



Commercial legal expenses section

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Your schedule will show if this section is covered.

Important information

Policy advice

If **you** have a query about the cover provided by this section the **administrator** can be contacted on 0870 241 8178.

Legal advice

You can obtain telephone based legal advice on UK law by calling the AXA legal advice line on 0870 241 8178 quoting AXA Commercial.

Advice can be sought on a wide range of areas of law, including employment, health and safety and tax. The advice is provided by barristers, solicitors and tax consultants and is confidential and impartial. In the interests of monitoring the quality of legal advice given, conversations may be recorded.

The AXA legal advice line is not empowered to give advice on the admissibility of any **claim** under the **policy**. If **you** wish to make a **claim you** must contact the **administrator's** claims department (please refer to the Notification of claims condition in this section).

Employment disputes

Your attention is drawn to the fact that **you** must have sought and followed all advice from the AXA legal advice line as to the procedure to be adopted in connection with Employment disputes and **you** have received specific authorisation prior to taking action. Please refer to the Employment disputes cover under the heading 'What is covered'.

Acts of Parliament

All Acts of Parliament referred to in this section will include any subsequent amendments, re-enactments or regulations and equivalent legislation enforceable within the **policy territories**.

Meanings of defined terms

These meanings apply within **your** Commercial legal expenses section. If a word or phrase has a defined meaning it will be highlighted in bold blue print and will have the same meaning wherever it is used in this section. The meaning of defined terms that apply throughout **your policy**, and not just this section, can be found on page 5 of the General introduction section of **your policy**.

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.

Any one claim

All **claims** as a result of the same original cause, event or circumstance. For a **claim** under Tax and VAT investigation cover, an **HMRC investigation** into a later year's self assessment return, where a previous year's self assessment return is still subject to an open enquiry, will be deemed as any one claim.

Appointed representative

A consultant, solicitor, barrister or other appropriately qualified person appointed to act for the **insured persons** in accordance with the terms of this section.

Awards of compensation

Basic and compensatory awards and compensation for unlawful discrimination made against **you** by an employment tribunal or settlement of them, subject to the consent of the **administrator** but not including Additional awards under the Employment Rights Act 1996, Protective awards under Trade Union and Labour Relations (Consolidation) Act 1992, Interim relief under the Employment Rights Act 1996, arrears of pay or awards of damages under the Equal Pay Act, or arising out of failure to comply with awards for reinstatement or re-engagement.

Claim

A claim under this section for **legal expenses, professional expenses, awards of compensation or jury service allowance**.

Contracting party

A person, firm or company within the **policy territories** with whom **you** have a direct contractual relationship.

Debt collection service

The debt collection service nominated by the **administrator**.

Due date

The date monies owed to **you** first become due and payable.

Employee

Any person under a contract of service with **you**.

Injury

Physical bodily injury or death.

Insured persons

You and at **your** request, any of **your employees** including a director or partner, conditional on the same **appointed representative** acting for all. Where **you** are charged under the Corporate Manslaughter and Corporate Homicide Act 2007 **you** may not request any of **your employees** including director or partner to be included as an **insured person**.

Inland Revenue investigations

1 Business self assessment full enquiry

The investigation which takes place when an officer of HM Revenue & Customs (HMRC) makes a request to examine all of **your** business books and records and issues a formal notice under S9A or S12AC of the Taxes Management Act 1970 or under paragraph 24(1) Schedule 18 Finance Act 1998.

2 Employer compliance dispute

The enquiries which take place following an expression of dissatisfaction with **your** PAYE and/or National Insurance Contributions affairs, following an employer compliance visit by HMRC or following an expression of dissatisfaction with **your** P11Ds or P9Ds.

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3 Business self assessment aspect enquiry

The enquiry which takes place when an officer of HMRC issues a formal notice under paragraph 24(1) Schedule 18 Finance Act 1998 or S9A or S12AC of the Taxes Management Act 1970 in order to make an aspect enquiry into certain boxes on **your** self assessment return.

HMRC investigation

Inland Revenue investigations and **VAT disputes**.

Jury service allowance

The amount of money **you** are liable to pay an **employee** for each day they attend on jury service, less any recovery from the court.

