

Commercial Legal Expenses Policy



Cornish Mutual
Farming Insurance Experts



Commercial Legal Expenses Policy Preamble

The Cornish Mutual Assurance Company Limited and you (the Insured named in the schedule) agree the following:

You will pay the premium.

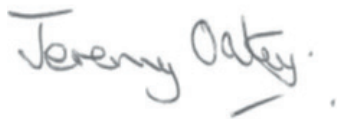
ARAG plc will provide the cover described in this policy for any insured event that is reported during a period of insurance for which you have paid the premium.

The policy and the schedule must be read together and any word or phrase which has been explained in this policy will have that meaning wherever it appears.

This policy will be governed by English law.

The language used in this policy and any information in it will be English.

Signed on behalf of Cornish Mutual



Chairman



Managing Director

Section Eight – Legal Expenses

Legal services and helplines

Cornish Mutual's Legal services and helplines are available through award winning specialist legal expense provider ARAG plc.

Online legal services

Register today at: www.araglegal.co.uk and enter the voucher codes shown below to download business legal documents, forms and letters and access digital law guides. Register for Business Legal Services using voucher code CCCFCF1FB3B8.

Telephone helplines

ARAG record and monitor calls for training purposes, to improve the quality of the service, to help deal with queries or complaints and to prevent and detect fraud and financial crime.

Legal & tax advice 01872 270 155.

If you have a legal or tax problem relating to your business please call this confidential legal and tax advice helpline. Legal advice is available 24/7, and tax advice is available between 9am and 5pm on weekdays (except bank holidays).

The advice covers business-related legal matters within UK, Isle of Man, Channel Islands and EU law and tax matters within the UK. Your query will be dealt with by a qualified specialist experienced in handling legal and tax-related matters. Use of this service does not constitute reporting of a claim.

Crisis communication 01872 272 174.

Where you need help to respond to negative publicity or media attention. You can access professional public relations support and crisis communication services. You are insured against the cost of crisis communication services under **What is Covered 12 Crisis Communication** when you use this helpline.

Redundancy approval 01872 270 159.

If you are planning redundancies and need extra legal support, ARAG can arrange specialist consultancy assistance for you. Redundancy assistance will help you to implement a fair selection process and ensure that the redundancy notices are correctly served. The service offers document review and telephone or written advice and is subject to a charge. If you would like Redundancy assistance please call between 9am and 5pm on weekdays (except bank holidays).

Counselling assistance 01872 270 154

For an employee (and family members permanently living with them) needing confidential help and advice, qualified counsellors are available to provide telephone support on any matter that is causing upset or anxiety, from personal problems to bereavement.

Calls to the Counselling assistance service will not be recorded.

Executive suite - identity theft resolution 0333 000 2082.

This service is available to the principal, executive officers, directors and partners of the business between 9am and 5pm on weekdays (except bank holidays). This service provides telephone advice to help executives keep their personal identity secure. Where identity theft is suspected, specialist caseworkers can help the victim to restore their credit rating and correspond with their card issuer, bank or other parties. Identity theft expenses are insured under **What is covered 11(c)** when your executives use this helpline.

Definitions

Each of the following words and expressions is given a specific meaning which applies wherever it appears in bold type in this section the schedule or in any endorsements.

Appointed Advisor means the

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

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

Employee means a worker who has or alleges they have entered into a contract of service with **You**.

Geographical Limit means

- (a) for **Additional Cover Contract & Debt Recovery** and **What is Covered 6 Legal Defence** the United Kingdom, Channel Islands, Isle of Man, Norway, Switzerland and countries in the European Union
- (b) for all other covers the United Kingdom, Channel Islands and the Isle of Man.

Insured means

- (a) **You, Your** directors, partners, managers, officers and **Employees** of **Your Business**
- (b) 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 means SCOR UK Company Limited.

