



Residential Landlord Premier Insurance

Policy Wording

In the event of a claim or advice please contact:

0845 040 5833

We are contactable 24 hours a day all year round.

Commercial Legal Expenses Insurance

This Policy has been arranged by Motorplus Limited and Qdos Broker & Underwriting Services Limited and is underwritten by UK Underwriting Limited on behalf of:

Ageas Insurance Limited, Registered in England No. 354568. Registered Office: Ageas House, Tollgate, Eastleigh, Hampshire, SO53 3YA.

Motorplus Limited, Qdos Broker & Underwriting Services Limited, UK Underwriting Limited, and Ageas Insurance Limited are authorised and regulated by the Financial Services Authority. This can be checked on the FSA's register by visiting the FSA's website at www.fsa.gov.uk/register or by contacting them on 0845 606 1234.

Subject to the appropriate premium having been paid the Insurer agrees to cover the Insured as set out in this Policy.

Unless expressly stated nothing in this Policy will create rights pursuant to the Contract (Rights of Third Parties) Act 1999.

This wording should be read in conjunction with Your Policy Schedule which details the name of the Insured, Period of Insurance, the premium the Insured has paid and the applicable Limits of Indemnity.

Important Information

This is a contract of insurance between the Insured and Ageas Insurance Limited. The insurance provided covers Legal Expenses, subject to the terms, Limits of Indemnity, exclusions and conditions contained herein in respect of an insured event which occurs within the Territorial Limits and during the Period of Insurance and which is notified to the Coverholder during the Period of Insurance for which the Insured has paid or agreed to pay the premium.

Telephone Advice Lines

Advice can be provided on a wide range of areas of legal and associated tax matters, including employment and health and safety issues. The advice is provided by qualified consultants and is confidential and impartial. In the interests of monitoring the quality of legal advice given, conversations may be recorded. If You are driving when using the Legal Advice Line please make sure it is safe and legal to do so.

The Advice Line is not empowered to give advice on the admissibility of any Claim under the Policy. If You wish to make a Claim or have a query about the cover provided by this Policy, You must contact our Claims Department (see below). When phoning, please tell us that You are a client of the CommercialPlus Property scheme. Please do not phone the Advice Line to report a general insurance claim. We will not accept responsibility if the Advice Line services are unavailable for reasons we cannot control.

To contact the Advice Line, phone **0845 0405833**, quoting the reference **NORW0609**

Special Conditions

Eviction & Rent Protection Claims

We will only agree to cover Your Claim if You have correctly issued and served the appropriate statutory and contractual notices on the Tenant:

- Section 8 Housing Act 1988– Possession Notice
- Section 21 Housing Act 1988 – Notice to Quit

If You need assistance with this process please call the Advice line.

This is a “claims made” insurance. This insurance only covers Claims both arising and notified to the Coverholder during the Period of Insurance. The Insured has submitted a proposal and declaration or renewal declaration to the Coverholder and it is agreed that this shall form the basis for the issue of this Policy. The Insurer agrees in consideration of the premium to indemnify the Insured to the extent and in the manner provided within this Policy. Unless expressly stated nothing in this Policy will create rights pursuant to the Contracts (Rights of Third Parties) Act 1999.

Definitions

In this Policy, unless the context otherwise requires, the following words and expressions shall bear the following meanings:

Any One Claim

All Claims consequent upon the same original cause, event or circumstance.

Appointed Representative

A consultant, solicitor, barrister or other appropriately qualified person appointed to act for the Insured in accordance with the terms of this Policy.

Claim

A request under this Policy for Legal Expenses and/or Professional Expenses and/or Rent following an insured event which occurs during the Period of Insurance and within the Territorial Limits.

Coverholder

Qdos Broker and Underwriting Services Limited and Motorplus Limited, who have been given authorisation by the Insurer to issue this insurance cover and manage claims on behalf of the Insurer.

Consequential Loss

Any costs that are directly or indirectly caused by the event which led to Your Claim unless specifically stated in this Policy.

Contracting Party

A person, firm or company domiciled within the Territorial Limits with whom the Insured has a direct contractual relationship.

Deposit

The sum of money collected from the Tenant and held by the Insured or his agent in accordance with Section 213 of the Housing Act 2004 (and any amending legislation) in respect of a Tenancy Agreement to which it applies to provide an indemnity for losses incurred by the Insured arising from the Tenant failing to perform his obligations set out in the Tenancy Agreement.

