Legal Expenses section

AXA Business Insurance
Important information about this cover

Legal Expenses section – Tradesmen & Professionals

Your schedule will show if this section is covered

Important information about this cover

Legal advice

You can obtain telephone based legal advice on UK law by calling the AXA legal advice line on 0800 111 6768 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 this section. 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 dispute 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 definitions apply to this section and are in addition to the policy definitions that have already been described in the Essential Information document. If a word or phrase has a defined meaning it will be underlined and will have the same meaning wherever it is used in this section.

**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. Their registered business address is Arc Legal Assistance Ltd, The Gatehouse, Lodge Park, Lodge Lane, Colchester, Essex CO4 5NE.

This can be checked on the FCA’s website at www.fca.org.uk or by contacting them on 0845 606 1234.

**Any one claim**
All claim(s) 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 Equality Act 2010, or arising out of failure to comply with awards for reinstatement or re-engagement.

**Claim(s)**
A claim under this section for legal expenses professional expenses or awards of compensation.

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

**Data Protection Legislation**
The relevant data protection legislation in force in the United Kingdom at the time of a claim.

**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(s)**
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 employee(s) 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 employee(s) including a director or partner to be included as an insured person.
Meaning of defined terms

HMRC 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 Section 9A or Section 12AC 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 or National Insurance Contributions affairs, following an employer compliance visit by HMRC or following an expression of dissatisfaction with your P11Ds or P9Ds.

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 Section 9A or Section 12AC of the Taxes Management Act 1970 in order to make an aspect enquiry into certain boxes on your self-assessment return.

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 where 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.

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 or buildings owned or occupied by you or for which you are legally responsible.

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 return or any related Value Added Tax default surcharges and misdeclaration penalties.
### What is covered

We will only pay the insured persons for claim(s) where the dispute, legal proceedings and HMRC investigation are within the policy territories and is in connection with activities within the scope of your business. This is a ‘claims made’ section of the policy. It only pays claim(s) notified to the administrator during the period of insurance.

<table>
<thead>
<tr>
<th>What is covered</th>
<th>What is not covered</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Contract disputes cover</strong></td>
<td><strong>Criminal prosecution cover</strong></td>
</tr>
<tr>
<td>We agree to pay you for 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, 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 between you and the contracting party, to which indemnity applies exceeds £500 3) 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.</td>
<td>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. We will not cover you for the excess shown in your schedule.</td>
</tr>
</tbody>
</table>

**Criminal prosecution cover**

We agree to pay the insured persons 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 etc Act 1974 or the Food Safety Act 1990.

We will not cover the insured persons for claim(s) 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 or drugs 7) failure to insure a motor vehicle as required by law.
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<td><strong>Data protection cover</strong></td>
<td></td>
</tr>
<tr>
<td>We agree to pay you for legal expenses incurred in</td>
<td>We will not cover you for</td>
</tr>
<tr>
<td>an appeal by you, against a refusal of an application</td>
<td>1) any fine, award or damages incurred by deliberately avoiding a payment or liability</td>
</tr>
</tbody>
</table>
## What is covered

### Property disputes cover

- We agree to pay you for 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.

- 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.

### Statutory licence cover

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

- 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.

We will not cover you for the excess shown in your schedule.
## What is covered

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<td><strong>Tax protection cover</strong></td>
<td>We will not cover you for</td>
</tr>
<tr>
<td>1) HMRC investigation</td>
<td>1) technical or routine treatment of matters not connected with or under an expression of dissatisfaction with your affairs</td>
</tr>
<tr>
<td>We agree to pay you for professional expenses incurred in representing you at an HMRC Investigation, including representation at a First-tier Tribunal, Upper Tribunal and an appeal against a decision following such a tribunal, provided that there is a reasonable prospect of reducing the liabilities alleged by HMRC.</td>
<td>2) the defence of any criminal prosecution</td>
</tr>
<tr>
<td>2) VAT disputes</td>
<td>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</td>
</tr>
<tr>
<td>We agree to pay you for 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 Tribunal Upper Tribunal or VAT Tribunal, including an appeal, provided that there is a reasonable prospect of reducing the liabilities alleged by HMRC.</td>
<td>4) any HMRC investigation which results solely from investigation of earlier accounts or records</td>
</tr>
</tbody>
</table>

## Limit of cover

The most we will pay under this section are the limits shown in your schedule for:

1) any one claim
2) all claim(s) notified during the period of insurance.
What is not covered

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

1) defending civil legal proceedings for
   a) injury or disease including psychiatric injury and stress
   b) loss, destruction or damage of or to property
   c) alleged breach of any professional duty
   d) any tortious liability (other than as specified in the Property disputes cover)
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
7) any dispute, legal proceedings or HMRC investigation for which you are, or would be but
   for the existence of this section, entitled to indemnity under any insurance 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
   claim(s), 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) any dispute or legal proceedings arising out of breach or alleged breach of
    confidentiality or passing off, whether related to intellectual property or not
    a) 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.
These conditions of cover apply only to this section.

You must comply with the following conditions to have the full protection of this section.

Conditions may specify circumstances whereby non-compliance will mean that you will not receive payment for a claim. However you will be covered and we will pay your claim if you are able to prove that the non-compliance with these conditions could not have increased the risk of the loss which actually occurred in the circumstances in which it occurred.

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.

Data Protection condition
You agree that any information provided to us regarding the insured persons, will be processed by us or the administrator in compliance with the provisions of data protection legislation for the purposes of providing insurance and handling claim(s), if any, which may necessitate providing such information to third parties.

Reasonable precautions condition
The insured persons must take all reasonable precautions to avoid and prevent claim(s), HMRC investigations, legal proceedings and disputes. The insured persons must make every effort and take all reasonable measures to minimise the cost and effect of any claim.

If you do not comply with this condition you may not receive payment in respect of a claim.

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. This 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 cover. 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.

Your insolvency and 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 the 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.
Claim 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 having regard to the proportionality between the remedy claimed and the legal expenses or professional expenses to be incurred and

2) 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 there are reasonable prospects of defending the claim

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 1) or 2) 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

i) a fully completed claim form

ii) the information and documentation the administrator reasonably requests

iii) a legal opinion from the appointed representative as to 1) and 2) above

iv) 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 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 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 1) or 2) 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 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 and awards of compensation 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 2) a) 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 payment in respect of a claim.
Claim conditions

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 immediately in order that cover continues. The administrator will inform the appointed representative of its decision and the insured persons must cooperate in an appeal against the judgment or decision of a court or tribunal.

Disclosure condition
It is a condition of cover that

1) 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 or obtain all documents as necessary and attend meetings or conferences as requested.

2) 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 proceedings need to be issued, the insured persons are free to choose an appointed representative to act in the name of and on behalf of the insured persons in legal proceedings where the administrator has consented, subject to you paying the first £1,000 of any one claim. The name and address of the appointed representative you propose to instruct must be notified to the administrator in writing. The proposed appointed representative will enable the insured persons to comply with the terms and conditions of the policy and will be appointed to act for the insured persons in line with the administrator's standard conditions of appointment. Any professional expenses or legal expenses charged by the insured persons proposed appointed representative in excess of those that would normally be incurred in using a specialist panel solicitor will be the responsibility of the insured persons.

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 of 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 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 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 on 0330 024 8991 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 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 fail to make the offer we will cease to be liable for any further legal expenses or award 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.

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 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.