

Business Care Policy



Underwritten by : AmTrust

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

Policy No:

Date of issue:

Important Notice

All potential claims must initially be reported to the Commercial Legal Helpline Service, which operates 24 hours a day, 365 days a year. **You must call the helpline before taking any action that may give rise to a claim under this policy, particularly if you are considering disciplinary action or redundancy. Failure to do so will result in any subsequent claim being declined.** The 24 hour helpline is there to provide extra support. In addition the Commercial Legal Helpline also provides initial advice on any legal problem, whether covered under this policy or not.

The telephone number is: 0871 423 5244. (Calls from BT landlines cost 10p per minute at all times. Mobiles and other networks may cost more)

This is a 'Claims Made' Policy. It only covers claims notified to the coverholder during the Period of Insurance. You must notify us within 30 days of any circumstance which may give rise to any claim. Failure to do so could lead us to decline a claim for indemnity arising from such circumstances.

1. Consideration and insurance

1.1 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, 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.

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

Section 1 – Legal costs incurred in disputes with employees

2. Limit of cover under Section 1

Legal Costs and Expenses (as defined in clause 18) incurred by the Insured in respect of any dispute with:

- an employee or ex-employee, which arises out of or relates to his contract of employment with the Insured; or
- a prospective employee, leading to civil or criminal proceedings under the Race Relations Act 1976 or the Sex Discrimination Act 1975 or any Acts amending or replacing the same in defending civil or criminal proceedings, or appealing or defending an appeal against judgement, conviction or sentence by the relevant court, tribunal or arbitrator provided that the total Legal Costs and Expenses payable by the Insurer in any one Period of Insurance shall not exceed the annual Limit of Indemnity stated in the Schedule or in respect of any period of insurance which is less than one year the pro rata proportion of such annual limit.

3. Exclusions applicable to Section 1

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

- 3.1 a dispute of which the Time of Occurrence (as defined in clause 19) was within the first 90 days of the first Period of Insurance in the case of an employee who was subject to a written or verbal warning or involved in a dispute arising from his employment within the 6 months immediately preceding such period; or
- 3.2 a claim against the Insured in respect of damages for personal injuries to the claimant and/or loss of or damage to his property.
- 3.3 The Insured's failure to follow the advice given by the Commercial Legal Helpline.
- 3.4 A dispute where the Insured has failed to consult the Commercial Legal Helpline immediately upon the Insured becoming aware of the dispute or potential dispute or where the Insured has failed to heed the written advice of a Panel Solicitor.
- 3.5 The pursuit or defence of enforcement proceedings arising out of a restrictive covenant clause contained within the employment contract, either verbal or in writing, of an employee or ex employee.

Section 2 – Criminal proceedings defence cover

4. 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:

4.1 prosecution in a court of criminal jurisdiction; or
4.2 the serving of an improvement notice or a prohibition notice on the Insured under the Health and Safety at Work etc. Act 1974; or

4.3 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 4.2 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.

5. Exclusions applicable to Section 2

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

5.1 prosecutions are deliberately or intentionally solicited by the Insured; or

5.2 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.

5.3 The Insured has pleaded guilty and/or admitted liability.

Section 3 – Debt recovery

6. Limit of cover under Section 3

The cover under Section 3 is limited to Legal Costs and Expenses incurred by the Insured in the recovery of money and interest due to the Insured from another business for;

6.1 the provision of goods and/or services

6.2 professional fees and services

6.3 dishonoured cheques

Provided That

6.4.1 The Insured supplies the correct name and address of the debtor for the purposes of identification in proceedings and where the debtor is a partnership the Partners names and addresses

6.4.2 If the Insurer considers it appropriate to do so it may instruct a debt collection agency to recover such monies rather than a solicitor but if the Insurer considers legal proceedings are appropriate the Insurer will instruct a Panel Solicitor provided that the Insured shall have a right to nominate a Solicitor to act for him by immediately providing the Insurer with the name and address of the nominated Solicitor in writing. The Insurer may refuse this nomination in exceptional circumstances but if such nomination is refused the Insured shall have the right to be exercised by service of notice in writing upon the Insurer within 30 days of such refusal to refer the question to arbitration pursuant to Clause 38 hereof