Legal expenses

1 Fees

- a** any professional fees, expenses and other disbursements reasonably incurred by the **appointed representative** with the consent of the **administrator**
- b** any costs incurred by other parties where the **insured persons** have been held liable in court or tribunal proceedings to pay these costs or become liable to pay these costs under a settlement made with another party with the consent of the **administrator**, but excluding any costs which the **insured persons** may be ordered to pay by a court of criminal jurisdiction.

2 Witness attendance allowance

The amount of money per day **you** are 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 is limited to £100 per day and a maximum of £1,000 in **any one claim**.

Minimum sum in dispute

The amount specified in the schedule, which is the minimum sum in dispute between **you** and the **contracting party**, to which indemnity applies.

Professional expenses

Any fees or expenses reasonably incurred by the **appointed representative** with the consent of the **administrator**, 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 owned or occupied by **you** or which **you** are legally responsible for.

Statutory licence

A licence or certificate of registration issued under statute, statutory instrument or by a Government or local authority to **you**, provided that the licence or certificate is necessary to engage in **your business**.

Terrorist act

Any act of a person or group directed towards the overthrowing or influencing of any government or putting any section of the public in fear by threat, force or violence or other means.

VAT disputes

The enquiries which take place following a written decision, assessment or statement of alleged arrears made by HMRC into **your** Value Added Tax (VAT) return and/or any related VAT default surcharges and misdeclaration penalties.

What is covered

We will only cover the **insured persons** for **claims** where the dispute, legal proceedings and **HMRC investigation** are within the **policy territories**. This is a 'claims made' section of the **policy**. It only covers **claims** notified to the **administrator** during the **period of insurance**.

Contract disputes cover

We agree to cover **you** against **legal expenses** incurred in the pursuit or defence of any dispute or legal proceedings made by or brought against **you** in a contractual dispute with a **contracting party** over a contract for the sale of goods, the hire of goods or a contract for the supply of a service within the meaning of the Sale of Goods Act 1979, and/or the Supply of Goods and Services Act 1982 provided that

- 1** **legal expenses** incurred in the pursuit of any dispute or legal proceedings is limited to 75% of the amount in dispute
- 2** **we** will not be liable to provide indemnity unless the amount in dispute exceeds the **minimum sum in dispute**
- 3** where the contract is a construction contract as defined by the Housing Grants, Construction and Regeneration Act 1996, the construction operations are or are intended to be carried out by the **contracting party** on property owned by **you** and the contract is for the repair or renovation of the **property**
- 4** where the dispute relates to monies owed to **you** and liability is not contested and **you** refer the debt to the **debt collection service**, within 30 days of the **due date**; this will be paid for by **you** and not covered by **us**. If the **debt collection service** exhausts its normal recovery procedure and recommends to the **administrator** that legal proceedings are necessary, **you** must immediately notify a **claim** under this section.

Employment disputes cover

We agree to cover **you** against **legal expenses** and **awards of compensation** incurred by **you** in defending legal proceedings brought against **you** by an **employee**, ex-employee or prospective **employee** in respect of their contract of employment with **you** or a breach of employment related legislation.

We have the right to refuse to pay **your claim** if **you** do not seek and follow all advice from the AXA legal advice line as to the procedure to be adopted and have received specific authorisation from the AXA legal advice line

- 1** prior to carrying out any disciplinary procedure, action or suspension of an **employee**
- 2** prior to dismissal of an **employee**
- 3** prior to notifying an **employee** of their intended retirement date or retiring an **employee**
- 4** prior to instituting a redundancy programme and prior to making an **employee** redundant
- 5** upon formal or informal notification of a grievance from an **employee** or ex-employee
- 6** upon formal or informal notification of a complaint relating to discrimination, victimization or harassment because of age, disability, gender reassignment, marriage/civil partnership, pregnancy/maternity, race, religion or belief, sex or sexual orientation
- 7** prior to any adverse variation or proposed adverse variation of the terms and conditions of employment (including altering the hours, time or place worked, demotion or deduction from or reduction in an **employee's** remuneration)
- 8** immediately an **employee** walks out, with or without written notice
- 9** upon receipt of an appeal from an **employee** or ex-employee, against a decision taken as a result of a disciplinary or grievance procedure, retirement procedure or a decision to dismiss.