Legal Costs & Expenses means

- (a) 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
- (b) 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
- (c) reasonable accountancy fees reasonably incurred under **What is covered 4 Tax Disputes** by the **Appointed Advisor** and agreed by **Us** in advance
- (d) Health and Safety Executive Fees for Intervention
- (e) **Your Employee's** basic wages or salary under **What is covered 9 Loss of Earnings** in the course of their employment with **You** while attending court or tribunal at the request of the **Appointed Advisor** or whilst on jury service where the time lost and lost wages or salary cannot be claimed back from the court or tribunal
- (f) the reasonable cost of phone calls, postage (including special delivery), image scanning, photocopying or credit reports incurred under **What is covered 11(c)** where the **Insured** has taken advice from our Identity Theft Advice and Resolution Service
- (g) the professional fees and expenses of an **Appointed Advisor** selected by **Us** to reduce the actual adverse or negative publicity or media attention directed under **What is covered 11(e) Executive suite** and **12 Crisis communication**.

Period of Insurance means the period shown in the schedule to which this policy attaches.

Reasonable Prospects of Success means

- (a) other than as set out in (b) and (c) 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 **Additional Cover Contract & Debt Recovery**, there must be a greater than 50% chance of successfully defending the claim in its entirety.
- (b) In criminal prosecution claims where the **Insured**
 - (i) pleads guilty, a greater than 50% chance of reducing any sentence or fine or
 - (ii) pleads not guilty, a greater than 50% chance of that plea being accepted by the court.
- (c) 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.

We/Us/Our means ARAG plc who is authorised under a binding authority agreement to administer this insurance on behalf of the **Insurer**.

You/Your means the business named in the schedule, including any subsidiary and/or associated companies declared to **Us**.

Your Policy Cover

The cover under this policy is provided by ARAG plc. ARAG plc is authorised to administer this insurance on behalf of the insurer SCOR UK Company Limited ("SCOR"). SCOR is registered in England and Wales number 01334736. Registered address: 10 Lime Street, London, EC3M 7AA. SCOR is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority firm registration number 202333. This can be checked by visiting the FCA website at <https://register.fca.org.uk/>

ARAG plc is registered in England number 02585818. Registered office: 9 Whiteladies Road Clifton Bristol BS8 1NN. ARAG plc is authorised and regulated by the Financial Conduct Authority firm registration number 452369.

Following an INSURED EVENT the **Insurer** will pay **Legal Costs & Expenses** including the cost of appeals (and compensation awards under **What is covered 2 Employment Compensation Awards**) up to

(a) £100,000 for all claims related by time or originating cause

(b) an aggregate limit of £1,000,000 for compensation awards under **What is covered 2 Employment Compensation Awards**

subject to all of 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. the INSURED EVENT arises in connection with the **Business** shown in the schedule and occurs within the **Geographical Limit**
4. the claim
 - (a) always has **Reasonable Prospects of Success**
 - (b) is reported to **Us**
 - (i) during the **Period of Insurance**
 - (ii) as soon as the **Insured** first become aware of circumstances which could give rise to a claim
5. unless there is a conflict of interest, the **Insured** always agree to use the **Appointed Advisor** chosen by **Us**
 - (a) in any claim to be heard by the Employment Tribunal and/or
 - (b) 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 **Geographical Limit**.

A claim is considered to be reported to **Us** when **We** have received the **Insured's** fully completed claim form.

This section of cover will pay any otherwise covered claim involving the use of or inability to use a computer, including devices such as smart phones, tablets and wearable technology. This cover is subject to all other policy terms.