Excess

The amount specified in the Policy Schedule which the Insured must pay in respect of Legal Expenses and/or Professional Expenses and/or Rent in respect of Any One Claim before the Insurer shall be liable to make any payment.

Guarantor

The individual or organisation shown in the Tenancy Agreement that has received a Tenant Reference and has provided a financial guarantee of the Tenant's performance of his obligations under the Tenancy Agreement.

HMRC Investigations

The investigation which takes place when an officer of HM Revenue & Customs (HMRC) makes a request to examine all the Insured's business books and records and issues a formal notice under S9A or 12AC of the Taxes Management Act 1970 or under Paragraph 24 (1) Schedule 18 Finance Act 1988.

Increased Excess

The amount specified in the Policy Schedule which the Insured must pay in respect of Legal Expenses and/or Professional Expenses in respect of Any One Claim before the Insurer shall be liable to make any payment if the Insured instructs an alternative Appointed Representative to the one chosen by the Coverholder.

Insured/You/Your

The residential management company or Property owner specified in the Policy Schedule.

Insured Property

The Property shown in the Policy Schedule and the Tenancy Agreement.

Insurer

UK Underwriting Limited on behalf of Ageas Insurance Limited. UK Underwriting Limited are an agent of Ageas Insurance Limited and in the matters of a Claim act on their behalf.

Legal Expenses

a) Fees

Any professional fees, expenses and other disbursements reasonably incurred by the Appointed Representative with the consent of the Coverholder; and any costs incurred by other parties insofar as the Insured is held liable in court or tribunal proceedings to pay such costs or becomes liable to pay such costs under a settlement made with another party with the consent of the Coverholder but excluding any costs which the Insured may be ordered to pay by a court of criminal jurisdiction.

b) Witness Attendance Allowance

The amount of money per day the Insured is liable to pay an employee each day they are required by the Appointed Representative to attend as a witness at a court or tribunal hearing. Indemnity limited to £100 per day and a maximum of £1,000 in any one attendance.

Limits of Indemnity

The maximum liability of the Insurer under Section 1 of this Policy is limited to the amounts specified below:

Section 1:

- Any One Claim: £100,000
- The aggregate of all Claims notified during the Period of Insurance: £1,000,000

The maximum amounts payable under Section 2 of this Policy is limited to the amount specified below:

- Section 2.A: up to £50,000 of advisers' costs per Claim
- Section 2.B: the monthly Rent shown in the Tenancy Agreement and the Policy Schedule up to a maximum of £2,500 per month. The maximum Rent payable per Claim is £25,000 or the equivalent of 12 months Rent, whichever is the lesser amount.

Period of Insurance

The period for which the Insurer has agreed to provide this insurance as shown on the Policy Schedule.

Unless otherwise agreed by the Coverholder or Insurer in writing this will be 12 calendar months from the date of issue of this Policy.

Professional Duty

Obligation of the Insured in respect of which the Insured has or is 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 disbursements reasonably incurred by the Appointed Representative with the consent of the Coverholder in connection with any 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 and/or contents within the Territorial Limits owned or occupied by the Insured or for which the Insured is otherwise legally responsible.

Rent

The monthly amount payable by the Tenant to the Insured as set out in the Tenancy Agreement and shown in the Policy Schedule. Maximum Rent is £2,500 per month.

Tenant

The occupier of the Insured Property named in the Tenancy Agreement as the Tenant who has received a Tenant Reference (or has a Guarantor).

Tenancy Agreement

An agreement between the Insured and the Tenant in relation to the Insured Property which is:

- a) an Assured Shorthold tenancy agreement as defined within the Housing Act 1988 (as amended); or
- b) a Company Residential tenancy (company let) created after 28th February 1997 where the Tenant is a Private Limited Company (Ltd) or Public Limited Company (Plc) and the Insured Property is let purely for residential purposes to an employee of the Tenant; or
- c) a written common law residential tenancy agreement created after 28th February 1997 between individuals where the Rent is in excess of £25,000 per annum.

Provided that:

1. the initial Tenancy Agreement must be for a fixed term of no more than 12 months;
2. the Insured Property must be entirely residential and remain solely for residential use;
3. the Tenant must be aged 18 years or over;
4. the Insured or his agent must not allow the Tenant into possession of the Insured Property until:

- a) the Tenancy Agreement has been signed by all parties; and
- b) a Tenant Reference has been obtained before the start of the Tenancy Agreement; and
- c) all necessary statutory pre-grant notices to the Tenant have been issued; and
- d) the first month's Rent and the Deposit have been received in cash or cleared funds; and
5. during the Tenancy Agreement the Insured or his agent must:
 - a) keep full and up to date rental records; and
 - b) not allow the Tenancy Agreement to be transferred to any other individual or organisation.

