

PROPERTY OWNERS LEGAL & RENTAL PROTECTION INSURANCE POLICY

This insurance Policy only covers claims if notified to Abbey during the Period of Insurance.

The written proposal and declaration or renewal declaration submitted by the Policyholder on behalf of the Insured 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 in connection with activities within the scope and extent of the Insured's business activity of a property owner.

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

DEFINITIONS

1. GENERAL

Abbey

Abbey Legal Protection a trading division of Abbey Protection Group Limited, or their appointed agent who administers this policy and manages claims on behalf of the Insurer.

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.

Any One Claim

All Claims consequent upon the same original cause, event or circumstance shall be regarded as one claim including an Inland Revenue Investigation into a later year's Inland Revenue Investigation where a previous year's revenue return is still subject to an open enquiry.

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 claim under this Policy for Legal Expenses or Professional Expenses and/or Rent

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 Residential Tenancy Agreement to which it applies as an indemnity for losses incurred by the Insured arising from the Tenant failing to perform his obligations set out in the Tenancy Agreement, not to be less than one months Rent

Excess

The amount specified below that 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.

Section 1

- Sub-Sections A, B, C and D - Nil
- Section 2 Sub-Section 1 – Nil
- Sub-Section 2 – An amount equal to one months Rent

Guarantor

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

Increased Excess

The amount specified below that 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 Abbey.

- Section 1 Sub-Sections A, B and C - £1,000 Any One Claim
- Section 1 Sub-Section D – Not applicable
- Section 2 Not applicable

Inland Revenue 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.

Insured

The Landlord specified in the Schedule and who has paid the premium and been declared to Abbey by the Policyholder

Insurer

Brit Insurance Limited located at 55 Bishopsgate, London, EC2N 3AS

Legal Expenses

a) Fees

- i. Any professional fees, expenses and other disbursements reasonably incurred by the Appointed Representative with the consent of Abbey; and
- ii. 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 Abbey but excluding any costs which the Insured may be ordered to pay by a court of criminal jurisdiction or in adjudication proceedings;

b) Witness Attendance Allowance

The amount of money per day the Insured is liable to pay the Employee each day they are required by the Appointed Representative to attend as a witness at a court or tribunal hearing. Indemnity to be limited to £100 per day and a maximum of £1,000 in Any One Claim.

Period of Insurance

As specified in the Schedule.

Policyholder

The FSA authorised intermediary named on the Schedule who has issued this Policy to the Insured.

Professional Duty

Duty owed by 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 Abbey 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

The land and/or building specified in the Insurance Schedule.

Rent

The monthly amount payable by the Tenant to the Insured as set out in the Residential Tenancy Agreement.

Residential Property

The Property specified in the Insurance Schedule and the Residential Tenancy Agreement

Residential Tenancy Agreement

An agreement between the Insured and the Tenant in relation to the 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 public limited company (Ltd) and the 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.

Tenancy Agreement

An agreement between the Insured and the Tenant for the use and occupation of the Property

Tenant

The occupier of the Property named in the Tenancy Agreement as the Tenant.

Tenant Referencing Company

The tenant referencing company agreed between Abbey and the Policyholder.

Tenant Reference

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

- A credit check obtained from a licenced credit referencing company on a Tenant or Guarantor showing no County Court Judgments in the past three years and no outstanding County Court Judgments
- Copies of 2 forms of identification, one of which must contain a photograph of the referenced person
- Written employer's reference confirming the Tenant's/Guarantor's current and permanent employment and that their salary is sufficient to pay the Rent after deduction of normal living costs, and the monthly gross salary be at least two and half times the monthly rent

if the above is not available or in the case of students and DSS tenant, a credit reference with a 'Pass' rating provided by the Tenant Referencing Company for a prospective Tenant.