Insured Events Covered

What IS covered	What IS NOT covered
<p>1 EMPLOYMENT</p> <p>A dispute between You and Your Employee, ex-Employee, or a prospective Employee, arising from a breach or an alleged breach of their</p> <ul style="list-style-type: none"> (a) contract of service with You and/or (b) related legal rights. <p>A claim can be made under the policy provided that all internal procedures as set out in the</p> <ul style="list-style-type: none"> (i) ACAS Code of Practice for Disciplinary and Grievance Procedures, or (ii) Labour Relations Agency Code of Practice on Disciplinary and Grievance Procedures in Northern Ireland <p>have been or ought to have been concluded</p>	<p>Any claim relating to:</p> <ul style="list-style-type: none"> (a) the pursuit of an action by You other than an appeal against the decision of a court or tribunal (b) actual or alleged redundancy that is notified to Employees within 180 days of the start of this policy, except where You have had equivalent cover in force up until the start of this policy (c) costs You incur to prepare for an internal disciplinary hearing, grievance or appeal (d) a pension scheme where actions are brought by ten or more Employees or ex-Employees.
<p>2 EMPLOYMENT COMPENSATION AWARDS</p> <p>Following a claim We have accepted under What is covered 1 Employment, the Insurer will pay any</p> <ul style="list-style-type: none"> (a) basic and compensatory award or (b) an amount agreed by Us in settlement of a dispute <p>Provided that compensation is:</p> <ul style="list-style-type: none"> i) agreed through mediation or conciliation or under a settlement approved by Us in advance or ii) awarded by a tribunal judgement after full argument unless given by default. 	<ul style="list-style-type: none"> (a) Money due to an employee under a contract or a statutory provision relating thereto. (b) Compensation awards or settlement relating to <ul style="list-style-type: none"> (i) trade union membership, industrial or labour arbitration or collective bargaining agreements (ii) civil claims or statutory rights relating to trustees of occupational pension schemes.
<p>3 EMPLOYMENT RESTRICTIVE COVENANTS</p> <ul style="list-style-type: none"> (a) A dispute with Your Employee or ex-Employee which arises from their breach of a restrictive covenant where You are seeking financial remedy or damages. <p>Provided that the restrictive covenant</p> <ul style="list-style-type: none"> (i) is designed to protect Your legitimate business interests, for a period not exceeding 12 months, and (ii) is evidenced in writing and signed by Your Employee or ex-Employee (iii) extends no further than is reasonably necessary to protect the business interests. <ul style="list-style-type: none"> (b) A dispute with another party who alleges that You have breached their legal rights protected by a restrictive covenant. 	

What IS covered	What IS NOT covered
<p>4 TAX DISPUTES</p> <p>(a) A formally notified enquiry into Your Business tax.</p> <p>(b) A dispute about Your compliance with HMRC regulations relating to Your Employees, workers or payments to contractors.</p> <p>(c) A dispute with HMRC about Valued Added Tax.</p> <p>Provided that</p> <p>(i) You keep proper records in accordance with legal requirements and</p> <p>(ii) in respect of any appealable matter You have requested an Internal Review from HM Revenue & Customs where available.</p>	<p>Any claim relating to:</p> <p>(a) tax returns which are submitted late or for any other reason, result in HMRC imposing a penalty or which contain careless or deliberate misstatements or omissions</p> <p>(b) an investigation by the Fraud Investigation Service of HMRC</p> <p>(c) circumstances where the Disclosure of Tax Avoidance Scheme Regulations apply or should apply to Your financial arrangements</p> <p>(d) any enquiry that concerns assets, monies or wealth outside of the United Kingdom</p> <p>(e) Your failure to register for VAT.</p>
<p>5 PROPERTY</p> <p>A dispute relating to material property which You own or is Your responsibility</p> <p>(a) following an event which causes physical damage to Your material property</p> <p>(b) following a public or private nuisance or trespass</p> <p>(c) which You wish to recover or repossess from an Employee or ex-Employee.</p>	<p>Any claim relating to:</p> <p>(a) a contract between You and the third party except for a claim under 5(c)</p> <p>(b) goods lent or hired out</p> <p>(c) the compulsory purchase, demolition, restrictions or controls placed on Your property by any government, local or public authority.</p>
<p>6 LEGAL DEFENCE</p> <p>(a) A criminal investigation and/or enquiry by</p> <p>(i) the police</p> <p>(ii) other body with the power to prosecute (including Health & Safety Executive Department for the Environment Food & Rural Affairs or the Environment Agency)</p> <p>where it is suspected that an offence may have been committed that could lead to the Insured being prosecuted.</p> <p>(b) The charge for an offence or alleged offence which leads to the Insured being prosecuted in a court of criminal jurisdiction.</p>	<p>Any claim relating to a parking offence.</p>
<p>7 COMPLIANCE & REGULATION</p> <p>(a) Receipt of a Statutory Notice that imposes terms against which You wish to appeal.</p> <p>(b) Notice of a formal investigation or disciplinary hearing by any, professional or regulatory body.</p> <p>(c) A civil action alleging wrongful arrest arising from an allegation of theft.</p>	<p>Any claim arising from or relating to:</p> <p>(a) the pursuit of an action by You other than an appeal</p> <p>(b) a routine inspection by a regulatory authority</p> <p>(c) an enquiry, investigation or enforcement action by HMRC</p> <p>(d) a claim brought against Your Business where unlawful discrimination has been alleged.</p>