Tenant Reference

Checks carried out before the commencement of the Tenancy Agreement including:

- a) a credit check obtained from a licenced credit referencing company on a Tenant or Guarantor showing no County Court Judgments in the immediate preceding three years and no outstanding County Court Judgments;
- b) copies of two forms of identification, one of which must contain a photograph; and
- c) a written employer's reference confirming that the Tenant or Guarantor (if applicable) is in current and permanent employment and that their salary is sufficient to pay the Rent after the deduction of normal living costs or alternatively is at least two and half times the monthly Rent, or (where the Tenant is a student or DSS tenant) a credit reference provided by a tenant reference company shows a 'Pass' rating for the Tenant.

Territorial Limits

United Kingdom of Great Britain and Northern Ireland.

Sections of Cover

Section 1 – Property Owners Legal Expenses

The Insurer will only indemnify the Insured subject to the Limits of Indemnity for Claims where the dispute, legal proceedings or HMRC Investigation occurs within the Period of Insurance and within the Territorial Limits and the Claim is notified within the Period of Insurance.

Section 1A – Property Disputes

The Insurer agrees to indemnify the Insured against Legal Expenses incurred in any dispute or legal proceedings made by or brought against the Insured:

- a) over the physical possession of the Insured Property provided that where appropriate all statutory and contractual notices have been correctly served by the Insured on the Tenant;
- b) over the terms of the Tenancy Agreement relating to the use or maintenance of the Insured Property;
- c) other than with a Tenant over damage to the Insured Property caused by actual or alleged negligence or nuisance, subject to the amount in dispute being in excess of £1,000 and any Legal Expenses being limited to 75% of the amount in dispute;
- d) over actual or alleged dilapidations to the Insured Property subject to the amount in dispute being in excess of £1,000 and any Legal Expenses being limited to 75% of the amount in dispute;
- e) over actual or alleged nuisance emanating from the Insured Property; and
- f) under the Commonhold and Leasehold Reform Act 2002 or as amended; provided that the Insured will suffer financial loss if the Insured fails to pursue or defend the claim or legal proceedings.

Exclusions to Section 1A – Property Disputes

The Insurer shall not be liable to indemnify the Insured hereunder in respect of any Claim arising out of or in connection with:

- a) pursuing or defending claims relating to the payment or non payment of any tax, Rent and/or mesne profits or service charge or any review of Rent or service charge;
- b) a dispute relating to Rent, tax planning or building regulations or decisions or compulsory purchase orders or any actual, planned or proposed works by or under the order of any government or public or local authority;
- c) any dispute arising from the negotiation, review or renewal of a Tenancy Agreement or the subsequent purchase of the Insured Property whether or not such purchase is completed;
- d) any actual or alleged harassment of a Tenant or the Insured;
- e) any dispute where the Insured has failed to maintain in full force and effect during the Tenancy Agreement buildings' insurance covering the standard range of perils;
- f) a dispute over subsidence or heave howsoever caused;
- g) a contract dispute other than where the contract is a Tenancy Agreement;
- h) any planning application review or decision.

Section 1B – Repair and Renovation Disputes

The Insurer agrees to indemnify the Insured against Legal Expenses incurred in the pursuit or defence of any dispute or legal proceedings made by or brought against the Insured in a contractual dispute with a Contracting Party over the repair or renovation of the Insured Property provided that:

- a) the Legal Expenses incurred in any Claim or legal proceedings shall be limited to 75% of the sum in dispute;
- b) the amount in dispute exceeds £1,000 and the contract value is less than £100,000; and
- c) the work is commenced within the Period of Insurance.

Exclusions to Section 1B - Repair and Renovation Disputes

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

- a) breach or alleged breach of the duty of a professional;
- b) contracts that provide or arrange credit, insurance, securities or guarantees;
- c) contracts where the liability or right of recovery of the Insured is incurred through their agent or by assignment;
- d) contracts governed by or alleged to be governed by the Consumer Credit Act 1974;
- e) contracts of employment;
- f) a Tenancy Agreement or contracts for use of the Insured Property.