Territorial Limits

United Kingdom of Great Britain and Northern Ireland

LIMITS OF INSURER'S LIABILITY

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

- Sub-Sections A, B, C and D £50,000 Any One Claim

The maximum payable under Section 2

- Sub-Section 1. up to £25,000 of Legal Expenses Any One Claim
- Sub-Section 2. The monthly Rent shown in the Residential Tenancy Agreement and the Insurance Schedule up to a maximum of £2,500 per month. The maximum Rent payable per Claim is £10,000 or the equivalent of 12 months Rent, whichever is the lesser amount.

The maximum payable under this Policy for all Claims notified during the Period of Insurance

- £500,000

SECTIONS OF COVER.

The Sections and Sub-Sections of Cover applicable are as specified in the Schedule. The Insurer will only indemnify the Insured subject to the Limit of Insurers Liability for Claims where the dispute legal proceedings Inland Revenue Investigation are or would be within the Territorial Limits and the Claim is notified to Abbey in the Period of Insurance.

SECTION 1.

SUB-SECTION A.

PROPERTY DISPUTES

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

- i) over the physical possession of the Property provided that where appropriate all statutory and contractual notices have been correctly served by the Insured on the Tenant;
- ii) over the terms of the Tenancy Agreement relating to the use or maintenance of the Property, excluding dilapidations;
- iii) other than with a Tenant to pursue for damages or other remedy for the actual or alleged physical damage to the Property subject to the amount in dispute being in excess of £1000 and any legal expenses being limited to 75% of the amount in dispute;
- iv) over the actual or alleged dilapidations to the 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;
- v) to defend allegations of nuisance emanating from the Property provided the Property is used solely for residential purposes

Provided that the Insured will suffer financial loss if the Insured fails to pursue or defend the dispute or legal proceedings.

Exclusions to sub-Section A

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

- a) pursuing or defending 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 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.

SUB-SECTION B.

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, to a Property provided that:

- a) the Legal Expenses indemnified 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;
- c) the work is commenced after inception of the Period of Insurance.

Exclusions to sub-Section B

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

- a) contracts that provide or arrange credit, insurance, securities or guarantees;

- b) contracts where the liability or right of recovery of the Insured is incurred through their agent or by assignment;
- c) contracts governed by or alleged to be governed by the Consumer Credit Act 1974;
- d) contracts of employment;
- e) a Tenancy Agreement or a license to use Property.

SUB-SECTION C.

HEALTH & SAFETY PROSECUTIONS

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

- i) defending a prosecution against the Insured brought under the Health and Safety at Work Act 1974 in a court of criminal jurisdiction
- ii) 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 relate to the Property.

SUB-SECTION D.

TAX PROTECTION

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

Exclusions to sub-Section D

The Insurer shall not be liable to indemnify the Insured 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;
- b) the defence of 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 Inland Revenue Investigation or proceedings which results 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 the 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 a 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.

The Insurer will only indemnify the Insured for Claims where the dispute and legal proceedings are or would be within the Territorial Limits and the Claim is notified to Abbey during the Period of Insurance and it is a condition precedent to cover under sub-section 1 and sub-section 2 of this Section that:

1. The initial Tenancy Agreement is for a fixed term of no more than 12 months.
2. The Property is for and remains solely for residential use.
3. The Tenant is aged 18 years or over.
4. The Insured or his agent did not allow the Tenant into possession of the Insured Property before: -
 - a) the Tenancy Agreement was signed by all parties and
 - b) a Tenant Reference was obtained and
 - c) all necessary statutory pre-grant notices to the Tenant were issued and
 - d) the first months Rent and the Deposit were received in cash or cleared funds and
5. During the Tenancy Agreement the Insured or his agent must:-
 - a) Have kept full and up to date rental records
 - b) not have allowed the Tenancy Agreement to be transferred to any other individual or organisation.

SUB-SECTION 1.