What IS covered	What IS NOT covered
<p>(d) A claim against You for compensation under the Data Protection Act 2018 provided that</p> <p>(i) You are registered with the Information Commissioner.</p> <p>(ii) You are able to evidence that You have in place a process to</p> <ul style="list-style-type: none"> - investigate complaints from data subjects regarding a breach of their privacy rights - offer suitable redress where a breach has occurred and that Your complaints process has been fully engaged. <p>(e) A civil action alleging that an Insured (or an ex-Employee provided that they have Your agreement to claim under this policy) has:</p> <p>(i) committed an act of unlawful discrimination; or</p> <p>(ii) failed to correctly exercise their fiduciary duty as a trustee of a pension fund set up for the benefit of Your Employees.</p>	
<p>8 STATUTORY LICENCE APPEALS</p> <p>An appeal against a decision by the relevant authority to alter, suspend, revoke or refuse to renew a licence or compulsory registration required to run Your Business.</p>	
<p>9 LOSS OF EARNINGS</p> <p>The Insured's absence from work to attend court, tribunal, arbitration, regulatory proceedings or a professional body's disciplinary hearing at the request of the Appointed Advisor or whilst on Jury Service which results in loss of earnings.</p>	<p>Any sum which can be recovered from the court or tribunal.</p>
<p>10 PERSONAL INJURY</p> <p>An event that causes bodily injury to, or the death of, an Insured.</p>	<p>Any claim arising from or relating to a condition, illness or disease which develops gradually</p>
<p>11 EXECUTIVE SUITE</p> <p>This event applies only to the principal, executive officers, directors and partners of Your Business.</p> <p>(a) An HMRC enquiry into the executive's personal tax affairs.</p> <p>(b) A motoring prosecution that arises from driving for personal, social or domestic use, including commuting to or from Your Business.</p> <p>(c) A claim that arises from personal identity theft provided that the person claiming has sought and followed advice from the Executive suite identity theft resolution helpline.</p> <p>(d) A dispute that arises from the terms of Your Business partnership agreement that is to be referred to mediation.</p>	<p>(a) Any claim arising from or relating to:</p> <ul style="list-style-type: none"> (i) 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 (ii) an investigation by the Fraud Investigation Service of HMRC (iii) circumstances where the Disclosure of Tax Avoidance Scheme Regulations apply or should apply to the executive's financial arrangements (iv) any enquiry that concerns assets, monies or wealth outside of the United Kingdom (v) a parking offence (vi) costs incurred in excess of £25,000 for a claim under 11(d) and 11(e).

What IS covered	What IS NOT covered
<p>(e) Crisis communication as described in What is covered 12 below shall be available to the principal, executive officers, directors and partners of the Business for matters occurring in their private and personal capacity that cause significant adverse publicity or reputational damage.</p>	<p>(b) Crisis communication for a matter that has not actually resulted in adverse publicity appearing online, in print or broadcast.</p>
<p>12 CRISIS COMMUNICATION Following an event which causes significant adverse publicity or reputational damage which is likely to have a widespread financial impact on Your Business, We will</p> <p>(a) liaise with You and Your solicitor (whether the solicitor is an Appointed Advisor under this policy or acts on Your behalf under any other policy), to draft a media statement or press release</p> <p>(b) prepare communication for Your customers/staff and/or a telephone or website script and/or or social media messaging</p> <p>(c) arrange, support and represent the Insured at an event which media will be reporting</p> <p>(d) support the Insured by taking phone calls/email messages and managing interaction with media outlets</p> <p>(e) support and prepare the Insured for media interviews</p> <p>provided that You have sought and followed advice from Our Crisis communication helpline.</p>	<p>Any claim relating to:</p> <p>(a) matters that should be dealt with through Your normal complaints procedures</p> <p>(b) a matter that has not actually resulted in adverse publicity appearing online, in print or broadcast</p> <p>(c) costs incurred in excess of £25,000.</p>