Section 1C – Health & Safety Prosecutions

The Insurer agrees to indemnify the Insured against Legal Expenses incurred in:

- a) defending a prosecution against the Insured brought under the Health and Safety at Work Act 1974 in a court of criminal jurisdiction;
- b) an appeal by the Insured against the service of an Improvement or Prohibition Notice under the Health and Safety at Work Act 1974 provided that the breach or alleged breach of the Health and Safety at Work Act or the Improvement or Prohibition Notice relates to the Insured Property.

Exclusions to Section 1C – Health & Safety Prosecutions

The Insurer shall not be liable to indemnify the Insured hereunder in respect of Claims arising out of or in connection with:

- a) any prosecution relating to or arising from investigations by HMRC;
- b) any prosecution for offences against the person or offences of a sexual nature;
- c) any prosecution for criminal damage;
- d) any prosecution alleging dishonesty.

Section 1D – Tax Protection

The Insurer agrees to indemnify the Insured against Professional Expenses incurred in respect of representation of the Insured in an HMRC Investigation including representation at an HMRC tribunal or commissioners' hearing and at an appeal against a decision following such a hearing or tribunal.

Exclusions to Section 1D – Tax Protection

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

- a) technical or routine treatment of matters not connected with nor arising out of an expression of dissatisfaction with the Insured's affairs such as a routine PAYE or VAT inspection by HMRC;
- b) any criminal prosecution;
- c) 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;
- d) any HMRC Investigation or proceedings which result solely from investigation of earlier accounts or records;
- e) taxes, fines, interest or any other duties or penalties imposed upon the Insured by any Revenue authority or court or tribunal;
- f) any Claim made where the tax return is submitted outside the statutory time limits and/or in a penalty position;
- g) the preparation and/or correction of Self Assessment Returns, accounts, Income Tax Returns, P11Ds, P35s, VAT returns or any other statutory returns;
- h) any investigation undertaken by any of the Special Civil Investigations or Criminal Investigations office of HMRC or where notice 730 or Code of Practice 8 or 9 Notice has been issued by HMRC;
- i) an enquiry in to the validity of a claim for Working Families Tax Credit or a dispute concerning the payment of the Working Families Tax Credit by an Employer;
- j) any dispute in connection with the payment of the National Minimum Wage;
- k) a dispute or enquiry in respect of IR35 legislation;
- l) any Claim made where a Return submitted at the final filing date contains provisional figures in respect of all of the trading income and expenditure items;
- m) an investigation arising out of the voluntary disclosure made to the HMRC in respect of omitted tax liabilities which become due as a result of the Insured's deliberate act;
- n) an investigation by HMRC into a tax planning arrangement where the Anti-Avoidance Intelligence Unit of HMRC has allocated a number for inclusion on the relevant Self Assessment Return.

Section 2 - Rent Protection

The Insurer will only indemnify the Insured for Claims where the dispute and legal proceedings or Rent arrears are or would be within the Territorial Limits and the Claim both arises and is notified during the Period of Insurance.

Section 2A – Eviction

The Insurer agrees to indemnify the Insured against Legal Expenses incurred in evicting the Tenant from the Insured Property for either non-payment of Rent or at the expiry of the Tenancy provided that:

- a) where the eviction is for Rent arrears the arrears are greater than £250;
- b) all statutory and contractual notices comply with the relevant legislation, regulations and/or contractual requirements and have been served on the Tenant;

- c) if Rent is overdue the Tenant and any Guarantor must be contacted within seven days to establish the reason for the arrears. If the Rent is not paid within a further seven days the Tenant and any Guarantor must be contacted again. If the Tenant cannot be contacted, and it is lawful to do so, the Insured or his agent must serve notice of a requirement to undertake an inspection in accordance with the Insured's obligations within the Tenancy Agreement and visit the Insured Property. The Insured or his agent should seek legal advice if he is unsure that such an inspection is lawful; and
- d) where a Tenant is in arrears of Rent for an amount equal to at least one month's Rent, the Insured or his agent must issue a formal written notice to the Tenant in accordance with the terms of the Tenancy Agreement informing the Tenant that possession is being sought under the Housing Act 1988 Section 21. This notice must be issued to the Tenant and must be effective at least five days before the third month's consecutive Rent default.

Exclusions to Section 2A - Eviction

The Insurer shall not be liable to indemnify the Insured hereunder in respect of any Claim:

- a) arising from or connected to pursuit of the Tenant or the Guarantor for Rent arrears and/or mesne profits and/or dilapidations once vacant possession of the Insured Property has been achieved;
- b) arising from or connected to the Insured's performance of his obligations under the Tenancy Agreement;
- c) relating to the payment or non-payment of service charges as defined within the Landlord and Tenant Act 1985 (as amended).