Criminal prosecution cover

We agree to cover the **insured persons** against **legal expenses** incurred in

- 1** defending a prosecution against the **insured persons** in a court of criminal jurisdiction
- 2** an appeal by the **insured persons** against the service of an Improvement or Prohibition Notice under the Health and Safety at Work Act 1974 or the Food Safety Act 1990.

Property disputes cover

We agree to cover **you** against **legal expenses** incurred in any dispute or legal proceedings made by or brought against **you**

- 1** over the physical possession of the **property**, provided that all statutory and contractual notices have been correctly served by **you**
- 2** over the terms of a tenancy agreement between **you** and a **contracting party** relating to the use or maintenance of the **property** including dilapidations
- 3** over the actual or alleged negligence, damage or nuisance to the **property** other than with a tenant, provided that **you** will suffer financial loss if **you** fail to pursue or defend the dispute or legal proceedings.

Data protection cover

We agree to cover **you** against **legal expenses** incurred in an appeal by **you**, against a refusal of an application for registration or alteration of registered particulars, or an appeal against an Enforcement, Deregistration or Transfer Prohibition Notice.

Tax protection cover

1 Inland Revenue investigations

We agree to cover **you** against **professional expenses** incurred in representing **you** at an **Inland Revenue investigation**, including representation at a First-Tier tribunal Upper Tribunal and at an appeal against a decision following such tribunal, provided that there is a reasonable prospect of reducing the liabilities alleged by HMRC.

2 VAT disputes

We agree to cover **you** against **professional expenses** incurred in representing **you** in a **VAT dispute** for the local review procedure in order to reach agreement with HMRC, a First-Tier Upper Tribunal of VAT tribunal, including an appeal, provided that there is a reasonable prospect of reducing the liabilities alleged by HMRC.

Statutory licence cover

We agree to cover **you** against **legal expenses** incurred in an appeal by **you**, against the suspension, revocation, imposed alteration of or refusal to renew a **statutory licence**.

Personal injury cover

We agree to cover the **insured persons** against **legal expenses** incurred in the pursuit of any dispute or legal proceedings for **injury** to the **insured persons**.

Jury service allowance cover

We agree to cover **you** against **jury service allowance** with the amount being limited to £100 per day and a maximum of £1,000 in **any one claim**.

Limits of indemnity

Our maximum liability under this **section** is limited to the amounts specified in the schedule for **a** and **b** below

a any one claim

b all claims notified during the period of insurance.

What is not covered - A

Contract dispute exclusion

We will not cover **you** for **claims** arising out of or in connection with

- 1 contracts that provide or arrange credit, insurance, securities or guarantees
- 2 contracts where **your** liability or right of recovery is incurred through **your** agent or by assignment
- 3 franchise contracts
- 4 contracts governed by or alleged to be governed by the Consumer Credit Act 1974
- 5 contracts of employment
- 6 contracts for the use of **property**.

Criminal prosecution exclusion

We will not cover the **insured persons** for **claims** arising out of or in connection with

- 1 any prosecution relating to or arising from investigations by HMRC
- 2 any prosecution for offences against the person, including offences of a sexual nature, other than charges under the Corporate Manslaughter and Corporate Homicide Act 2007
- 3 any prosecution for criminal damage
- 4 any prosecution alleging dishonesty
- 5 any prosecution for non-endorsable road traffic offences, except tachograph prosecutions and weight prosecutions
- 6 an allegation of speeding or driving whilst under the influence of alcohol and/or drugs
- 7 failure to insure a motor vehicle as required by law.

Employment dispute exclusion

We will not cover **you** for

- 1 any fine, award or damages incurred by deliberately avoiding a payment or liability under statutory requirements
- 2 any redundancy payment or any money due or properly payable, arising under or from a contract of employment, service agreement or related document or from any related, implied or incorporated terms of a contract of service.

Excess and coinsurance

The **excess** will be payable by **you** for **any one claim**.

The increased **excess** shown in the schedule is the amount that **you** must pay for **legal expenses, professional expenses** and/or **awards of compensation** for **any one claim**, before **we** become liable to pay if **you** instruct an alternative **appointed representative** to the one chosen by the **administrator**.

The co-insurance shown in the schedule is the amount that **you** must pay for **any one claim** for **your** own account, expressed as a percentage of **legal expenses, professional expenses** and/or **awards of compensation** incurred over and above any **excess** or increased **excess** shown in the schedule.

