






# Essential Business Legal Policy Document

Please read this policy carefully and in full to familiarise yourself with the terms and conditions, as well as the:

-  Legal and other helpline services
-  Business legal services website
-  Claims procedure.

If you are unsure about anything in this document please contact whoever you purchased your policy from.

## Telephone helplines

Legal advice on business matters within UK and EU law, 24 hours a day, 365 days of the year  
**0344 571 7978**

UK tax advice, 9am to 5pm weekdays  
**0344 571 7978**

## Business legal services

[www.araglegal.co.uk](http://www.araglegal.co.uk)

Register on your first site visit using voucher code **X1232KC79BB5**. Discover our law guide, take a legal healthcheck and create legal documents and letters to help with commercial legal matters. Most legal documents are free for you to download but a modest fee is payable for a few documents.



## Main benefits of Essential Business Legal

Protection for legal costs arising from:

- tax investigations & VAT disputes

## Who is ARAG?

ARAG plc is part of the global ARAG Group, the largest family-owned enterprise in the German insurance industry. Founded in 1935, on the principle that every citizen should be able to assert their legal rights, ARAG now employs 4,000 people around the world and generates premium income in excess of €1.8 billion.

Operating in the UK since 2006, ARAG plc provides a comprehensive suite of “before-the-event” and “after-the-event” legal insurance products and assistance solutions to protect both businesses and individuals.

# Important information

## Helplines


All helplines are subject to fair and reasonable use. The level of fair usage will depend on individual circumstances. However, if our advisors consider that your helpline usage is becoming excessive they will tell you. If following that warning, usage is not reduced to a more reasonable level, we can refuse to accept further calls.

## Legal and tax advice 0344 571 7978

If you have a legal or tax problem relating to your business, we recommend you call our confidential legal and tax advice helpline. Legal advice is available 24 hours a day, 365 days of the year, and tax advice is available between 9am and 5pm on weekdays (except bank holidays).

We give advice about business-related legal matters within UK and EU law and tax matters within the UK.

Your query will be dealt with by a qualified specialist who is experienced in handling legal and tax-related matters.

 You can visit our website to see a video about this service.

<https://www.youtube.com/watch?v=q3P1uwkYXVs&feature=youtu.be>

Use of this service does not constitute reporting of a claim.


## Business legal services

[www.araglegal.co.uk](http://www.araglegal.co.uk)

### Getting started

Click on the “How our services work” button on the home page to take a two-minute tour of our Business legal services website. Learn more about what the website offers and how you can use it to save legal costs and to support the smooth running of your business. You will need to enter voucher code **X1232KC79BB5** when you register to use the website.

Once you have registered you can access the website at any time to create and securely store your legal documents.

 You can visit our website to see a video about this service.

<https://www.youtube.com/watch?v=ex9Vulaxnnw&feature=youtu.be>

### Choosing your legal documents

We recommend selecting “Legal healthcheck” from the menu of services. This useful tool will help you to identify which legal documents are likely to be most useful to your business. We have suggested legal documents and law guide content that may help you in particular circumstances throughout this policy wording.

### More help?

A review service is available for the most complex documents. Where it is available this service attracts a fee. You will need to order the review service before you start building your document if you require it.

Click on the Contact button to seek technical support if you have problems using the website. Our digital technical support team cannot give you legal or insurance advice.

# Important information (continued)


## Claims procedure

### Telling us about your claim

- 1) If an **insured** needs to make a claim, they must notify **us** as soon as possible.
- 2) If an **insured** instructs their own solicitor or accountant without telling **us**, they will be liable for costs that are not covered by this policy.
- 3) A claim form can be downloaded at [www.arag.co.uk/newclaims](http://www.arag.co.uk/newclaims) or requested by telephoning **us** on **0330 303 1955** between 9am and 5pm weekdays (except bank holidays).
- 4) The completed claim form and supporting documentation can be sent to **us** by email, post or fax. Further details are set out in the claim form itself.


### What happens next?

- 1) **We** will send the **insured** a written acknowledgment by the end of the next working day after receiving their claim form.
- 2) Within five working days of receiving all the information needed to assess the availability of cover under the policy, **we** will write to the **insured** either:
  - a) confirming cover under the terms of this policy and advising the **insured** of the next steps to progress their claim; or
  - b) if the claim is not covered, **we** will explain in full the reason why and advise whether **we** can assist in another way.
- 3) When a representative is appointed they will try to resolve the **insured's** dispute without delay, arranging mediation whenever appropriate.
- 4) **We** will check on the progress of the **insured's** claim with the **appointed advisor** from time to time. Sometimes matters cannot be resolved quickly, particularly if the other side is slow to cooperate or a legal timetable is decided by the courts.