Section 2B – Rent Protection

The Insurer agrees to indemnify the Insured against Rent arrears due from the Tenant under the Tenancy Agreement where the Insured has notified and is pursuing a Claim under Section 2A of this Policy provided that:

- a) a full month's Rent must be in arrears after deduction of the Excess (if the Deposit is more than the Excess, the cover under this Policy will pay Rent arrears after deduction of the balance of the Deposit);
- b) Rent is only payable during the Period of Insurance or until vacant possession has been gained;
- c) if the Tenant opts to claim Housing Benefit after a Claim is initiated, Rent will not be paid until the outcome of the Housing Benefit claim is known. If the Tenant's Housing Benefit claim is rejected Rent will be paid under this Policy backdated to the date that the Insured first notified the Claim. There is no cover under this Policy for any shortfall between the amount paid to the Tenant as Housing Benefit and the Rent.

Exclusions to Section 2B – Rent Protection

The Insurer shall not be liable to indemnify the Insured hereunder in respect of any Claim:

- a) which is not notified to the Coverholder within 60 days of Rent first being in arrears;
- b) where a Tenant required a Guarantor to obtain a Tenant Reference and the Guarantor was not correctly assigned to the Tenancy Agreement.

General Exclusions

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

1. any dispute arising during the first 90 days of the first Period of Insurance, or during the first 30 days of the first Period of Insurance in respect of HMRC Investigations, unless it can be evidenced that the Insured previously held comparable legal expenses cover with another insurer immediately prior to inception of this Policy;
2. the defence of the Insured in civil legal proceedings arising from:
 - a. injury or disease;
 - b. loss, destruction or damage of or to property (other than as specified in Section 1A);
 - c. alleged breach of any Professional Duty;
 - d. any tortious liability (other than as specified in Section 1A);
3. any dispute, legal proceedings or HMRC Investigations made, brought or commenced outside the Territorial Limits;
4. Legal Expenses or Professional Expenses incurred without the prior written consent of the Coverholder;
5. any Claim relating to or arising from any cause, event or circumstance occurring prior to or existing at inception of this Policy and which has or which the Insured knew or ought reasonably to have known may give rise to a dispute, legal proceedings or HMRC Investigations by or against the Insured;
6. fines or other penalties imposed by a court or tribunal;
7. any dispute, legal proceedings or HMRC Investigations in respect of which the Insured is, or but for the existence of this Policy would be, entitled to indemnity under any insurance policy whether a Legal Expenses insurance or not or under a legal aid certificate or representation order;
8. 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, disputes, legal proceedings or HMRC Investigations;
9. any dispute with Government or Local Authority departments concerning the imposition of statutory charges;
10. disputes between Insureds as specified in the Policy Schedule or any endorsement thereto, or with any parent or subsidiary company or partner;
11. any dispute between the Insured and the Insurer, the Coverholders, the Appointed Representative or the Insured's mortgage lender;
12. any dispute falling within the jurisdiction of the Rent Assessment Committee, the Lands' Tribunal or the Leasehold Valuation Tribunal;
13. any Claim where the Insured or his agent are in breach of Section 213 of the Housing Act 2004 (and any amending

- legislation) in relation to the Deposit;
14. any dispute or legal proceedings arising out of breach or alleged breach of confidentiality or passing off whether related to intellectual property or not or the use or alleged use of any intellectual property;
 15. any dispute or legal proceedings arising out of or in connection with the defamation or alleged defamation of or by the Insured;
 16. any Legal Expenses incurred in connection with a judicial review;
 17. appeals arising out of legal proceedings or HMRC Investigations to which no Insurer's consent has been granted;
 18. 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;
 19. any Legal Expenses or Professional Expenses which the Insured should or would have had to incur irrespective of any dispute;
 20. 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;
 21. any loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following (including any action taken in controlling, preventing, suppressing or in any way relating to) regardless of any other cause or event contributing concurrently or in any other sequence to the loss:
 - a. war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
 - b. any act of terrorism. For the purposes of this exclusion an act of terrorism means an act including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public in fear.

General Conditions

1. Arbitration

Any dispute between the Insured and the Insurer 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. The apportionment of the costs of the arbitration shall be determined by the arbitrator.