Property disputes exclusion

We will not cover **you** for any **claim** arising out of or in connection with

- 1 the payment or non payment or review of any tax, rent or service charge
- 2 a dispute relating to planning or building regulations, decisions, compulsory purchase orders or any actual, planned or proposed works by or under the order of any government, public or local authority
- 3 any dispute arising from the negotiation, review or renewal of a tenancy agreement or the subsequent purchase of the **property** whether or not the purchase is completed
- 4 any dispute where **you** have failed to maintain in full force and effect during the tenancy agreement, buildings insurance covering the standard range of perils if **you** were contractually obligated to have insurance in force
- 5 a dispute over subsidence or heave however caused
- 6 a contract dispute, other than where the contract is a tenancy agreement with a **contracting party**.

Tax protection exclusion

We will not cover **you** for

- 1 technical or routine treatment of matters not connected with or under an expression of dissatisfaction with **your** affairs

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- 2 the defence of any criminal prosecution
- 3 taxation proceedings which arise out of negligent misstatements or omissions made by **you** or on **your** behalf in respect of returns or accounts or where there has been a lack of reasonable care in the keeping of business books and records
- 4 any **HMRC Investigation** which results solely from investigation of earlier accounts or records
- 5 any **claim** where the Tax Return is submitted outside the statutory time limits and/or in a penalty position
- 6 the preparation and/or correction of Self Assessment Returns, Accounts, Income Tax Returns, P11Ds, P35s, VAT returns or any other statutory returns
- 7 any enquiry under Public Notice 160 or Section 60 of the VAT Act 1994 or matters handled by HMRC Specialist Investigations Civil Investigations or Fraud and Criminal Investigations Sections. Also Code of Practice 8 and 9 cases
- 8 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
- 9 any dispute in connection with the payment of the National Minimum Wage;
- 10 a dispute or enquiry in respect of IR35 legislation
- 11 any **claim** made where a Return submitted at the final filing date contains provisional figures for all of the trading income and expenditure items
- 12 an investigation under a voluntary disclosure made to the HMRC for omitted tax, National Insurance Contributions or VAT liabilities which become due as a result of **your** deliberate act
- 13 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.

Statutory licence exclusion

We will not cover **you** for any **claim** arising out of or in connection with

- 1 any disciplinary or internal procedures conducted by authorities charged with **your** regulation in the performance of **your business** or for any appeal following these procedures
- 2 an alteration or refusal to renew a **statutory licence** which is imposed by an Act of Parliament
- 3 any costs incurred to comply with a notice or order.

What is not covered - B

The following exclusions apply to all or any parts of the cover under this section.

We will not cover the **insured persons** for

- 1 defending civil legal proceedings arising from
 - a **injury** or disease including psychiatric injury and stress
 - b loss of, destruction or damage to property
 - c alleged breach of any professional duty
 - d any tortious liability (other than as specified in property disputes)
- 2 any dispute, legal proceedings or **HMRC Investigation** made, brought or started outside the **policy territories**
- 3 **legal expenses** or **professional expenses** incurred without the prior written consent of the **administrator** or in excess of the **administrator's** consent
- 4 **awards of compensation** where the **administrator's** consent to incur legal expenses has not been granted or has been withdrawn
- 5 any **claim** relating to or arising from any cause, event or circumstance occurring prior to or existing at the start of this section, and which has or which **you** knew or ought reasonably to have known, may give rise to a dispute, legal proceedings or **HMRC Investigation** by or against **you**
- 6 fines or other penalties imposed by a court or tribunal