 You can visit **our** website to see videos about making **your** claim and what happens next.

[https://www.youtube.com/watch?v=jN-3enxo5\\_k&feature=youtu.be](https://www.youtube.com/watch?v=jN-3enxo5_k&feature=youtu.be)

## Privacy statement

This is a summary of how we collect, use, share and store personal information. To view our full privacy statement, please see our website  [www.arag.co.uk](http://www.arag.co.uk)

## Collecting personal information

ARAG may be required to collect certain personal or sensitive information which may include name, address, date of birth and if appropriate medical information. We will hold and process this information in accordance with the General Data Protection Regulations. Should we ask for personal or sensitive information, we undertake that it shall only be used in accordance with our privacy statement.

We may also collect information for other parties such as suppliers we appoint to process the handling of a claim.

## Using personal or sensitive information

The reason we collect personal or sensitive information is to fulfil our contractual and regulatory obligations in providing this insurance product, for example to process premium or handle a claim. To fulfil these obligations, we may need to share personal or sensitive information with other organisations.

We will not disclose personal or sensitive information for any purpose other than the purpose for which it was collected. Please refer to our full privacy statement for full details.


## Keeping personal information

We shall not keep personal information for any longer than necessary.

# Important information (continued)

## Your rights

Any person insured by this policy has a number of rights in relation to how we hold personal data including; the right to a copy of the personal data we hold; the right to object to the use of personal data or the withdrawal of previously given consent; the right to have personal data deleted.

 For a full list of privacy rights and when we will not be able to delete personal data, please refer to our full privacy statement.

## What happens if the insurer cannot meet its liabilities?

AmTrust Europe Limited is covered by the Financial Services Compensation Scheme (FSCS). The insured may be entitled to compensation of up to 90% of the cost of their claim in the unlikely event that the insurer cannot meet its obligations. Further information about compensation scheme arrangements is available at [www.fscs.org.uk](http://www.fscs.org.uk)

# Essential Business Legal

This policy is evidence of the contract between **you** and the **insurer**. The policy and schedule shall be read together as one document.

Terms that appear in bold face type have special meanings. Please read **Meanings of Words & Terms** for more information.

## Your policy cover

Following an Insured event, the **insurer** will pay **legal costs & expenses** including the cost of appeals, up to the limit of indemnity specified in the schedule to which this policy attaches for all claims related by time or originating cause, subject to all the following requirements being met:

- 1) **You** have paid the insurance premium.
- 2) The **insured** keeps to the terms of this policy and cooperates fully with **us**.
- 3) Unless otherwise stated in this policy, the Insured event arises in connection with **your business** and occurs within the **territorial limit**.
- 4) The claim
  - a) always has **reasonable prospects of success** and
  - b) is reported to **us**
    - i) during the **period of insurance** and
    - ii) as soon as the **insured** first becomes aware of circumstances which could give rise to a claim.
- 5) Unless there is a conflict of interest, the **insured** always agrees to use the **appointed advisor** chosen by **us** before proceedings have been or need to be issued.
- 6) Any dispute will be dealt with through mediation or by a court, tribunal, Advisory Conciliation and Arbitration Service or a relevant regulatory or licensing body within the **territorial limit**.

**We** consider that a claim has been reported to **us** when **we** have received the **insured's** fully completed claim form.

## Insured **events covered**

### 1 Tax disputes

- a) A formally notified enquiry into **your business** tax or into the personal tax of **your** directors and/or partners.
- b) A dispute about **your** compliance with HMRC regulations relating to **your employees**, workers or payments to contractors.
- c) An enquiry with HMRC about Value Added Tax.
- d) An enquiry into **your business** tax or into the personal tax of **your** directors and/or partners arising from an alleged discovery by HM Revenue & Customs

Provided that:

- i) All returns are completed and have been submitted within the statutory timescales permitted
- ii) **you** keep proper records in accordance with legal requirements and
- iii) in respect of any appealable matter **you** have requested an Internal Review from HMRC where available.

### What is not covered under Insured event 4

Any claim arising from or relating to:

1. tax returns which are submitted late or for any other reason, result in HMRC imposing a penalty, or which contain careless and/or deliberate misstatements or omissions
2. an investigation by the Fraud Investigation Service of HMRC
3. circumstances where the Disclosure of Tax Avoidance Scheme Regulations apply or should apply to **your** financial arrangements
4. any enquiry that concerns assets, monies or wealth outside of Great Britain and Northern Ireland
5. **your** failure to register for VAT.