2. Cancellation

This Policy may be cancelled at any time on the Insured's written instructions and the premium shall be adjusted on the basis of the Insurer receiving or retaining a pro rata time on risk premium plus 20% of the unexpired premium. Where 75% or more of the Period of Insurance has expired the Insurer shall receive or retain the full premium. This Policy may also be cancelled by the Insurer giving thirty days' notice in writing to the Insured or their insurance broker at either the Insured's or their insurance broker's last known address and the premium hereon shall be adjusted on the basis of the Insurer receiving or retaining pro rata time on risk premium. If the Insured is placed in liquidation, receivership or administration or adjudged bankrupt or if any application is made to the court or meeting convened for any such purpose, this Policy will lapse and the Insured will be entitled to a pro rata return of premium less 20% of the unexpired premium. In all circumstances, no return of premium shall be allowed if the Insured has notified a Claim.

3. Cooling Off

If the Insured is an individual who is acting for purposes outside their trade, business or profession then the Insured may cancel this Policy with effect from inception. The Insured has a right to cancel within 14 days of insuring or within 14 days of receiving full policy documents (if later) by writing to the Coverholder requesting cancellation and returning the policy documents to the Coverholder. No charge will be made and any premium paid by the Insured will be refunded.

4. Alteration of Risk

The Insured must notify the Coverholder immediately in writing of any alteration in risk that materially affects this insurance.

5. Due Observance

The Insured must act with due diligence and at all times act and comply with all the terms, conditions and provisos under this Policy. The Insured must take all reasonable precautions to avoid and prevent Claims, legal proceedings and disputes.

6. Governing Law

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

7. Data Protection Act 1998

It is agreed by the Insured that any information provided to the Insurer regarding the Insured will be processed by the Insurer or the Coverholder in compliance with the provisions of the Data Protection Act 1998 for the purposes of providing insurance and handling Claims, if any, which may necessitate providing such information to third parties.

8. Acts of Parliament

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

Claims Conditions

1. Notification of Claims

It is a condition precedent to the liability of the Insurer that the Coverholder be notified in writing during the Period of Insurance as soon as reasonably practicable once the Insured becomes aware of any cause, event or circumstance which has given or may give rise to a Claim, dispute, legal proceedings or HMRC Investigation involving the Insured. Where such notification has been given, the Insurer agrees to treat any subsequent Claim in respect of the cause, event or circumstance notified as though the Claim had been notified during the Period of Insurance. The Coverholder will forward to the Insured a claim form which must be completed and returned immediately.

CommercialPlus

Kircam House
Whiffler Road
Norwich
NR3 2AL

Tel: 0845 040 5833

Fax: 01603 420 010

2. Consent

It is a condition precedent to the liability of the Insurer that their consent to incur Legal Expenses or Professional Expenses must firstly be obtained in writing. This consent will be given by the Coverholder on behalf of the Insurer if the Insured can satisfy the Coverholder that:

- a) it is reasonable to incur Legal Expenses having regard to the proportionality between the remedy claimed and the Legal Expenses to be incurred; and
- b)
 - i. where the Insured is pursuing, that there are reasonable prospects of proving the other party's legal liability and of recovering the damages claimed or other legal remedy sought; or
 - ii. where the Insured is defending, that the other party does not have reasonable prospects of proving the Insured's legal liability; or
 - iii. in respect of a criminal prosecution where the Insured pleads guilty, that there is a reasonable prospect of a significant mitigation of the Insured's sentence or fine.

If during the course of a Claim the Insured ceases to satisfy the Coverholder in respect of a) or b) above, indemnity will be withdrawn in respect of Legal Expenses and Professional Expenses. The decision to grant consent or to withhold it will be taken on receipt of:

- a fully completed Claim Form;
- the information and documentation the Coverholder reasonably requests;
- a legal opinion from the Appointed Representative as to a) and b) above;
- any advice the Coverholder may deem it necessary to take; and
- evidence of the Tenant Reference checks made immediately before the commencement of the Tenancy Agreement.

With the agreement of the Insured, the Coverholder may provide assistance in settling disputes, the costs of which will be covered under this Policy subject to the payment of the Excess or Increased Excess within the Limits of Indemnity. The Coverholder at its discretion may require the Insured to obtain an opinion from Counsel at the Insured's expense as to the merits of the subject matter of the Claim such opinion to have regard to the same issues that the Coverholder has in assessing the merits of any legal action. If based upon such opinion the Coverholder is satisfied in respect of a) and b) above the Legal Expenses and Professional Expenses in obtaining that opinion will be paid by the Insurer within the Limits of Indemnity. In granting its consent the Insurer undertakes to provide indemnity 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. In particular Legal Expenses or Professional Expenses for matters that go beyond the immediate scope of the Claim shall be deemed by the Insurer to fall outside the indemnity provided by this Policy. The Coverholder reserves the right to limit its consent by time and/or financial amount of Legal Expenses or Professional Expenses and/or stage of proceedings to allow for a review of their continued consent.