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- 7** any dispute, legal proceedings or **HMRC Investigation** for which **you** are, or would be but for the existence of this **policy**, 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 **insured persons'** deliberate, conscious, intentional or negligent disregard of the need to take all reasonable steps to avoid and prevent **claims**, disputes, legal proceedings or **HMRC Investigations**
- 9** any dispute or legal proceedings with Government or Local Authority departments concerning the imposition of statutory charges
- 10** disputes or legal proceedings between **you** or with any parent company, subsidiary company or associated company or partner
- 11** any dispute between the **insured persons** and the **administrator, us**, the **appointed representative** or **your** insurance broker
- 12 a** any dispute or legal proceedings arising out of breach or alleged breach of confidentiality or passing off, whether related to intellectual property or not
- b** any dispute or legal proceedings arising out of the ownership or existence of any intellectual property rights
- 13** any dispute or legal proceedings arising out of or in connection with actual or alleged defamation or false statement
- 14** any **legal expenses** or **professional expenses** incurred in respect of or in connection with a judicial review
- 15** appeals arising out of legal proceedings or **HMRC Investigations** where the **administrator's** consent has not been granted
- 16** any **claim**, legal liability or any loss or damage to property directly or indirectly caused by or contributed to by any kind of seepage, pollution or contamination
- 17** any **legal expenses** or **professional expenses** which the **insured persons** should or would have had to incur irrespective of any dispute
- 18** any dispute or legal proceedings arising out of or in connection with **terrorist act**.

Section conditions

These conditions of cover apply only to this section. If **you** do not comply with a condition **you** may not receive payment for a claim.

If **you** are unsure about any of these conditions or whether **you** need to notify **us** about any matter, please contact **us**.

Arbitration condition

Any dispute between **us** and the **insured persons** may 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 England and Wales. The apportionment of the costs of arbitration will be determined by the arbitrator.

Due observance condition

The **insured persons** must act with due diligence and at all times, act and comply with all the terms, conditions and provisions under this **policy**.

Reasonable precautions condition

The **insured persons** must take all reasonable precautions to avoid and prevent **claims**, **HMRC Investigations**, legal proceedings and disputes. The **insured persons** must use every endeavour and take all reasonable measures to minimise the cost and effect of any **claim**.

Your insolvency or liquidation condition

If **you** become insolvent or are placed in liquidation, receivership, administration, bankruptcy or enter into a voluntary arrangement or deed of arrangement, or if any application is made to the court or meeting convened for that purpose, **we** have the right to immediately cease to provide indemnity for **legal expenses**, **professional expenses** and **awards of compensation** even if the **administrator** may have previously granted consent.

Special conditions

Undisputed debts condition

An undisputed debt must be referred to the **debt collection service** within 30 days after the date the invoice was due for payment. The **debt collection service** is provided by a debt collection organisation which is not part of the **administrator**, but it can be accessed by telephoning the AXA legal advice line and asking to be transferred.

The use of the **debt collection service** is at **your** own cost. The fee charged by the **debt collection service** is a percentage of the amount of the debt recovered from the debtor. The **policy** does not cover this fee.

If the **debt collection service** recommends legal proceedings against the debtor to recover the debt, **you** must immediately submit a **claim** under the Contract disputes section. **You** should contact the **administrator's** claims department for a **claim** form.

If at any time an undisputed debt referred to the **debt collection service** becomes disputed, **you** must contact the **administrator's** claims department.

Claims conditions

Administrator's consent condition

You must obtain the **administrator's** consent in writing to incur **legal expenses** or **professional expenses**. This consent will be given by the **administrator** on **our** behalf, if the **insured persons** can satisfy the **administrator** that

- 1 it is reasonable to incur **legal expenses** or **professional expenses** considering the amount of the remedy claimed compared to the **legal expenses** or **professional expenses** to be incurred and
- 2 **a** where the **insured persons** are pursuing, there are reasonable prospects of proving the other party's legal liability and of recovering the damages claimed or other legal remedy sought or
b where the **insured persons** are defending, the other party does not have reasonable prospects of proving the **insured persons'** legal liability or

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- c** for a criminal prosecution and where the **insured persons** plead guilty, there is a reasonable prospect of a significant mitigation of the **insured persons'** sentence or fine.

If during the course of a **claim** the **insured persons** cease to satisfy the **administrator** in respect of **a** or **b** above, indemnity will be withdrawn in respect of **legal expenses** and **professional expenses** and **awards of compensation**. The decision to grant consent or to withhold it will be taken on receipt of

- 1** a fully completed **claim** form
- 2** the information and documentation the **administrator** reasonably requests
- 3** a legal opinion from the **appointed representative** as to **1** and **2** above
- 4** any advice the **administrator** deems necessary to take.

With the **insured persons'** agreement, the **administrator** may provide assistance in settling disputes, these costs will be covered under this section subject to payment of the **excess** or increased **excess** within the limits of **our** liability.

