

COMMERCIAL LEGAL EXPENSES SECTION

Only applicable if this Section is shown as operative in the Schedule

1. Definitions

Wherever the following words and phrases appear in this Section they will always have these meanings

Acts of Parliament

All Acts of Parliament referred to in this Section shall include any subsequent amendments re-enactments or regulations and equivalent legislation enforceable within the Territorial Limits

Administrator

Arc Legal Assistance Ltd administers and manages the legal expenses section of this Policy on Our behalf

Arc Legal Assistance Ltd is authorised and regulated by the Financial Conduct Authority under registration number 305958. This can be checked on the FCA's website at www.fca.org.uk or by contacting them on 0845 606 1234. Their registered business address is Arc Legal Assistance Ltd, The Gatehouse, Lodge Park, Lodge Lane, Colchester, Essex CO4 5NE

Advisory Line

The telephone advisory service provided by the Administrator

Any One Claim

All claims or legal proceedings consequent upon the same original cause event or circumstance arising during the Period of Insurance shall be regarded as one claim

Appointed Representative

A consultant solicitor barrister or other appropriately qualified person appointed by the Administrator to act for the Insured in accordance with the terms of this Section

Authorised Person

A person authorised by the Insured to drive or to be a passenger in an Insured vehicle

Awards of Compensation

Basic and Compensatory Awards made against the Insured by an Employment Tribunal or settlement thereof agreed in conciliation proceedings subject to the Administrators consent but not including Additional Special Protective Awards Interim Relief arrears of pay or any award of damages under the Equal Pay Act or arising out of failure to comply with awards in respect of reinstatement or re-engagement The Company will not pay any fine award or damages incurred by deliberately avoiding a payment or liability under statutory requirements The Company will not pay any redundancy payment or any monies due or properly payable arising under or from a contract of employment service agreement or related document or from implied or incorporated terms of a contract of service

Co-Insurance

The amount specified in the Schedule the Insured must bear in respect of Any One Claim for the Insureds own account expressed as a percentage of Legal Expenses incurred over and above any Excess specified in the Schedule

Company

AXA Insurance UK plc

Contracting Party

A person or company including parent subsidiary and associate company with whom the Insured has a direct contractual relationship

Debt Collection Service

A debt collection service nominated by the Administrator details of which have been passed to the Insured at inception or renewal of this Section which may be a solicitor or debt recovery agent as agreed by the Administrator

Due Date

The date monies owed to the Insured become due and payable

Employee

Any person under a contract of service or apprenticeship with the Insured or undergoing training under any government approved training scheme under the Insureds control

Excess

The amount specified in the Schedule the Insured must bear in Legal Expenses in respect of Any One Claim before the Company shall be liable to make any payment

Increased Excess

The amount specified in the Schedule the Insured must bear in Legal Expenses in respect of Any One Claim before the Company shall be liable to make any payment if the Insured instructs an Appointed Representative other than that chosen by the Administrator

Injury

Bodily injury or death but excluding any sickness or disease or any naturally occurring condition or degenerative process

Insured

Any company firm partnership or trading individual specified in the Schedule and at the Insureds request any Employee including director or partner of the Insured

Insured Vehicle

Any vehicle which is deemed to include any caravan or trailer properly constructed and allowed to be towed by such vehicle and which is attached to it by normal means for towing which is owned by hired or leased in connection with the motor trade or one which takes part in racing rallies competitions or trials of any kind

Legal Expenses**a) Fees**

- i) Any fees expenses and other disbursements reasonably incurred by the Appointed Representative with the Administrators consent in connection with or in anticipation of any legal proceedings including costs and expenses of expert witnesses
- ii) Any costs incurred by other parties insofar as the Insured is held liable in court tribunal or arbitration proceedings to pay such costs or becomes liable to pay such costs under a settlement made with another party with the Administrators consent but excluding any costs which the Insured may be ordered to pay by a court of criminal jurisdiction
- iii) Any fees expenses or disbursements reasonably incurred in an appeal to which the Administrator has consented or in resisting an appeal subject to the Administrators consent against the judgment of a relevant court tribunal or arbitrator as the case may be

b) Witness Attendance Allowance

Witness Attendance Allowance not exceeding £100 per day when any officer member or Employee of the Insured is absent from work consequent upon attending as a witness for the Insured at a hearing court tribunal or arbitration at the Appointed Representatives request Witness Attendance Allowance shall be limited to £1,000 in Any One Claim