## What is **not covered** by this policy (applicable to the whole policy)

The **insured** is not covered for any claim arising from or relating to:

- 1) costs or compensation awards incurred without **our** consent
- 2) any actual or alleged act, omission or dispute happening before, or existing at the start of the insurance provided by this policy, and which the **insured** knew or ought reasonably to have known could lead to a claim
- 3) an allegation against the **insured** involving:
  - a) assault, violence, malicious falsehood or defamation
  - b) indecent or obscene materials
  - c) the use of alcohol or its unauthorised or unregulated manufacture, unlicensed dealing in alcohol or dealing in or using illegal drugs
  - d) illegal immigration
  - e) money laundering or bribery offences, breaches of international sanctions, fraud, or any other financial crime activities
- 4) defending a claim in respect of damages for personal injury, or loss or damage to property owned by the **insured**
- 5) National Minimum Wage and/or National Living Wage Regulations
- 6) patents, copyright, passing-off, trade or service marks, registered designs and confidential information
- 7) a dispute with any subsidiary, parent, associated or sister company or between shareholders or partners
- 8)
  - a) a franchise agreement
  - b) an agency agreement through which one party has the legal capacity to alter the legal relations of the other

- 9) a judicial review
- 10) a dispute with **us**, the **insurer** or the party who arranged this cover not dealt with under Condition 6
- 11)
  - a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
  - b) radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
  - c) war, invasion, act of foreign enemy hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military or usurped power
  - d) pressure waves from aircrafts or other aerial devices travelling at sonic or supersonic speed
  - e) any terrorist action (regardless of any other cause or event contributing concurrently or in any other sequence to the liability) or any action taken in controlling, funding, preventing or suppressing terrorist action.
- 12) The payment of fines, penalties or compensation awarded against the **insured**; or costs awarded against the **insured** by a court of criminal jurisdiction.

## Policy conditions

Where the **insurer's** risk is affected by the **insured's** failure to keep to these conditions the **insurer** can refuse a claim or withdraw from an ongoing claim. The **insurer** also reserves the right to claim back **legal costs & expenses** from the **insured** if this happens.

### 1. The insured's responsibilities

An **insured** must:

- a) tell **us** immediately of anything that may make it more costly or difficult for the **appointed advisor** to resolve the claim in the **insured's** favour
- b) cooperate fully with **us**, give the **appointed advisor** any instructions **we** require, and keep them updated with progress of the claim and not hinder them
- c) take reasonable steps to claim back **legal costs & expenses** and, where recovered, pay them to the **insurer**
- d) keep **legal costs & expenses** as low as possible
- e) allow the **insurer** at any time to take over and conduct in the **insured's** name, any claim.

### 2. Freedom to choose an appointed advisor

- a) In certain circumstances as set out in 2.b) below the **insured** may choose an **appointed advisor**. In all other cases no such right exists and **we** shall choose the **appointed advisor**.
- b) If:
  - i) a suitably qualified advisor considers that it has become necessary to issue proceedings or proceedings are issued against an **insured**, or
  - ii) there is a conflict of interest
 the **insured** may choose a qualified **appointed advisor**.
- c) Where the **insured** wishes to exercise the right to choose, the **insured** must write to **us** with their preferred representative's contact details.
- d) Where the **insured** chooses to use their preferred representative, the **insurer** will not pay more than **we** agree to pay a solicitor from **our** panel and will pay only the costs that the **insurer** would have been liable to pay. (**Our** panel solicitor firms are chosen with care and **we** agree special terms with them including rates which may be lower than those available from other firms.)
- e) If the **insured** dismisses the **appointed advisor** without good reason, or withdraws from the claim without **our** written agreement, or if the **appointed advisor** refuses with good reason to continue acting for an **insured**, the **insurer's** liability in respect of that claim will end immediately.

### 3. Consent

- a) The **insured** must agree to **us** having sight of the **appointed advisor's** file relating to the **insured's** claim. The **insured** is considered to have provided consent to **us** or **our** appointed agent to have sight of their file for auditing and quality and cost control purposes.
- b) An **insured** must have **our** agreement to claim under this policy.

#### 4. Settlement

- a) The **insurer** can settle the claim by paying the reasonable value of the **insured's** claim.
- b) The **insured** must not negotiate, settle the claim or agree to pay **legal costs & expenses** without **our** written agreement.
- c) If the **insured** refuses to settle the claim following advice to do so from the **appointed advisor** the **insurer** reserves the right to refuse to pay further costs.