6.4.3 The Insurer has the absolute right to select the method of enforcement of judgment or to forego enforcing judgment

6.4.4 The Insured pays the first £150 of the Legal Costs and Expenses to the appointed Solicitor and/or Debt Collection Agency

6.4.5 The amount of money and interest due to the insured exceeds £250.

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

7. Exclusions applicable to Section 3

The Insurer shall not be liable for any claim for indemnity under Section 3 in respect of:-

7.1 any matter where the debtor intimates that a defence exists or a defence is served.

7.2 damages for breach of contract

7.3 hire purchase or credit sale agreements other than arrears

7.4 the return of goods hired or leased

7.5 debts reported to the Insurer more than sixty days after the money became due and payable.

7.6 The first £150 of legal costs and expenses incurred by the Insured.

Section 4 – Business Motoring

Limit of cover under Section 4

8. The cover under Section 4 is set out in the Insurer's Combined Personal Legal Care Policy which shall be deemed to be incorporated into this Policy.

Section 5 – Personal Injury

9. The Insurer will indemnify all principals, directors, partners and employees against Legal Costs and Expenses reasonably incurred in pursuing civil claims for damages in respect of injury or death caused by negligence subject to the Limit of Indemnity per Insured Incident.

10. Exclusions Applicable to Section 5

The Insurer shall not be liable for any claims arising from or relating to industrial disease or medical negligence.

Section 6.1 – Property Legal Protection

11. Limits of cover under Section 6.1

The cover under Section 6.1 is limited to Legal Costs and Expenses incurred by the Insured in pursuing the Insured's rights in Civil Law or appealing or defending an appeal against the judgement of the relevant court, tribunal or arbitrator in respect of:

11.1 any negligent act or omission of a third party, or

11.2 any nuisance, trespass or criminal damage by a third party, or

11.3 a tort committed by a third party under the rule in Rylands v Fletcher which results or could result in physical damage to the Insured's Property and/or pecuniary loss to the Insured in relation to property owned by the Insured or for which the Insured is legally responsible provided that the amount payable by the Insurer under Section 6.1 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 limit.

12. Exclusions applicable to Section 6.1

The Insurer shall not be liable for any claim for indemnity under Section 6.1 in respect of or arising from or relating to:

12.1 a contract made between the Insured and the third party;

12.2 goods in transit or goods lent or hired to third parties;

12.3 goods at premises other than those occupied by the Insured unless they are at such premises for the purpose of installation or use in work to be carried out by the Insured; or

12.4 mining subsidence

Section 6.2 – Goods or Services Contract Disputes

13. Limit of cover under Section 6.2

The cover under Section 6.2 is limited to Legal Costs and Expenses incurred by the Insured in pursuing or defending the Insured's legal rights appealing or defending an appeal against judgement of the relevant Court, Tribunal or Arbitrator in respect of any dispute in respect of a contract entered into by or on behalf of the Insured for the purchase or hire or sale or provision of goods or of services where the amount in dispute is at least £5000 provided that

13.1 if the amount in dispute is payable in instalments the instalments due and payable at the time of making a claim under this section must be at least £5000, and

13.2 if the dispute relates to money owed to the Insured a claim under this section must be made within 6 months of the money becoming due and payable

13.3 The Insured shall pay the first £500 of the Legal costs and Expenses to the appointed Solicitor provided that the amount payable by the Insured under Section 6.2 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 limit.