Maximum Sum in Dispute

The sum in dispute between the Insured and the Contracting Party as specified in the Schedule above which the Company shall not be liable to provide indemnity under Part 4.1 of this Policy

Minimum Sum in Dispute

The sum in dispute between the Insured and the Contracting Party as specified in the Schedule below which the Company shall not be liable to provide indemnity under Part 4.1 of this Policy

Period of Insurance

As specified in the Schedule

Professional Duty

Duty owed to or by the Insured by or to an individual partner company or firm or a director or employee thereof who or which has or to be in practice would be required to have in force professional indemnity insurance or an equivalent insurance providing indemnity in the event of a negligent act error or omission

Professional Expenses

Any fees expenses and other disbursement reasonably incurred by the Appointed Representative in connection with any claim or proceedings including those incurred by the Company in connection with such claim or proceedings but excluding any tax or VAT additional tax or VAT interest or penalties demanded assessed or required by the relevant authorities or other penalties imposed by a court of criminal jurisdiction

Property

Land and/or buildings thereon including contents fixtures and fittings owned occupied by the Insured or otherwise for which the Insured is legally responsible

Road Accident

An event which takes place within the Territorial Limits causing loss or damage to an Insured Vehicle or to any personal property either owned by the Insured or for which the Insured is legally responsible while such property is in or on the Insured Vehicle or an event which causes Injury to an Authorised Person while such person is in on mounting or dismounting from an Insured Vehicle

Territorial Limits

The United Kingdom of Great Britain Northern Ireland the Channel Islands or the Isle of Man

2. The Cover

The Company hereby agrees to the extent and in the manner herein provided to indemnify the Insured against Legal Expenses Professional Expenses and Awards of Compensation as specified in the relevant Parts of Cover as set out in this Section and its Schedule in connection with activities within the scope and extent of the business activity of the Insured

This is a claims made Section of the Policy This insurance only covers claims notified by the Insured during the Period of Insurance

3. Limits of Indemnity

The maximum liability of the Company under this Section is limited to the amounts specified in the Schedule for a) and b) below

- a) Any One Claim
- b) All claims or legal proceedings made brought or commenced and notified during the Period of Insurance

4. Operative Parts

These only apply if shown in the Schedule

4.1 Contract

The Company agree to indemnify the Insured against Legal Expenses incurred by reason of the pursuit or defence of any claim or legal proceedings made by brought against or commenced by the Insured within the Territorial Limits and notified during the Period of Insurance in a dispute with a Contracting Party in connection with a contract of sale of goods or a contract for the hire of goods or a contract for the supply of a service within the meaning laid down in the Sale of Goods Act 1979 the Supply of Goods and Services Act 1982 and the Sale and Supply of Goods Act 1995 provided that

- a) Legal Expenses incurred in the pursuit of any claim or legal proceedings shall be limited to 75% of the amount in dispute
- b) the amount in dispute exceeds the Minimum Sum in Dispute specified in the Schedule
- c) the amount in dispute is less than the Maximum Sum in Dispute specified in the Schedule
- d) any investigation costs hereunder are first subject to the deduction of the Excess or the Increased Excess
- e) where the dispute relates to monies owed to the Insured and such liability is contested before expiry of thirty days from the Due Date a claim shall be made within three months of the Due Date
- f) where the dispute relates to monies owed to the Insured and where such liability is not contested the Insured agrees to notify such dispute within thirty days of the Due Date to the Debt Collection Service and further agrees that use of the service shall be to the Insureds account
- g) where the Debt Collection Service has exhausted its normal recovery procedure and recommends to the Administrator that legal proceedings are necessary and are likely to be successful the Administrator will subject to the terms and conditions of this Policy provide the indemnity against Legal Expenses from the start of such proceedings
- d) assignment agency franchise or bailment other than hire
- e) contracts governed by or disputes relating the Consumer Credit Act 1974
- f) employment duties
- g) landlord and tenant disputes
- h) construction contracts as defined by the Housing Grants Construction and Regeneration Act
- i) motor disputes
- j) an arbitration clause in the contract