#### 5. Barrister's opinion

**We** may require the **insured** to obtain and pay for an opinion from a barrister if a dispute arises regarding the merits or value of the claim. If the opinion supports the **insured**, then the **insurer** will reimburse the reasonable costs of that opinion. If that opinion conflicts with advice obtained by **us**, then the **insurer** will pay for a final opinion which shall be binding on the **insured** and **us**. This does not affect the **insured's** right under Condition 6 below.

#### 6. Arbitration

If any dispute between the **insured** and **us** arises from this policy, the **insured** can make a complaint to **us** as described on the back page of this policy and **we** will try to resolve the matter. If **we** are unable to satisfy the **insured's** concerns and the matter can be dealt with by the Financial Ombudsman Service the **insured** can ask them to arbitrate over the complaint.

If the dispute cannot be dealt with by the Financial Ombudsman Service, it can be referred for independent arbitration to a qualified person agreed upon by both parties. The loser of the dispute shall be liable to pay the costs incurred.

If **we** and the **insured** fail to agree on a suitable person to arbitrate the matter **we** will ask the President of the relevant Law Society to nominate. The arbitration shall be subject to the Arbitration Acts and the arbitrator's decision shall be binding on the parties.

#### 7. Other insurance

The **insurer** will not pay more than their fair share (rateable proportion) for any claim covered by another policy, or any claim that would have been covered by any other policy if this policy did not exist.

#### 8. Fraudulent claims and claims tainted by dishonesty

- a) If the **insured** makes any claim which is fraudulent or false, the policy shall become void and all benefit under it will be lost.
- b) An **insured** shall at all times be entirely truthful and open in any evidence, disclosure or statement they give and shall act with complete honesty and integrity throughout. Where, on the balance of probabilities and having considered carefully all the facts of the claim, it appears that the **insured** has breached this condition and that the breach has:
  - i) affected **our** assessment of **reasonable prospects of success**, and/or
  - ii) prejudiced in any part the outcome of the **insured's** claimthe **insurer** shall have no liability for **legal costs & expenses** incurred from the date of the **insured's** breach.

#### 9. Cancellation

- a) **You** may cancel the policy:
  - i) within 14 days of the date of its purchase with a full refund of premium paid provided a claim has not been accepted; or
  - ii) at any other time by giving **us** at least 21 days written notice and the **insurer** will refund the premium for the time remaining of the **period of insurance** unless a claim has been or is later accepted by **us** in which case no return of premium shall be allowed.
- b) Where there is a valid reason for doing so, the **insurer** has the right to cancel the policy at any time by giving **you** at least 21 days written notice. The **insurer** will refund the premium for the remaining **period of insurance**. **We** will set out the reason for cancellation in writing. Valid reasons may include but are not limited to:
  - i) where the party claiming under this policy fails to cooperate with or provide information to **us** or the **appointed advisor** in a way that materially affects **our** ability to process a claim, or **our** ability to defend the **insurer's** interests,
  - ii) where the **insured** uses threatening or abusive behaviour or language, or intimidates or bullies **our** staff or suppliers,
  - iii) where **we** have evidence that the **insured** has committed a fraudulent act.
- c) The **insurer** may also cancel the policy and refund the premium for the remaining **period of insurance** if at any time **you**
  - i) enter into a voluntary arrangement or a deed of arrangement or
  - ii) become bankrupt, are placed into administration, receivership or liquidation or
  - iii) have **your** affairs or property in the care or control of a receiver or administrator.

#### 10. Acts of parliament, statutory instruments, civil procedure rules & jurisdiction

All legal instruments, bodies and rules referred to within this policy shall include the equivalent in Wales, Scotland, Northern Ireland, the Isle of Man and the Channel Islands and any subsequent amendment or replacement. This policy will be governed by English law.

#### 11. Contracts (Rights of Third Parties) Act 1999

A person who is not insured by this contract has no right to enforce the terms and conditions of this policy under the Contracts (Rights of Third Parties) Act 1999.

## Meaning of Words & Terms

Certain words and terms contained in this policy have been defined as they have the same meaning wherever they appear.

#### Appointed advisor

The

- 1) solicitor, accountant or other advisor (who is not a mediator), appointed by **us** to act on behalf of the **insured**;
- 2) mediator appointed by **us** to provide impartial dispute resolution in relation to a claim accepted by **us**.