If after consent has been granted it is shown that the Claim has not been brought within the terms and conditions of this Policy and its Schedule the Coverholder's consent will be withdrawn and no indemnity shall be provided. The Insurer shall be entitled to recover any Legal Expenses and Professional Expenses previously paid. If the Insured elects to proceed with the pursuit or defence of a dispute or legal proceedings to which the Coverholder's consent has been refused through lack of reasonable prospects as required in b) i. to iii. above and if the Insured is successful in such pursuit or defence, the Insurer will pay Legal Expenses or Professional Expenses incurred after such consent had been refused subject to the terms and conditions of this Policy.

3. Instruction and choice of Appointed Representative and Counsel

The Coverholder will choose an Appointed Representative to act on behalf of the Insured in any Claim under certain Sections as specified in the Policy Schedule. Where recourse is necessary to a lawyer and proceedings are issued, the Insured is free to choose an Appointed Representative to act in the name of and on behalf of the Insured in any legal proceedings to which the Coverholder has consented subject to the Increased Excess. The name and address of the Appointed Representative the Insured proposes to instruct must be notified to the Coverholder in writing. The Coverholder will accept such nomination provided the Coverholder is satisfied the proposed Appointed Representative will co-operate and enable the Insured to comply with the terms and conditions of this Policy and the Coverholder's standard terms of engagement in force at the date the Claim is accepted by the Coverholder in regard to the particular legal proceedings and with particular regard to Claims Condition 5 below. In all other Claims the Coverholder will choose the Appointed Representative subject to the Excess. A dispute arising from the Insured's choice may be referred to Arbitration in accordance with General Condition 1. The Insured must not, without the written consent of the Coverholder, enter into any agreement with the Appointed Representative as to the basis of calculation of Legal Expenses. The Coverholder may withdraw consent previously given at any time. In selecting the Appointed Representative the Insured shall have regard to its 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.

If in the course of any Claim or legal proceedings the Appointed Representative wishes to instruct Counsel or an expert, Counsel's or the expert's name and an explanation of the necessity for such instruction must be submitted to the Coverholder for consent to the proposed instruction and fee of Counsel or such expert which will not be unreasonably withheld.

4. Disclosure

It is a condition precedent to the Insurer's liability that:

- a) The Insured must give the Appointed Representative and the Coverholder 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 Insured's possession. The Insured must provide, obtain or execute all documents as necessary and attend meetings or conferences as requested.
- b) The Coverholder is entitled to receive from the Appointed Representative and Insured any information, document or advice in connection with any Claim and the subject matter of any Claim even if privileged. In addition the Insured must instruct the Appointed Representative to provide the Coverholder with regular updates on the progress of the subject matter of any Claim and inform the Coverholder immediately if and when any circumstance adversely impacts the factors taken into account in granting the Coverholder's consent. On request the Insured will give to the Appointed Representative any instructions necessary to secure the required access.

Indemnity may be withdrawn if the Insured fails to co-operate at all or within a reasonable time with the Coverholder's or the Appointed Representative's requests.

5. Payment of Legal Expenses or Professional Expenses

All bills for Legal Expenses or Professional Expenses which the Insured receives from the Appointed Representative should be forwarded to the Coverholder without delay. If the Coverholder so requires the Insured must ask the Appointed Representative to submit the bill of costs for consideration by the Coverholder's costs lawyer or costs draughtsman or for assessment or certification by the appropriate Law Society, court or tribunal. The Insured is responsible for payment of all Legal Expenses or Professional Expenses. The Insurer may settle these direct if requested by the Insured to do so. The payment of some Legal Expenses or Professional Expenses does not imply that all Legal Expenses or Professional Expenses will be paid.

6. Offer of Settlement

It is a condition precedent to the liability of the Insurer that the Insured must inform the Coverholder in writing as soon as an offer to settle the subject matter of the Claim is received and/or the Insured proposes to make an offer of settlement. In any settlement, the Insured must have regard to Legal Expenses or Professional Expenses incurred or likely to be incurred and the recovery thereof.