4.2 Employment

The Company agree to indemnify the Insured against

- i) Legal Expenses incurred by the Insured in defending any claim or legal proceedings including appeals made brought or commenced within the Territorial Limits and notified during the Period of Insurance following a dispute with an Employee ex employee or prospective employee which arises out of or relates to his contract of employment with the Insured or a breach of employment related legislation and
- ii) Awards of Compensation in connection with such claim or legal proceedings

Provided that the Insured has sought the advice of the Advisory Line as to the procedure to be adopted and has acted on all such advice with due diligence:

- a) prior to carrying out any disciplinary procedure or action which must have been specifically authorised by the Advisory Line
- b) prior to the dismissal of an Employee which must have been specifically authorised by the Advisory Line
- c) prior to instituting a redundancy programme which must have been specifically authorised by the Advisory Line

Exclusions to 4.1

The Company shall not be liable to indemnify the Insured hereunder in respect of claims arising out of:

- a) contracts performed outside the Territorial Limits
- b) breach or alleged breach of Professional Duty
- c) bills of exchange credit and securities or guarantee

- d) upon notification formally or informally of a complaint of sexual or racial discrimination or discrimination relating to disability
- e) prior to altering the hours or time worked by an Employee which must have been specifically authorised by the Advisory Line
- f) prior to altering the remuneration of an Employee (other than in respect of increasing his wages or salary) which must have been specifically authorised by the Advisory Line
- g) on becoming aware of any event or circumstance that may be deemed to be constructive dismissal including absence from work following an Employee walking out with or without written notice

Exclusions to 4.2

The Company shall not be liable to indemnify the Insured hereunder in respect of:

- a) Legal Expenses and Awards of Compensation under any contractual or legislative provision insofar as any claim arises from or is connected with any business transfer falling within the scope of the Transfer of Undertakings (Protection of Employment) Regulations 1981 or the Acquired Rights Directive

4.3 Criminal Prosecution Defence

The Company agree to indemnify the Insured against Legal Expenses incurred in defending a prosecution brought or commenced within the Territorial Limits and notified during the Period of Insurance in a court of criminal jurisdiction including an appeal by the Insured against the service of an improvement or Prohibition Notice under the Health & Safety at Work Act 1974 or the Food Safety Act 1990

Exclusions to 4.3

The Company shall not be liable to indemnify the Insured hereunder in respect of claims arising out of:

- a) the ownership possession hiring or use of a motor vehicle

- b) any prosecution relating to or arising from investigations by the Inland Revenue HM Customs and Excise or the Department of Social Security
- c) any prosecution alleging unlawful violence or dishonesty

4.4 Property Legal Protection

The Company agree to indemnify the Insured against Legal Expenses incurred in the pursuit or defence of any claim or legal proceedings made brought or commenced within the Territorial Limits and notified during the Period of Insurance and relating to:

- i) a dispute over the possession of freehold or leasehold Property
- ii) a dispute involving actual or alleged negligence damage or nuisance to Property

provided that:

- a) the Property is owned or occupied by the Insured or is Property for which the Insured is legally responsible
- b) the Insured will suffer financial loss if the Insured fails to pursue or defend the claim or legal proceedings

Exclusions to 4.4

The Company shall not be liable to indemnify the Insured hereunder in respect of:

- a) any dispute concerning the Property which relates to mining or other subsidence or heave howsoever caused
- b) any dispute arising from or relating to a contract other than agreement for use between the Insured and a third party
- c) any dispute relating to rent tax planning or building regulations or decisions compulsory purchase orders or renewal of a contract of use

4.5 Vehicle Legal Protection

The Company agree to indemnify the Insured against Legal Expenses arising out of any claim or legal proceedings made brought or

commenced within the Territorial Limits and notified during the Period of Insurance in connection with

