been calculated on estimates given by the Insured, the Insured shall keep an accurate record containing all relevant particulars which shall be available to the Insurer for inspection.

19.2 Within one month of expiry of each Period of Insurance the Insured shall supply to the Insurer an accurate statement in the form required so that the premium for that period can be calculated and the difference paid by or allowed to the Insured subject to the Insurers retaining any minimum premium specified in the policy.

19.3 Should the Insured fail to supply such a statement within one month of the expiry of the Period of Insurance the Insurer shall be entitled if it so wishes to charge an additional premium in respect of that Period of Insurance.

20. The Law

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



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, Groupama House, 24-26 Minories, London EC3N 1DE 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.

Schedule

Insured: {Company Name}

Period of Insurance: From: ({{Start Date}}) To: {End Date}

Territorial Limits: United Kingdom only unless otherwise agreed with The Coverholder.

Premium: {Gross}

Limit of Indemnity: £50,000

Endorsements applying
{Endorsements}