At its discretion, the **administrator** may require the **insured persons** to obtain an opinion from Counsel at the **insured persons'** expense, as to the merits of the subject matter of the **claim**. This opinion will cover the same issues that the **administrator** has in assessing the merits of any legal action. If based upon such opinion the **administrator** is satisfied in respect of **a** and **b** above, the **legal expenses** and **professional expenses** in obtaining that opinion, will be paid by **us** within the limits of **our** liability.

In granting **our** consent, **we** agree to provide the **insured persons** indemnity subject to the terms and conditions of this section, but the consent does not imply that all **legal expenses** or **professional expenses** or **awards of compensation** will be paid. In particular legal expenses or professional expenses beyond the immediate scope of the **claim** will be deemed by **us** to fall outside the indemnity provided by this section.

The **administrator** 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 section, **we** have the right to immediately cease to provide indemnity for **legal expenses**, **professional expenses** and **awards of compensation** even if the **administrator** may have previously granted consent. **We** will be entitled to recover any **legal expenses**, **professional expenses**, **awards of compensation** and **jury service allowance** previously paid.

If the **insured persons** elect to proceed with the pursuit or defence of a dispute or legal proceedings where the **administrator's** consent has been refused through lack of reasonable prospects, as required in **2a** and **b** above, and the **insured persons** are successful in the pursuit or defence, **we** will pay **legal expenses** or **professional expenses** incurred after the consent had been refused, subject to the terms of this section.

If **you** do not comply with this condition **you** will not be covered and **we** will not make any payment in respect of a **claim**.

Appeal procedure condition

If, following legal proceedings to which the **administrator** has consented, the **insured persons** wish to appeal against the judgment or decision of a court or tribunal, the grounds for the appeal must be submitted to the **administrator** through the **appointed representative** immediately or as soon as practical, so that the **administrator** may consider whether to consent to further action. If an appeal is lodged against a judgment or decision of a court or tribunal made in the **insured persons'** favour following legal proceedings where the **administrator** has consented, the **insured persons** must notify the **administrator** as soon as possible in order that cover continues. The **administrator** will inform the **appointed representative** of its decision and the **insured persons** must co-operate in an appeal against the judgment or decision of a court or tribunal.

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Disclosure condition

It is a condition of cover that

- a the **insured persons** must give the **appointed representative** and the **administrator** 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 persons'** possession. The **insured persons** must provide, obtain or provide all documents as necessary and attend meetings or conferences as requested
- b the **administrator** is entitled to receive from the **appointed representative** and the **insured persons** any information, document or advice in connection with any **claim** and the subject matter of any **claim** even if privileged. In addition, the **insured persons** must instruct the **appointed representative** to provide the **administrator** with regular updates on the progress of the subject matter of any **claim** and inform the **administrator** as soon as possible if and when any circumstance adversely impacts the factors taken into account in granting the **administrator's** consent. On request, the **insured persons** will give to the **appointed representative** any instructions necessary to secure the required access.

Indemnity may be withdrawn if the **insured persons** fail to co-operate at all times or within a reasonable time, with the **administrator's** or the **appointed representative's** requests.

If **you** do not comply with this condition **you** will not be covered and **we** will not make any payment in respect of a **claim**.

Instruction and choice of appointed representative and Counsel condition

The **administrator** will choose an **appointed representative** to act on the **insured persons'** behalf in any **claim** under Employment dispute cover or Tax protection cover.

Where recourse is necessary to a lawyer and there are enquiries or proceedings, the **insured persons** are free to choose an **appointed representative** to act in the name of and on behalf of the **insured persons** in any enquiry or legal proceedings where the **administrator** has consented, subject to the increased **excess**.

The name and address of the **appointed representative you** propose to instruct must be notified to the **administrator** in writing. The **administrator** will accept the nomination provided they are satisfied the proposed **appointed representative** will co-operate and enable **you** to comply with the terms and conditions of this **section** and provided the proposed **appointed representative's** charging rates are fair and reasonable for the particular legal proceedings.

In all other **claims** the **administrator** will choose the **appointed representative** subject to the **excess** unless there is a conflict of interest between the **insured persons** and the administrator when **you** are free to choose an **appointed representative** to act in the name and on behalf of the **insured persons** in any **claim** to which the **administrator** has consented.