- i) the pursuit by the Insured or an Authorised Person of legal rights to obtain a remedy or recover damages from other parties following a Road Accident
- ii) the pursuit by the Insured of any dispute arising out of a contract entered into for the sale purchase hire lease hire purchase service repair or test of an Insured Vehicle including spare parts and accessories provided that the amount in dispute exceeds the Minimum Sum in Dispute specified in the Schedule
- iii) the defence of a criminal prosecution of the Insured or an Authorised Person relating to the ownership or use of an Insured Vehicle
- iv) an application for the removal of a driving disqualification where such disqualification results from an incident occurring after inception of this Policy
- v) representation of the Insured at a hearing for the suspension revocation or curtailment of the Insureds licence to operate an Insured Vehicle

provided that the Insured Vehicle is properly insured as required by law

4.6 Data Protection Act

The Company agree to indemnify the Insured against Legal Expenses incurred in defending any claim or legal proceedings made brought or commenced within the Territorial Limits and notified during the Period of Insurance arising out of the Data Protection Act 1998 including an appeal by the Insured against a refusal of an application for registration or alteration of registered particulars or an appeal against an Enforcement Deregistration or Transfer Prohibition Notice The Company further agree to indemnify the Insured against compensation awards which the Insured is ordered to pay consequent upon the holding

loss or unauthorised disclosure of data as defined in Section 22 or 23 of the Data Protection Act 1998

4.7 Tax & VAT Investigation

The Company agree to indemnify the Insured against Professional Expenses incurred by the Insured in connection with any claim or proceedings made by or against the Insured within the Territorial Limits and notified during the Period of Insurance in connection with

Sub-part 7A – Inland Revenue Schedule D and Corporation Tax Investigations

- i) Correspondence discussions and meetings with the Insured and on the Insureds behalf in order to respond to the Inland Revenues requests and allegations
- ii) Preparation and representation of the Insured at an Inland Revenue Commissioners Hearing and at an appeal against a decision following such Hearing

provided that:

- a) the Appointed Representative has prepared and/or submitted the most recent Self-Assessment Return or accounts irrespective of whether this is the Return or accounts that has been taken up for investigation by the Inland Revenue
- b) the Inspector of Taxes has given notice of dissatisfaction with the Tax Return and/or accounts and has requested examination of all business books and records
- c) the Administrator has consented to an appeal

Sub-Part 7B – VAT Decisions and Penalties

- i) correspondence discussions and meetings with the Insured and on the Insureds behalf in connection with the local review procedure in order to reach agreement with HM Customs and Excise
- ii) preparation and representation of the Insured at a VAT and Duties Tribunal

- iii) preparation and representation of the Insured at an appeal against a VAT and Duties Tribunal decision provided the Administrator has consented to an Appeal

provided that:

- a) the Insured is registered for VAT from the time the prescribed limits are exceeded in accordance with the provisions of Schedule One of the VAT Act 1994
- b) the Administrator has consented to an appeal

Sub-Part 7C – PAYE and P11D Investigations

- i) preparation and representation of the Insured in meetings and discussions with the Inland Revenue
- ii) preparation and representation of the Insured at an Inland Revenue Commissioners Hearing and at an appeal against a decision following such Hearing

provided that:

- a) an expression of dissatisfaction with the Assureds PAYE and/or NIC affairs has followed an employer compliance visit by the Inland Revenue or an expression of dissatisfaction with the Assureds P11Ds or P9Ds and there is a reasonable prospect of disputing the officers allegations
- b) the Administrator has consented to an appeal

Sub-Part 7D – Department of Social Security National Insurance Contribution Investigations

- i) preparation and representation of the Insured in meetings and discussions with the Department of Social Security

provided that:

- a) the investigation follows the examination of the PAYE records at the Insureds place of business