#### Business

The occupation, trade profession or enterprise carried out by the entity shown in the schedule that attaches to this policy.

#### Employee

A worker who has or alleges they have entered into a contract of service with **you**.

#### Insured

- 1) **You, your** directors, partners, managers, officers and **employees of your business**.
- 2) A person declared to **us**, who is contracted to perform work for **you**, who in all other respects **you** have arranged to insure on the same basis as **your employees** and who performs work under **your** supervision.

#### Insurer

AmTrust Europe Limited.

#### Legal costs & expenses

- 1) Reasonable legal costs and disbursements reasonably and proportionately incurred by the **appointed advisor** on the standard basis and agreed in advance by **us**. The term "standard basis" can be found within the Courts' Civil Procedure Rules Part 44.2.
- 2) In civil claims, other side's costs, fees and disbursements where the **insured** has been ordered to pay them or pays them with **our** agreement.
- 3) Reasonable accountancy fees reasonably incurred under Insured event 1 Tax by the **appointed advisor** and agreed by **us** in advance.

#### Period of insurance

The period shown in the schedule to which this policy attaches. (The **period of insurance** shall otherwise expire on earlier cancellation of this policy.)

#### Reasonable prospects of success

- 1) Other than as set out in 2) and 3) below, a greater than 50% chance of the **insured** successfully pursuing or defending the claim and, if the **insured** is seeking damages or compensation, a greater than 50% chance of enforcing any judgment that might be obtained. Under Insured event 12 Contract & debt recovery, there must be a greater than 50% chance of successfully defending the claim in its entirety.
- 2) In criminal prosecution claims where the **insured**
  - a) pleads guilty, a greater than 50% chance of reducing any sentence or fine or
  - b) pleads not guilty, a greater than 50% chance of that plea being accepted by the court.
- 3) In all claims involving an appeal, a greater than 50% chance of the **insured** being successful.

Where it has been determined that **reasonable prospects of success** do not exist, the **insured** shall be liable to pay any legal costs incurred should they pursue or defend their claim irrespective of the outcome.



**Territorial limit**

The United Kingdom, Channel Islands and the Isle of Man.

**We/Us/Our**

ARAG plc who is authorised under a binding authority agreement to administer this insurance on behalf of the **insurer**, AmTrust Europe Limited.

**You/Your**

The individual, partnership or corporate body named in the schedule, including any subsidiary and/or associated companies declared to **us**.

Signed by

A handwritten signature in black ink, appearing to be a stylized 'A' or similar character, followed by a horizontal line and a small flourish.


Managing Director  
ARAG plc


## How we handle complaints

### Step 1

ARAG is committed to providing a first class service at all times. However, if a complaint arises, this should be addressed to our Customer Relations Department who will arrange to have it reviewed at the appropriate level.

We can be reached in the following ways:

 **0117 917 1561** (hours of operation are 9am-5pm, Mondays to Fridays excluding bank holidays. For our mutual protection and training purposes, calls may be recorded).

 **customerrelations@arag.co.uk**


 **ARAG plc, 9 Whiteladies Road, Clifton, Bristol, BS8 1NN.**

### Step 2

If we are not able to resolve the complaint to your satisfaction then you can refer it to the Financial Ombudsman Service (FOS) provided that it falls within their jurisdiction. From 1 April 2019 the FOS will normally deal with complaints from small businesses with an annual turnover of less than £6.5 million and which either; have up to 50 employees, or a balance sheet of threshold of £5 million. They can be contacted at:


 **0800 023 4567 or 0300 123 9123**

 **complaint.info@financial-ombudsman.org.uk**

 **Financial Ombudsman Service, Exchange Tower, London, E14 9SR.**

The FOS is an independent service in the UK for settling disputes between consumers and businesses providing financial services. You can find out more information on the Financial Ombudsman Service at [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

The FOS's decision is binding upon the insurer, but you are free to reject it without affecting your legal rights.

 You can read more about our complaints procedure on our website by clicking here:

<https://www.arag.co.uk/contact/making-a-complaint>

ARAG plc is registered in England number 02585818. Registered address: 9 Whiteladies Road, Clifton, Bristol BS8 1NN. ARAG plc is authorised under a Binding Authority Agreement with the insurer AmTrust Europe Limited to administer this insurance. AmTrust Europe Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority. This can be checked by visiting the FCA website at [www.fca.org.uk/register](http://www.fca.org.uk/register)

**[www.arag.co.uk](http://www.arag.co.uk)**

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