Additional Cover

CONTRACT AND DEBT RECOVERY

This extension of the policy is operative only if stated in the Schedule

What IS covered	What IS NOT covered
<p>This insurance extends to include cover for a breach or alleged breach of an agreement or alleged agreement which has been entered into by You or on Your behalf relating to the purchase, hire, hire purchase, lease, servicing, maintenance, testing, sale or provision of goods or services provided that if you are claiming for an undisputed debt You have exhausted your normal credit control procedures.</p> <p>Cover is only provided within the United Kingdom, Channel Islands, Isle of Man, Norway, Switzerland and countries in the European Union.</p>	<p>We will not cover any claim relating to</p> <p>(a) an amount which is less than £200</p> <p>(b) a dispute with a tenant or lease where You are the landlord or lessor</p> <p>(c) the sale or purchase of land or buildings</p> <p>(d) loans, mortgages, endowments, pensions or any other financial product</p> <p>(e) computer hardware, software, internet services or systems which</p> <p>(i) have been supplied by You or</p>

What IS covered	What IS NOT covered
	<p>(ii) have been tailored to Your requirements</p> <p>(f) a breach or alleged breach of a professional duty by an Insured</p> <p>(g) the settlement payable under an insurance policy</p> <p>(h) a dispute relating to an Employee or ex-Employee</p> <p>(i) adjudication or arbitration.</p> <p>Under General Conditions 2. Freedom to choose an Appointed Advisor in respect of pursuing a claim relating to Contract & Debt Recovery You must enter into a conditional fee agreement (unless the Appointed Advisor has entered into a collective conditional fee agreement) where legally permitted.</p> <p>A collective conditional fee agreement is defined as a legally enforceable agreement entered into on a common basis between the Appointed Advisor and Us to pay their professional fees on the basis of either</p> <p>(i) 100% “no win no fee” or</p> <p>(ii) Where discounted, that a discounted fee is payable.</p> <p>A conditional fee agreement is defined as a legally enforceable agreement between You and the Appointed Advisor for paying their professional fees on the basis of either</p> <p>(i) 100% “no win no fee” or</p> <p>(ii) Where discounted, that a discounted fee is payable.</p>

Section 8 - Legal Expenses General Conditions

Where the **Insurer's** risk is affected by the **Insured's** failure to keep to these conditions the **Insurer** can cancel **Your** policy, 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:

- 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
- 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
- take reasonable steps to claim back **Legal Costs & Expenses** and, where recovered, pay them to the **Insurer**
- keep **Legal Costs & Expenses** as low as possible
- 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

- 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**.
- If:
 - a suitably qualified advisor considers that it has become necessary to issue proceedings or proceedings are issued against an **Insured**, or
 - there is a conflict of interest

the **Insured** may choose a qualified **Appointed Advisor**, except where the **Insured's** claim is to be dealt with by the Employment Tribunal, where **We** shall always choose the **Appointed Advisor**.

Section 8 - Legal Expenses General Conditions

- (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. (**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.
- (f) If **You** have cover and are pursuing a claim under **Contract & Debt Recovery** **You** must enter into a conditional fee agreement (unless the **Appointed Advisor** has entered into a collective conditional fee agreement) where legally permitted.

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 **Your** 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 **Legal Costs & Expenses**.

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 **Your** 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 **You** make any claim which is fraudulent or false no payment shall be made. **We** may, by giving notice to **You**, cancel the policy with effect from the date of the fraudulent act.
- (b) An **Insured** shall at all times be entirely truthful, accurate and open in any evidence, disclosure or statement they give and shall act with complete honesty and integrity at all times. 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.

Section 8 - Legal Expenses General Conditions

9. Cancellation

You may cancel the policy:

- (a) within 14 days of the date of its purchase with a full refund of premium paid provided a claim has not been accepted; or
- (b) at any other time by giving **Us** written notice and the **Insurer** will refund part of the premium for the unexpired period unless a claim has been or is later accepted by **Us** in which case no return of premium shall be allowed.

Where there is a valid reason for doing so, the **Insurer** has the right to cancel the policy at any time by giving at least 7 days written notice to the **Insured**. The **Insurer** will refund part of the premium for the unexpired term. **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 party claiming under this policy uses threatening or abusive behaviour or language, or intimidation or bullying of **Our** staff or suppliers,
- (iii) where **We** reasonably suspect fraud.