Exclusions to 4.7

The Company shall not be liable to indemnify the Insured hereunder in respect of

- a) the defence of any criminal prosecution
- b) an enquiry under Section 60 of the VAT Act 1994 or matters handled by the Investigations Division of HM Customs and Excise the Special Compliance Offices of the Inland Revenue Board
- c) taxes fines interest or any other duties or penalties imposed upon the Insured by any Revenue authority or court or tribunal
- d) any claim made where corporation tax accounts are submitted in a penalty position under S10 and/or S94 of the Taxes Management Act 1970
- e) any claim made where Income Tax Returns or accounts or Self Assessment Returns are submitted in a penalty position under S7 S93 and/or S95 of the Taxes Management Act 1970
- f) the preparation and/or correction of Self Assessment Returns accounts Income Tax Returns P11Ds P35s VAT returns or any other statutory returns
- g) technical or routine treatment of matters not connected with nor arising out of an expression of dissatisfaction with the Insureds affairs
- h) taxation proceedings which arise out of negligent misstatements or omissions made by or on behalf of the Insured in respect of returns or accounts or where there has been a lack of reasonable care in the keeping of business books and records
- i) any claim or proceedings which result solely from investigation or earlier accounts or records
- j) any investigation undertaken by the Inland Revenue Special Compliance Offices or under Section 60 of the VAT Act 1994 or matters handled by the

Investigations Division of HM Customs and Excise or the Inland Revenue Boards Investigation Office

- k) an enquiry into the validity of a claim for Working Families Tax Credit by an employer
- l) any dispute in connection with the payment of the national Minimum Wage
- m) a dispute or enquiry in respect of the non-compliance with the IR35 legislation

4.8 Statutory Licence

The Company agree to indemnify the Insured against Legal Expenses incurred in connection with the suspension revocation imposed alteration of or refusal to renew a licence or certificate of registration issued under statute or statutory instrument or by government or local authority to the Insured provided that:

- a) such licence or certificate of registration is necessary to engage in the business activity of the Insured and has been declared to the Company in the Proposal or Renewal Declaration
- b) the Insured has sought the advice of the Advisory Line as to the procedure to be adopted immediately upon receipt of any verbal or written warning from a person in authority which in any way either directly or indirectly affects or may affect the Insureds licence or certificate of registration and has acted on all such advice with due diligence
- c) a claim under this Part is made within the Territorial Limits and notified during the Period of Insurance

Exclusions to 4.8

The Company shall not be liable to indemnify the Insured hereunder in respect of:

- a) Legal Expenses incurred in disciplinary or internal hearings conducted by authorities charged with the regulation of the Insured

in the performance of Professional Duty nor for any appeal following such hearings

- b) any claim or legal proceedings arising out of an alteration or refusal to renew a licence or certificate of registration which is imposed by Act of Parliament
- c) any costs incurred of and incidental to complying with a notice or order

5. General Exclusions

The Company shall not be liable to indemnify the Insured hereunder in respect of

- 1) the defence of the Insured in civil legal proceedings arising from
 - a) Injury
 - b) Loss destruction or damage of or to property
 - c) Alleged breach of any Professional Duty
 - d) Any tortious liability (other than or specified in Part 4)
- 2) any claim made brought or commenced outside the Territorial Limits
- 3) Legal Expenses incurred before the Administrators consent has been granted
- 4) any claim relating to or arising from any cause event or circumstance occurring prior to or existing at inception of this Policy and which the Insured knew or ought reasonably to have known may give rise to a claim or legal proceedings by or against the Insured
- 5) fines or other penalties imposed by a court
- 6) any claim or legal proceedings in respect of which the Insured is or but for the existence of this Policy would be entitled to indemnity under any other insurance policy or legal aid

- 7) any claim arising out of the deliberate conscious intentional or negligent disregard by the Insured of the need to take all reasonable steps to avoid and prevent claims or legal proceedings
- 8) any dispute with Government or Local Authority departments concerning the imposition of statutory charges
- 9) disputes between Insureds as specified in the Schedule or any endorsement thereto or with any parent or subsidiary company or partner or Authorised Person
- 10) any dispute between the Insured the Company the Administrator or the Appointed Representative
- 11) any claim arising out of intellectual property or breach of confidentiality whether related to intellectual property or not
- 12) any Legal Expenses incurred in connection with a judicial review
- 13) any claim consequential loss legal liability or any loss or damage to property directly or indirectly caused by or contributed to by seepage pollution or contamination of any kind
- 14) any claim directly or indirectly caused by or resulting from any electronic device failing to recognise interpret or process any date as its true calendar date
- 15) any expense consequential loss legal liability or any loss or damage to property directly or indirectly caused by or contributed to by:
 - a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 - b) the radioactive toxic explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof

6. General Conditions

1) Arbitration

Any dispute between the Insured the Company or the Administrator shall be referred to a single arbitrator who shall be either a solicitor or barrister agreed upon by both parties or failing agreement one who is nominated by the President of the appropriate Law Society or by the Bar Council or appropriate professional body within the Territorial Limits

All apportionment of the costs of the arbitration shall be determined by the arbitrator

2) Cancellation

This Section may be cancelled at any time on the instructions of the Insured in writing and the premium shall be adjusted on the basis of the Company receiving or retaining the customary short-term premium on the following basis:-

over 9 months unexpired term	50%
over 6 months unexpired term	25%
over 3 months unexpired term	10%
less than 3 months unexpired term	Nil

This Section may also be cancelled by the Company giving thirty days notice in writing to the Insured at the Insureds last known address and the premium hereon shall be adjusted on the basis of the Company receiving or retaining pro rata premium

If the Insured is placed in liquidation receivership or administration or adjudicated bankruptcy or if any application is made to the court or meeting convened for any such purpose this Section will lapse and the Insured will be entitled to a pro rata return of premium

Provided always that no return of premium shall be allowed if the Insured has notified a claim which has been admitted during the Period of Insurance

Cancellation under this General Condition shall not prejudice the rights of the Insured in respect of any cause event or circumstance which has given or is likely to give rise to a claim or legal proceedings and which has already been notified to the Administrator during the Period of Insurance and in respect of which the Administrators consent to Legal Expenses has been given

3) Due Observance

The due observance of and compliance with the terms provisions Exclusions and Conditions of this Section insofar as they relate to anything to be done or complied with by the Insured shall be conditions precedent to any liability of the Company to make any payment hereunder

4) Several Liability Notice

The subscribing Underwriters obligations under Contracts of insurance to which they subscribe are several and not joint and are limited solely to the extent of their individual subscriptions The subscribing Underwriters are not responsible for the subscription of any co-subscribing Underwriter who for any reason does not satisfy all or part of its obligations

5) Proper Law

The parties are free to choose the law applicable to this insurance contract Unless specifically agreed to the contrary this insurance shall be subject to the Laws of England and Wales

Conditions for Claims Settlement

1. Notification of Claims

It is a condition precedent to the Companys liability hereunder that the Administrator be notified in writing immediately the Insured is aware of any cause event or circumstance which has given or may give rise to a claim or legal proceedings involving the Insured as soon as the same shall come to the Insureds attention If the Insured fails to notify the Administrator within a period of six months

from the date the Insured became aware of any cause event or circumstance which may give rise to a claim or legal proceedings during the Period of Insurance any claim or legal proceedings arising from that cause event or circumstance will not be admitted

Where such notification has been given the Company agree to treat any subsequent claim or legal proceedings in respect of the cause event or circumstance notified as though the claim or legal proceedings had been made brought or commenced during the Period of Insurance

The Administrator will forward to the Insured a claim form which must be completed and returned immediately

An investigation by the Inland Revenue into the Insureds tax affairs shall be notified to comply with this Condition at the time the Inland Revenue send written notification of dissatisfaction with those affairs to either the Insured or the Insureds representative A VAT assessment written decision or notice of civil penalty shall be notified to comply with this Condition at the date at which the relevant authority sends an assessment or written decision to the Insured A PAYE/DSS/P11D assessment or written decision shall be notified to comply with this Condition at the date at which the relevant authority sends an assessment or written decision to the Insured

Important procedure for employment disputes

If a Form ET1 (Originating Application) is received from an Industrial Tribunal the Insured must immediately complete a claim form and forward it to the Administrator including copies of Forms ET1 ET2 and ET3 (Notice of Appearance by Respondent) To comply with the 21 days statutory time limit the ET3 form must be returned without delay

2. Administrators Consent

It is a condition precedent to the Administrators liability hereunder that its consent must firstly be obtained in writing This consent will be given by the Administrator on behalf of the Company if the Insured can satisfy the Administrator that it is reasonable to incur Legal Expenses or Professional Expenses and

- i) there are reasonable prospects of recovery of damages or other remedy

or

- ii) there are reasonable prospects of a successful defence or (but only if Criminal Prosecution Defence cover or Motor Disputes cover is included) of significant mitigation of the Insureds loss