14. Exclusions applicable to Section 6.2

The Insurer shall not be liable for any claim for indemnity under Section 6.2 in respect of or arising from or relating to:

14.1 a contract of insurance in so far as the dispute is in respect of the sum of money or other compensation payable under such contract; or

14.2 the lease or tenancy of property

14.3 the Insured's activities as a Building or Allied Trade

Section 6.3 - Tax, VAT, PAYE and NIC Investigations

15. The cover under Section 6.3 is limited to Professional Fees incurred by the Insured in respect of disputes with the Inland Revenue / HMRC arising from:

Comprehensive Enquiries or

In-Depth Investigations arising out of the Insured's

- TAX Affairs
- VAT Disputes
- PAYE Disputes
- NIC Disputes

16. Exclusions applicable to Section 6.3:

The Insurer shall not be liable for any claim for indemnity under Section 6.3 in respect of or arising from or relating to

16.1 Aspect Enquiries less than £100 or in excess of £1000.

16.2 Professional Fees in any claim involving criminal proceedings or alleged fraudulent evasion of tax, and any case dealt with by a Special Compliance Office, Boards Investigations Unit or any other special office of the Inland Revenue.

16.3 Claims which originate from any matter which existed before the Period of Insurance.

16.4 Disputes where the prospect of success is remote.

16.5 The costs of making good any deficiencies in books, records, accounts or returns including the costs of repairing a return.

16.6 Costs of appeals which have not been approved by the Insurer.

16.7 Any claim which occurs during the first 60 days of the first Period of Insurance.

16.8 Fees and Disbursements payable to an Accountant, firm of Accountants or person not approved of in writing by the Insurer

16.9 Technical or routine treatment of matters not connected with or arising out of an expression of dissatisfaction of the Insured's affairs.

16.10 Pre notification costs.

17.0 Definitions applicable to Section 6.3

17.1 Professional Fees

Reasonable fees and disbursements incurred with the approval of the Insurer by the accountant, firm of accountants or other appropriately qualified person appointed and approved by the Insurer to act for the Insured.

Professional fees will include VAT where it cannot be recovered.

17.2 Comprehensive Enquiry

A comprehensive Enquiry is an extensive examination which considers all aspects of the self-assessment tax return. It will involve a comprehensive review by the Inspector of Taxes of all books and records underlying the entries made on the return.

17.3 Aspect Enquiry

An Aspect Enquiry is where the Inspector of Taxes enquires into one or more aspects of the self-assessment tax return which may involve clarification of particular entries, to detailed consideration of whether those entries have been treated correctly for tax purposes. It may involve a check on records upon which the particular entries were based.

17.4 In-Depth Investigations

An In-Depth Investigation into a limited company is a fundamental review of the accounts and the underlying records as signalled by the issue of the form IR72 or otherwise stated.

17.5 VAT Dispute

A VAT dispute is a challenge by HM Customs & Excise of the accuracy or completeness of returns submitted.

17.6 PAYE Dispute

A PAYE dispute is a challenge by the Inland Revenue of the accuracy or completeness of returns submitted in accordance with Pay As You Earn regulations.

17.7 NIC Dispute

A NIC dispute is a challenge by the Contributions Agency of the accuracy or completeness of returns submitted in accordance with Social Security regulations.

Policy Definitions

18. Legal Costs and Expenses

'Legal Costs and Expenses' means the legal fees and costs and disbursements reasonably and properly incurred by the solicitor appointed by the Insurer under this policy, plus the legal costs awarded or otherwise payable by the Insured to the other party for a dispute accepted by the Insurer to be the subject of a claim under any operative section of this policy. Where the insured is registered for VAT, the policy will not pay the VAT element of the Legal Costs and Expenses. Payment of the VAT will be the responsibility of the Insured.

19. Time of occurrence

'Time of Occurrence' means:

19.1 in civil cases the time at which the cause of action occurred or commenced, whichever is the earlier in time; and

19.2 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.

20. 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.

21. Period of Insurance

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

22. 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.

23. Territorial Limits

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

24. Building & Allied Trades

"Building & Allied Trades" means businesses directly involved in or associated with the field of building and construction.