EVICTION

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

Provided that:

- a) Where the eviction is for Rent arrears the arrears are greater than £250
- b) All statutory and contractual notices are compliant and have been served on the tenant
- c) If Rent is overdue the Tenant and any Guarantor were contacted within seven days to establish the reason for the arrears. If the Rent was not paid within a further seven days the Tenant and any Guarantor were contacted again. If the Tenant was uncontactable, and it is lawful to do so, the Insured or his agent must have served notice of a requirement to undertake an inspection in accordance with the Insured's rights within the Residential Tenancy Agreement and have visited the Residential Property. The Insured or his agent must have sought legal advice if unsure that such an inspection is lawful.
- d) Where a Tenant is in arrears of Rent for an amount equal to at least one months Rent, the Insured or his agent must issue a formal written notice to the Tenant in accordance with the terms of the Residential Tenancy Agreement informing the Tenant that possession is being sort under the Housing Act 1988 Section 21. This notice must be issued to the Tenant and be effective at least 5 days before the third months consecutive Rent default.

Exclusions to sub-section 1

The Insurer shall not be liable to indemnify the Insured 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 Residential Property has been achieved.
- b) arising from or connected to the Insured's performance of his obligations under the Residential Tenancy Agreement
- c) relating to the payment or non payment of service charges as defined within the Landlord and Tenant Act 1985 (as amended).

SUB-SECTION 2.

RENT PROTECTION

The Insurer agrees to indemnify the Insured against Rent arrears due from the Tenant under the Residential Tenancy Agreement where the Insured has notified and is pursuing a Claim under Section 2 sub-section 1 of this Policy.

Provided that:

1. 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 the Insurance Policy will pay Rent arrears after deduction of the balance of the Deposit)
2. Rent is only payable until vacant possession has been gained,
3. 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 could first 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 sub-section 2

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

- a) which is not notified to Abbey within 60 days of Rent first being in arrears
- b) where Rent arrears arose within the first 90 days of the Period of Insurance and the Residential Tenancy Agreement commenced before the Period of Insurance unless evidence of continuous equivalent insurance immediately prior to the Period of Insurance is provided.
- c) Where a Tenant required a Guarantor to obtain a Tenant Reference and the Guarantor was not correctly assigned to the Residential Tenancy Agreement.

GENERAL EXCLUSIONS

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

1. the defence of the Insured in civil legal proceedings arising from:
 - a) injury or disease including psychiatric injury and/or stress;
 - b) loss, destruction or damage of or to property (other than as specified in Section 1 sub-section A);
 - c) alleged breach of any Professional Duty;
 - d) any tortious liability (other than as specified in Section 1 sub-section A);
2. any dispute, legal proceedings or Inland Revenue Investigations made, brought or commenced outside the Territorial Limits;
3. Legal Expenses or Professional Expenses incurred without the prior written consent of Abbey or in excess of Abbey's consent;
4. any Claim relating to or arising from any cause, event or circumstance occurring prior to or existing at inception of this Policy and which has or which the Insured knew or ought reasonably to have known may give rise to a dispute, legal proceedings or Inland Revenue Investigations by or against the Insured;
5. fines or other penalties imposed by a court or tribunal;
6. any dispute, legal proceedings or Inland Revenue 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;
7. any Claim arising out of the deliberate, conscious, intentional or negligent disregard by the Insured of the need to take all reasonable steps to avoid and prevent Claims, disputes legal proceedings or Inland Revenue Investigations;
8. any dispute or legal proceedings with Government or Local Authority departments concerning the imposition of statutory charges;
9. disputes between Insureds as specified in the Schedule or any endorsement thereto, or with any parent or subsidiary company or partner;
10. any dispute between the Insured and the Insurer, Abbey, the Appointed Representative the Insured's mortgage lender or the Policyholder;
11. any dispute falling within the jurisdiction of the Rent Assessment Committee, the Lands Tribunal or the Leasehold Valuation Tribunal

12. any dispute of legal proceedings 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
13. 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;
14. any dispute or legal proceedings arising out of or in connection with the defamation or alleged defamation of or by the Insured;
15. any Legal Expenses incurred or Professional Expenses incurred in respect of or in connection with a judicial review;
16. appeals arising out of legal proceedings or Inland Revenue Investigations to which no Abbey's Consent has been granted;
17. 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;
18. any Legal Expenses or Professional Expenses which the Insured should or would have had to incur irrespective of any dispute or legal proceedings;
19. 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;
18. any loss, damage cost or expense whatsoever nature directly or indirectly caused by, resulting from or in connection with (including any action taken in controlling, preventing, suppressing or in any way relating to) any of the following 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 England & Wales.