The decision to grant consent or to withhold it will be based on consideration of the Appointed Representatives opinion and that of any advisers the Administrator may deem it necessary to consult

With the agreement of the Insured the Administrator may provide assistance in settling disputes the costs of which will be covered under this Section subject to the payment of the Excess or Increased Excess within the Limits of the Companys Liability

The Administrator at its discretion may require the Insured to obtain an opinion from Counsel at the Insureds expense as to the merits of a claim or legal proceedings If such opinion indicates that there are reasonable prospects of defence of the claim or legal proceedings the cost of the opinion will be paid by the Company within the Limits of the Companys Liability for that claim or legal proceedings

In granting its consent the Administrator undertake to provide indemnity within the Limits of the Companys Liability to the Insured subject to the Terms and Conditions of this Policy and its Schedule but such consent does not imply that all Legal Expenses or Professional Expenses will be paid

If after consent has been granted it is shown that the particular claim or legal proceedings has not been brought within the Terms and Conditions of this Section and its Schedule such consent shall be withdrawn and no indemnity shall be provided The Company shall be entitled to recover any Legal Expenses or Professional Expenses previously paid

The Administrators consent previously given may be withdrawn at any time when it ceases to be reasonable for Legal Expenses or Professional Expenses to be incurred

Notwithstanding any general consent granted the Company reserve the right to limit its liability to the payment of Legal Expenses or Professional Expenses incurred solely for the purpose of indemnifying the Insured Legal Expenses or Professional Expenses incurred by the Appointed Representative for the routine presentation of the Insureds affairs or for matters which go beyond the immediate scope of the claim or legal proceedings shall be deemed by the Administrator to fall outside the indemnity to be provided under this Section Where in the course of a claim the Company pay for an experts report of commercial benefit to the Insured the Company shall have the right to recover from the Insured the cost of such experts report to the extent that the cost is not recovered elsewhere at the conclusion of the claim or legal proceedings The Company shall not be responsible for any expense which the Insured shall necessarily incur to continue engaging in the course of a claim or legal proceedings

If the Insured elects to proceed with the pursuit or defence of a claim or legal proceedings to which the Administrators consent has been refused through lack of reasonable prospects and if the Insured is successful in such pursuit or defence the Company will pay for Legal Expenses or Professional Expenses incurred after the Administrator had refused consent on behalf of the Company the terms and conditions of this Section

In all cases the Insured will be advised of the granting or refusal of the Administrators consent

3. Conduct of Claim

a) Choice of Appointed Representative

The Administrator will choose an Appointed Representative to act on behalf of the Insured in any claim under certain Sections as specified in the Schedule

If a claim is in respect of a dispute where the amount or value in dispute is less than the arbitration limit in the small claims court the Administrator on behalf of the Company retains the right to choose an Appointed Representative to carry out an investigation and attempt to negotiate a settlement Such settlement will be subject to the Insureds agreement which shall not be unreasonably withheld

Where recourse is necessary to a lawyer the Insured is free to choose an Appointed Representative to act in the name of and on behalf of the Insured in any claim or legal proceedings to which the Administrator has consented The name and address of the Appointed Representative must be notified to the Administrator A dispute arising from the Insureds choice may be referred to Arbitration in accordance with General Condition 1

In selecting the Appointed Representative the Insured shall have regard to the common law duty to minimise the cost of any claim or legal proceedings

In all cases the Appointed Representative shall be appointed in the name of and on behalf of the Insured

b) Disclosure to the Appointed Representative

The Insured must give to the Appointed Representative all necessary help and information including a complete and truthful account of the facts of the case and all

relevant documentary or other evidence in the Insureds possession The Insured must provide obtain or execute all documents as necessary and attend meetings or conferences as requested Cover may be withdrawn if the Insured fails to co-operate at all or within a reasonable time with the Appointed Representatives requests

c) The Administrators Access to Information

The Administrator is entitled to receive from the Appointed Representative any information document or advice in connection with any claim or legal proceedings even if privileged On request the Insured will give to the Appointed Representative any instructions necessary to secure the required access

d) Payment of Legal Expenses Bills

All bills relating to any claim or legal proceedings which the Insured receives from the Appointed Representative should be forwarded to the Administrator without delay If the Administrator so requires the Insured must ask the Appointed Representative to submit the bill of costs for taxation or certification by the appropriate Law Society or court