Policy exclusions

25. General exclusions

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

- 25.1 an Insured Event reported to the Insurer more than 30 days after its Time of Occurrence unless the claim is in respect of a criminal prosecution;
- 25.2 an Insured Event reported to the Insurer outside the Period of Insurance
- 25.3 fees, costs and disbursements incurred prior to the written acceptance of a claim by the Insurer;
- 25.4 fines, penalties, compensation or damages which the Insured or any other person insured under this policy is ordered to pay by the relevant court, tribunal or arbitrator.
- 25.5 any prosecution, contract, act or omission which arises from or relates to the ownership, hiring or use of a motor vehicle by the Insured or any other person insured under this policy;
- 25.6 any contract where the cause of action arises within the first 90 days of the first Period of Insurance under the relevant section of this policy;
- 25.7 a shareholding or partnership share in any company insured by this policy, unless such shareholding or partnership share was acquired under a scheme open to all employees of the Insured or a substantial number of them of a certain minimum grade, other than the directors or partners of the Insured;
- 25.8 patents, copyrights, trademarks, merchandise marks registered designs, intellectual property, secrecy and confidentiality agreements.
- 25.9 a) ionising radiations or contamination by radioactivity from an irradiated nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - b) any radioactive toxic explosive or other hazardous properties of any nuclear assembly of component thereof
 - c) riot civil commotion war invasion acts of foreign enemies hostilities (whether war be declared or not) civil war rebellion revolution insurrection military or usurped power or confiscation nationalisation requisition destruction or damage to property by or under the order of any government.

26. 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:

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

27. 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

28. 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.

29. Prospects of success

The Insurer shall accept a civil claim if it is covered under this policy provided that it offers reasonable prospects for the recovery of damages or other remedy or for a successful defence and that the costs of pursuing the action do not exceed the value of the claim. 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.

30. Representation

- 30.1 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.
- 30.2 When presenting a claim the Insured should notify the Insurer of the solicitor whom he wishes to act for him.
- 30.3 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.
- 30.4 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.
- 30.5 If the Insured wishes to appoint their own solicitor then the solicitor nominated must agree to our terms and conditions, which will be provided at the time of nomination.
- 30.6 The appointment of a solicitor nominated by the Insured will only be approved in the event that court proceedings have been commenced and the Insured has complied with the policy terms and conditions.
- 30.7 The appointment of a solicitor nominated by the Insured will incur an excess of £500. This excess is in addition to any other excess payments due under the policy.

31. Control of claim

31.1 The Insurer shall have direct access to the appointed solicitor or accountant at all times and the Insured shall co-operate fully with the Insurer in all respects and shall keep the Insurer fully and continually informed of all material developments in the legal representation or proceedings. At the Insurer's request the Insured shall instruct the appointed solicitor or accountant to produce to the Insurer immediately any documents, information or advice in his possession, and further shall give him such other instructions in relation to the conduct of his claim as the Insurer may require.

31.2 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.

31.3 The appointed solicitor or the Insured shall inform the Insurer immediately in writing of any offer or payment into court made with a view to settling the claim. No agreement to settle which may result in a claim for indemnity under this policy is to be made without the 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.

31.4 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.

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

31.6 If for any reason the appointed solicitor or accountant refuses to act for the Insured or if the Insured withdraws his claim from the appointed solicitor or accountant, then the 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.

31.7 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.

32. Payment of costs

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

33. 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.

34. Alteration of risk

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

35. 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.

36. 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 cancellations 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.

37. Adjustment of provisional premium

37.1 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.

37.2 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.

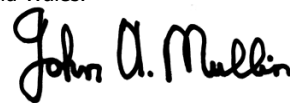
37.3 Should the Insured fail to supply such a statement within one month of the expiry of the Period of Insurance the Insurer shall be entitled if it so wishes to charge an additional premium in respect of that Period of Insurance.

38. 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.

39. 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

AmTrust are committed to providing You with a first class service at all times. If, however, You are not happy with any part of the service You have received then You should initially contact the Coverholder at the address below.

The Managing Director, Composite Legal Expenses Ltd, Suffolk House, Trade Street, Cardiff CF10 5DT.

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 0801800.

AmTrust 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.