The apportionment of the costs of the arbitration shall be determined by the arbitrator.

2. 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 by writing requesting cancellation and returning the Policy documents to the Policyholder. No charge will be made and any premium paid by the Insured will be refunded.

3. Alteration of Risk

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

4. 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.

5. Proper 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.

6. Data Protection Act 1998

It is agreed by the Insured that any information provided to Abbey or the Insurer regarding the Insured will be processed by the them 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.

7. Premium Adjustment

If any part of the premium is calculated on estimates furnished by the Insured the Insured shall keep an accurate record containing all particulars relative thereto and shall at all times allow Abbey to inspect such record. The Insured shall within one month from the expiry of each Period of Insurance furnish to Abbey such particulars and information as the Insurers may require. The Premium for such period shall thereupon be adjusted and the difference paid by or allowed to the Insured as the case may be subject to the minimum premium stipulated.

CLAIMS CONDITIONS

1. Notification of Claims

It is a condition precedent to the liability of the Insurer that Abbey is notified in writing immediately the Insured is aware of any cause, event or circumstance which has given or may give rise to a Claim dispute legal proceedings or Inland Revenue 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 made during the Period of Insurance.

Abbey will forward to the Insured a claim form that must be completed and returned immediately.

2. Abbey's 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 Abbey on behalf of the Insurer if the Insured can satisfy Abbey that:

- a) 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;

- b)
 - i. Where the Insured is pursuing there are reasonable prospects of proving the other party's legal liability and recovering the damages claimed or other remedy sought;

 - or
 - ii. Where the Insured is defending the other party does not have reasonable prospects of proving the Insured's legal liability;

 - or,
 - iii. in respect of a Health and Safety prosecution and where the Insured pleads guilty 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 Abbey 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 Abbey reasonably requests;
- a legal opinion from the Appointed Representative as to a. and b. above;
- any advice Abbey may deem it necessary to take;

With the agreement of the Insured, Abbey 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 Insurer's Liability.

Abbey at its discretion may require the Insured to obtain an opinion from Counsel at the Insured's expense as to the merits of a Claim such opinion to have regard to the same issues that Abbey has in assessing the merits of any legal action. If based upon such opinion Abbey is satisfied in respect of a. and b. above the Legal Expenses and Professional Expenses incurred in obtaining that opinion will be paid by the Insurer within the Limits of the Insurer's Liability.

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.

Abbey 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 Abbey's consent will be withdrawn and no indemnity shall be provided. The Insurer shall be entitled to recover any Legal Expenses or Professional Expenses previously paid.

If the Insured elects to proceed with the pursuit or defence of a dispute or legal proceedings to which Abbey's consent has been refused through lack of reasonable prospects as required in b) i. and ii. 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 conditions of this Policy.

3. Instruction and Choice of Appointed Representative and Counsel

Abbey will choose an Appointed Representative to act on behalf of the Insured in any Claim under certain Sections as specified in the 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 Abbey has consented subject to the Increased Excess. The name and address of the Appointed Representative the Insured proposes to instruct must be notified to Abbey in writing. Abbey will accept such nomination provided Abbey is satisfied the proposed Appointed Representative will cooperate and enable the Insured to comply with the terms and conditions of this policy and provided the proposed Appointed Representative's charging rates are fair and reasonable in regard to the particular legal proceedings. In all other claims Abbey 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 Abbey, enter into any agreement with the Appointed Representative as to the basis of calculation of Legal Expenses. Abbey may withdraw consent previously given at any time.

In selecting the Appointed Representative the Insured shall have regard to its duty to minimize 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 Abbey for consent to the proposed instruction which will not be unreasonably withheld.