No indemnity will be provided if the Insured enters into any agreement to settle without the prior written consent of the Coverholder (such consent not to be unreasonably withheld) and the Insurer shall be entitled to recover any Legal Expenses or Professional Expenses previously paid. If the Insured unreasonably rejects an offer of settlement which the Coverholder has recommended should be accepted or makes an offer which the Coverholder has not agreed is made no further

indemnity shall be provided.

The Insurer may at its absolute discretion decide to pay the Insured the amount of damages that the Insured is claiming or is may at its absolute discretion decide to pay the party claiming against the Insured the amount of damages they are claiming instead of indemnifying the Insured for Legal Expenses or Professional Expenses. Where the Insurer exercises this discretion the Insurer will cease to be liable for any further Legal Expenses or Professional Expenses.

7. Recovery of Costs

Whenever the Insured is awarded costs or under the terms of any settlement where costs are included, those costs are to be repaid to the Insurer. The Insured and their Appointed Representative must make every effort to make a full recovery of costs.

Where a settlement purports to be a global or a without costs settlement or where costs are awarded but not recovered, the Insured agrees that a fair and reasonable proportion of that settlement will be deemed costs and due to the Insurer. Where such a settlement is paid in instalments all costs to the Insurer shall be paid first.

8. Appeal Procedure

If, following legal proceedings to which the Coverholder has 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 Coverholder through the Appointed Representative immediately or as soon as practicable so that the Coverholder 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 Coverholder has consented, the Insured must notify the Coverholder immediately in order that cover shall continue. The Coverholder will inform the Appointed Representative of its decision. If the Coverholder requires, the Insured must co-operate in an appeal against the judgment or decision of a court or tribunal.

9. Duty to Minimise

The Insured must take all reasonable precautions to avoid and prevent Claims, HMRC Investigations, legal proceedings and disputes. The Insured must use every endeavour and take all reasonable measures to minimise the cost and effect of any Claim.

10. Fraudulent Claims

If the Insured makes any request for payment under this Policy knowing it to be fraudulent or false in any respect or ought reasonably in the circumstances to know it to be fraudulent or false or where there is collusion between any parties to the dispute, this Policy shall become void and any premiums paid shall be forfeited and the Insurer shall be entitled to recover any Legal Expenses and Professional Expenses previously paid.

11. Insolvency or Liquidation of the Insured

If the Insured becomes insolvent or is placed in liquidation, receivership, administration or bankruptcy or enters into a voluntary arrangement or deed of arrangement or if any application is made to the court or meeting convened for any such purpose, the Insurer has the right to immediately cease to provide indemnity for Legal Expenses and Professional Expenses notwithstanding any previous consent the Coverholder may have granted.

12. Value Added Tax

If the Insured is registered for VAT, the Insurer will not pay the VAT element of any Legal Expenses or Professional Expenses.

Complaints Procedure

It is the intention to give You the best possible service but if You do have any questions or concerns about this insurance or the handling of a Claim You should in the first instance contact:

The Chief Executive Officer

Qdos Broker & Underwriting Services Limited
Qdos Court
Rossendale Road
Earl Shilton
Leicestershire
LE9 7LY

Tel: 01455 850000

Fax: 01455 841000

Please ensure the Policy number is quoted in all correspondence to assist a quick and efficient response.

In the event You remain dissatisfied and wish to make a complaint, You can do so by contacting the following:

The Customer Relations Manager

UK General
Cast House
Old Mill Business Park
Gibraltar Island Road
Leeds
LS10 1RJ

Tel: 0845 218 2685

Email: customerrelations@ukgeneral.co.uk

If it is not possible to reach an agreement, You have the right to make an appeal to the Financial Ombudsman Service. This also applies if You are insured in a business capacity and have an annual turnover of less than €2 million and fewer than ten staff. You may contact the Financial Ombudsman Service at:

The Financial Ombudsman Service

South Quay Plaza
183 Marsh Wall
Docklands
London
E14 9SR

Tel: 0845 080 1800

The above complaints procedure is in addition to Your statutory rights. For further information about Your statutory rights contact Your local authority Trading Standards Service or Citizens Advice Bureau.

Compensation Scheme

Ageas Insurance Limited is covered by the Financial Services Compensation Scheme. You may be entitled to compensation from the scheme in the unlikely event that Ageas Insurance Limited cannot meet their financial responsibilities. The FSCS will meet 90% of Your claim, without any upper limit. You can obtain further information about compensation scheme arrangements from the FSCS at www.fscs.org.uk, or by phoning 0207 892 7300.

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Regulated by the Ministry of Justice in respect of claims management activities

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