The Insured is responsible for payment of all Legal Expenses or Professional Expenses The Administrator will settle these direct if requested by the Insured to do so Bills must be certified by the Insured to the effect that the charges have been properly incurred and this will be deemed authorisation to the Administrator to settle on the Insureds behalf

The payment of some Legal Expenses or Professional Expenses does not imply that all Legal Expenses or Professional Expenses will be paid The Administrator should be consulted if the Insured is in doubt

The Insured must not without the Administrators written consent enter into any agreement with the Appointed Representative as to the basis of calculation

of Legal Expenses The Administrator may withdraw consent previously given at any time

e) Instruction of Counsel

If in the course of any claim or legal proceedings the Appointed Representative wishes to instruct Counsel Counsels name and an explanation of the necessity for such instruction must be submitted to the Administrator for consent to the proposed instruction which will not be unreasonably withheld

4. Offer of Settlement

It is a condition precedent to the Companys liability hereunder that the Insured must inform the Administrator in writing as soon as an offer to settle a claim or legal proceedings is received or payment into court is made In any settlement the Insured must have regard to Legal Expenses incurred or likely to be incurred by the Company and the recovery thereof Under no circumstances must the Insured enter into any agreement to settle without the Administrators prior consent which will not be unreasonably withheld If the Insured unreasonably rejects an offer of settlement which the Administrator recommend acceptance of no further indemnity shall be provided by the Company

5. Recovery of Costs

Whenever the Insured is awarded damages or agrees damages or any sum under the terms of any settlement Legal Expenses after taxation or agreement of the Appointed Representatives bill of costs shall first be settled out of damages or any sum or amount recovered by the Insured

6. Appeal Procedure

If following legal proceedings to which Administrator have consented the Insured wishes to appeal against the judgment or decision of a court or tribunal the grounds for such appeal must be submitted to the Administrator through the Appointed Representative immediately or as soon as practicable so that the Administrator may

consider whether to consent to such further action If an appeal is lodged against a judgment or decision of a court or tribunal made in favour of the Insured following legal proceedings to which the Administrator have consented the Insured must notify the Administrator immediately in order that cover shall continue The Administrator will inform the Appointed Representative of its decision If Administrator so require it the Insured must co-operate in an appeal against the judgment or decision of a court or tribunal

7. Minimising Claims or Legal Proceedings

The Insured must use every endeavour and take all reasonable measures to minimise the cost and effect of any claim or legal proceedings under this Section

8. Fraudulent Claims

If the Insured makes any request for payment under this Section knowing it to be fraudulent or false in any respect or ought reasonably in the circumstances know it to be fraudulent or false where there is collusion between any parties to the dispute this Section shall become void and any premiums paid hereunder shall be forfeited

9. Insolvency or Liquidation of the Insured

If the Insured becomes insolvent or is placed in liquidation during the course of any claim or legal proceedings to which the Administrator have given support the Company shall reserve the right to withdraw that support The Insured shall be deemed insolvent or in liquidation upon the appointment of an office holder within the meaning given by section 233(1) or 372(1) of the Insolvency Act 1986 or upon the appointment of a receiver within the meaning laid down in the Companies Act 1985

10. Value Added Tax

If the Insured is registered for VAT the Company will not pay the VAT element of any Legal Expenses or Professional Expenses bills

Legal and Tax Advice Helpline

This Section provides the Insured with unrestricted access to a confidential 24 hour legal advisory service. If you have a legal problem you can obtain free legal advice simply by telephoning 0870 241 8178* quoting reference AXA Commercial

While this Section remains in force the service may be used as often as necessary

* The telephone legal and tax advice is provided on behalf of Arc Legal Assistance Ltd by Irwin Mitchell Solicitors and can advise on general UK law and taxation

* Tax telephone advice provided by Irwin Mitchell Solicitors may involve the use of external accountants to provide tax telephone advice

* Arc Legal Assistance Ltd make no additional charge for providing these services

Arc Legal Assistance Ltd is authorised and regulated by the Financial Conduct Authority. Their Firm Reference Number is 305958

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Telephone calls may be monitored and recorded