4. Disclosure

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

- a) The Insured must give to the Appointed Representative and Abbey 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) Abbey is entitled to receive from the Appointed Representative 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 Abbey with regular updates on the progress of the subject matter of any Claim and inform Abbey immediately if and when any circumstance adversely impacts the factors taken into account in granting Abbey'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 Appointed Representative's requests.

5. Payment of Legal Expenses and Professional Bills

All bills for Legal Expenses or Professional Expenses which the Insured receives from the Appointed Representative should be forwarded to Abbey without delay. If Abbey so requires the Insured 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 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.

Rent will be paid monthly in arrears at a rate of 1/30th for each continuous day that it is in arrears. Subject to a maximum of £2500 per month for up to twelve months or £10,000 whichever is the lesser amount.

6. Offer of Settlement

It is a condition precedent to the liability of the Insurer that the Insured must inform Abbey in writing as soon as an offer to settle a claim or legal proceedings 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 by the Insurer and the recovery thereof. No indemnity will be provided if the Insured enters into any agreement to settle without the prior written consent of Abbey (such consent not to be unreasonably withheld) and the Insurer shall be entitled to recover any Legal Expenses or Professional Expenses or Rent previously paid. If the Insured unreasonably rejects an offer of settlement which Abbey recommends acceptance of or makes an offer which Abbey does not agree 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 being claimed against the Insured instead of indemnifying the Insured for Legal Expenses or Professional Expenses. Where 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 Rent, or under the terms of any settlement where costs or Rent are included, those costs or Rent 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 installments all costs or Rent due to the Insurer shall be paid first.

8. Appeal Procedure

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

9. Minimizing Claims or Legal Proceedings

The Insured must take all reasonable precautions to avoid and prevent Claims Inland Revenue Investigations legal proceedings and disputes. The Insured must use every endeavor and take all reasonable measures to minimize 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 hereunder shall be forfeited and the Insurer shall be entitled to recover any Legal Expenses, Professional Expenses or Rent 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 and Rent notwithstanding any previous consent Abbey 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

Abbey is dedicated to providing high quality service and wants to ensure that it maintains this at all times. If the Insured is not satisfied with any part of the service they have received then they should write to Abbey who will do their best to resolve the problem.

In the first instance please contact:

**The Customer Services Manager
Abbey Legal Protection
Minorities House
2-5 Minorities
London
EC3N 1BJ
Tel: 0870 600 1480
Fax: 0870 600 1481**

Abbey is authorised and regulated by the Financial Services Authority. Firm Number 308829

In the event that the Insured remains dissatisfied and wishes to pursue matters further they may be able to refer the matter to the Financial Ombudsman Service. The Financial Ombudsman Service can normally deal with complaints from private individuals and from small businesses with an annual turnover of less than £1 million (for a group of companies, this means a group annual turnover of less than £1 million). The Financial Ombudsman Service can also help with complaints from charities with an annual income of less than £1 million, and from trusts with a net asset value of less than £1 million. Their details are as follows:

**Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall
London
E14 9SR
Tel: 0845 080 1800
www.financial-ombudsman.org.uk**

This procedure will not prejudice your rights to take legal proceedings.

Financial Services Compensation Scheme

In the event that the Insurer fails to meet its obligations and the Insured has turnover or income of less than £1 million a year the Insured may be eligible for compensation from the Financial Services Compensation Scheme

COMMUNICATIONS

Initial notification of a claim must be made in writing by first class post or facsimile to Abbey by addressing it to:

**Abbey Legal Protection
Minorities House
2-5 Minorities
London
EC3N 1BJ
Fax No: 0870 600 1481**

All notices and communications from the Insurer or their representatives to the Insured shall be deemed to have been duly sent if sent to the Insured's address as last declared to Abbey or, in relation to any matters arising out of any claim or legal proceedings, if sent to the Appointed Representative.

All notices and communications from the Insured or the Appointed Representative to the Insurer shall be deemed to have been duly sent if sent to Abbey at the above address.

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Abbey Legal Protection

Abbey Protection Group Limited

Minorities House, 2-5 Minorities, London, EC3N 1BJ

Tel: 0870 600 1480 **Fax:** 0870 600 1481

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