A dispute arising from **your** choice may be referred to arbitration in accordance with the Arbitration condition.

The **insured persons** must not, without the written consent of the **administrator**, enter into any agreement with the **appointed representative** as to the basis of calculation of **legal expenses**.

In selecting the **appointed representative** the **insured persons** have a duty to minimise the cost of any **claim**.

In all cases the **appointed representative** will be appointed in the name of and on behalf of the **insured persons**. If in the course of any **claim** the **appointed representative** wishes to instruct Counsel or an expert, their name and an explanation of the necessity for the instruction must be submitted to the **administrator** for consent to the proposed instruction, which will not be unreasonably withheld.

Notification of claims condition

You must notify the **administrator** in writing during the **period of insurance** as soon as the **insured persons** are 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 persons**. Where notification has been given, **we** agree to treat any subsequent **claim** for the cause, event

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or circumstance notified as though the **claim** had been notified during the **period of insurance**.

If **you** need to notify a possible **claim**, **you** should complete the online claim form at <https://informationcentre.arclegal.co.uk>. Alternatively please call the AXA legal advice line and they will e-mail or post a claim form to **you**.

All notices and communications from **us** or **our** representatives to **you**, will be sent to **your** address that was last declared to the **administrator** or, in relation to any matters arising out of any **claim**, if sent to the **appointed representative**.

All notices and communications from the **insured persons** or the **appointed representative** to **us** will be sent to the **administrator**.

If **you** do not comply with this condition **you** will not be covered and **we** will not make any payment in respect of a **claim**.

Offer of settlement condition

The **insured persons** must inform the **administrator** in writing as soon as an offer to settle is received and/or the **insured persons** propose to make an offer of settlement. In any settlement, the **insured persons** must consider the **legal expenses, professional expenses** or **awards of compensation** incurred or likely to be incurred and their recovery.

No indemnity will be provided if the **insured persons** enter into any agreement to settle, without the prior written consent of the **administrator** (consent not to be unreasonably withheld) and **we** will be entitled to recover any **legal expenses** or **professional expenses** or **awards of compensation** previously paid. If the **insured persons** unreasonably reject an offer of settlement, which the **administrator** recommends acceptance of or makes an offer which the **administrator** does not agree with, no further indemnity will be provided.

We may at **our** absolute discretion decide to pay the **insured persons** the amount of damages that the **insured persons** are claiming or are being claimed against the **insured persons**, instead of indemnifying the **insured persons** for **legal expenses, professional expenses** or **awards of compensation**. Where **we** exercise this discretion **we** will cease to be liable for any further **legal expenses, professional expenses** or **awards of compensation**. **We** may also require the **insured persons** to make an offer to pay an **award of compensation** to an **employee** or ex-employee or prospective **employee** provided **we** agree to pay the **award of compensation**. If the **insured persons** fails to make that offer **we** will cease to be liable for any further **legal expenses** or **awards of compensation**.

If **you** do not comply with this condition **you** will not be covered and **we** will not make any payment in respect of a **claim**.

Payment of legal expenses, professional expenses and awards of Compensation condition

All bills for **legal expenses** or **professional expenses** which the **insured persons** receive from the **appointed representative** should be forwarded to the **administrator** without delay. If the **administrator** requests, the **insured persons** must ask the **appointed representative** to submit the bill of costs for assessment or certification by the appropriate Law Society, court or tribunal. The **insured persons** are responsible for payment of all **legal expenses** or **professional expenses** or **awards of compensation**. **We** may settle these direct if requested to do so by the **insured persons**. The payment of some **legal expenses** or **professional expenses** does not imply that all **legal expenses** or **professional expenses** or **awards of compensation** will be paid.

Commercial legal expenses section *continued*

Recovery of costs condition

Whenever the **insured persons** are awarded costs or under the terms of any settlement where costs are included, those costs are to be repaid to **us**. The **insured persons** and the **insured persons' 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 persons** agree that a fair and reasonable proportion of that settlement will be deemed as costs and due to **us**. Where such a settlement is paid in instalments, all costs will be paid to **us** first.

Value Added Tax condition

If **you** are registered for VAT, **we** will not pay the VAT element of any **legal expenses** or **professional expenses**.

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