The **Insurer** may also cancel the policy and refund part of the premium for the unexpired period if at any time **You**

- (i) enter into a voluntary arrangement or a deed of arrangement
- (ii) become bankrupt, are placed into administration, receivership or liquidation
- (iii) have **Your** affairs or property in the care or control of a receiver or administrator.

The **Insurer** also has the right to immediately cease to provide indemnity for **Legal Costs & Expenses** or compensation awards. The **Insurer** also reserves the right to withdraw from any claim in the circumstances noted above.

10. Acts of Parliament, Statutory Instruments, Civil Procedure Rules & Jurisdiction

All legal instruments and rules referred to within the policy shall include equivalent legislation in Scotland, Northern Ireland, the Isle of Man and the Channel Islands and any subsequent amendment or replacement legislation.

11. Contracts (Rights of Third Parties) Act 1999

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

12. Failure to Fairly Present the Risk

It is **Your** duty to make a fair presentation of **Your Business** to **Us**. If **You** fail to do this and the failure is deliberate or reckless **We** may

- (a) refuse all claims
- (b) cancel the policy from the beginning and retain all premiums paid.

If the failure is non-deliberate or non-reckless **We** may

- (a) cancel the policy from the beginning but **We** will refund **Your** premium
- (b) apply different terms which may proportionately affect any claim payment.

Section 8 - Legal Expenses General Exclusions

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 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 activitiesexcept in relation to **What is covered 12 Crisis Communication**
4. defending a claim in respect of damages for personal injury (other than injury to feelings in relation to **What is covered 1 Employment**), 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 (except in relation to **What is covered 3 Employment Restrictive Covenants**)
7. a dispute with any subsidiary, parent, associated or sister company or between shareholders or partners (except in relation to mediation under **What is covered 11 (d)**)
8. (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 person 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, preventing or suppressing terrorist action. If the **Insurer** alleges that by reason of this exclusion any liability or loss is not covered by this policy, the burden of proving the contrary shall be upon the **Insured**.
12. The payment of fines, penalties or compensation awarded against the **Insured** (except as covered under **What is covered 2 Employment Compensation Awards**) or costs awarded against the **Insured** by a court of criminal jurisdiction.
13. A dispute where providing cover, payment of any claim or the provision of any benefit would expose the **Insurer** to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

Section 8 - Legal Expenses Claims Procedure

If **You** need to make a claim **You** must notify **Us** as soon as possible.

1. Under no circumstances should **You** instruct **Your** own lawyer or accountant as the **Insurer** will not pay any costs incurred without **Our** agreement.
2. **You** can download a claim form by visiting www.arag.co.uk/newclaims or **You** can request one by telephoning **Us** on 01872 270 159 between 9am and 5pm Monday to Friday (except bank holidays).
3. **Your** completed claim form and supporting documentation can be submitted to ARAG by email, post or fax. Further details are set out in the claim form itself. **We** will send **You** a written acknowledgment by the end of the next working day after the claim is received.
4. Within five working days of receiving all the information needed to assess the availability of cover under the policy, **We** will write to **You** either:
 - a) confirming cover under the terms of **Your** policy and advising **You** of the next steps to progress **Your** claim; or
 - b) if the claim is not covered, explaining in full the reason why and advising whether **We** can assist in another way.
5. When a lawyer is appointed they will try to resolve **Your** dispute without delay, arranging mediation whenever appropriate. Matters cannot always be resolved quickly particularly if the other side is slow to cooperate or a legal timetable is decided by the courts.

Section 8 - Legal Expenses Complaints Procedure

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 ARAG is not able to resolve the complaint to **Your** satisfaction then **You** may refer it to the Financial Ombudsman Service (FOS) provided that it falls within their jurisdiction. They can be contacted at:

0800 023 4567 or 0300 1239 123

complaint.info@financial-ombudsman.org.uk

Financial Ombudsman Service, Exchange Tower, Harbour Exchange Square, London E14 9SR

The FOS's decision is binding upon the **Insurer**, but **You** are free to reject it without affecting **Your** legal rights.



Head office: CMA House, Newham Road, Newham, Truro, Cornwall TR1 2SU
Tel: 01872 277151

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www.cornishmutual.co.uk

Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority
and the Prudential Regulation Authority

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