

NFRN Legal Policy Document



NFRN Legal

Master Policy Wording (ref 513202)

Please read this policy carefully and in full to familiarise yourself with the terms and conditions.

Legal and tax helplines

24/7 legal advice on business matters within UK and EU law

Tax advice 9am to 5pm weekdays (except UK bank holidays).

If calling from the UK: **0330 30 31 457**

If calling from the Republic of Ireland: **01 453 7991**

Make a claim

To ask for a claim form call us on **0330 30 31 457** if calling from the UK or **01 453 7991** if calling from the Republic of Ireland between 9am and 5pm weekdays (except UK bank holidays) or go online www.arag.co.uk/newclaims

Other telephone helplines

(See page 3 for details)

Crisis communication +44 (0) 344 571 7964

Confidential counselling + 44 (0) 333 000 2082

NFRN Legal Plus

Register today at:

www.araglegal.co.uk and enter the voucher code

ARAG333BIZ to access the law guide and download

legal documents to help with commercial legal matters.

The NFRN Legal Plus Service does not apply to members based in the Republic of Ireland and there are jurisdictional limitations on some documents within the UK.

Main benefits of NFRN Legal

Cover empowers NFRN members to protect their legal rights in the future. With support from ARAG, members could be protected from legal costs arising from:

- employment disputes (including TUPE) & compensation awards
- employment restrictive covenants
- tax investigations & VAT disputes
- legal nuisance, trespass or damage to property
- criminal legal defence (including interviews under caution)
- compliance & regulation
- statutory licence appeals
- loss of earnings
- employees' extra protection & identity theft
- crisis communication
- contract disputes (including debt recovery).

Who is ARAG?

ARAG's UK operation provides a nationwide service from our Bristol Head Office. We are part of ARAG SE, a global leader in legal expenses insurance which generates annual premium income in excess of €1.5 billion.

It has always been our vision to enable everyone, not just those that can afford it, to assert their legal rights. With this aim in mind we provide innovative and affordable products to businesses and their directors and partners.

We are committed to providing NFRN members with legal advice and representation throughout a legal problem. We recognise that we will only grow by ensuring that we provide excellent products and an outstanding service to our customers.

What happens if the insurer cannot meet its liabilities?

The insurer ARAG Allgemeine Versicherungs-AG Branch United Kingdom is covered by the Financial Services Compensation Scheme (FSCS). NFRN members may be entitled to compensation of up to 90% of the cost of their claim, in the unlikely event that the insurer cannot meet its obligations. Further information about compensation scheme arrangements is available at www.fscs.org.uk



Important information

Helplines

All helplines are subject to fair and reasonable use. The level of fair usage will depend on individual circumstances.

Legal and tax advice

If the member has a legal or tax problem relating to their business, we recommend they call our confidential legal and tax advice helpline. Legal advice is available 24 hours a day, 365 days a year, and tax advice is available between 9am and 5pm on weekdays (except UK bank holidays).

The advice covers business-related legal matters within UK and EU law. The member's query will be dealt with by a qualified specialist experienced in handling legal and tax-related matters. Use of this service does not constitute reporting of a claim.

Interviews under caution

If a member or their employee is asked to attend an interview under caution to answer enquiries about their business, we can arrange local legal support and representation.

For legal and tax advice or Interviews under caution:

If calling from the UK: **0330 30 31 457**

If calling from the Republic of Ireland: **01 453 7991**

Crisis communication + 44 (0) 344 571 7964

If the member is concerned about an event that may result in negative publicity which could affect their business, they can access professional public relations support from our Crisis Communication experts.

Where possible, initial advice for the member to act upon will be provided over the phone. Where an event has led to actual publicity online, in print or broadcast, that could damage the member's business, they are insured against the costs of crisis communication services under Insured event 11 when they use this helpline.

Should the member's circumstances require professional work to be carried out in advance of any actual adverse publicity, such services are available on a consultancy basis and subject to payment of a fee.

Counselling assistance +44 (0) 333 000 2082

For a member's employee (including family members permanently living with them) needing confidential help and advice, our qualified counsellors are available to provide telephone support on any matter that is causing them upset.

Claims procedure (all claims)

If the member needs to make a claim they must notify us as soon as possible.

1. Under no circumstances should the member instruct their own solicitor or accountant as the insurer will not pay any costs incurred without our agreement.
2. The member can download a claim form by visiting www.arag.co.uk/newclaims or they can request one by telephoning us on **0330 30 31 457** if calling from the UK or **01 453 7991** if calling from the Republic of Ireland between 9am and 5pm Monday to Friday (except UK bank holidays).
3. The member's completed claim form and supporting documentation can be submitted to ARAG by email, post or fax. Further details are set out in the claim form itself. We will send the member a written acknowledgment by the end of the next working day after the claim is received. If for whatever reason the member has not heard from us after this, then they should contact us again.
4. Within five working days of receiving all the information needed to assess the availability of cover under the master policy, we will write to the member either:
 - a) confirming cover under the terms of the master policy and advising them of the next steps to progress their claim; or
 - b) if the claim is not covered, explaining in full the reason why and advising whether we can assist in another way.
5. When a representative is appointed they will try to resolve the member's dispute without delay, arranging mediation whenever appropriate. Matters cannot always be resolved quickly particularly if the other side is slow to cooperate or a legal timetable is decided by the courts.

Additional claims procedure applying in respect of Insured event 1 Employment

1. In the event of a potential dispute between the member and their employee, ex-employee or prospective employee, the member should seek advice as soon as possible.
2. They can do this by using the legal advice helpline as shown on page 2 of this policy. The qualified specialist providing the advice will be able to explain any relevant employment procedures that need to be followed.
3. Where advice has not been sought, the member must have concluded all of their normal internal employment procedures before making a claim under this policy.
4. Useful information to assist the member in dealing with employment matters is also available on the NFRN Legal Plus website as shown on page 2 of this policy.

Additional claims procedure applying in respect of debt recovery under Insured event 12 Contract disputes (including debt recovery)

Before making a claim for the recovery of debts that are owed to them, the member must have exhausted their normal credit control procedures.

Where the member wishes to claim for debt recovery provided they are not based in the Republic of Ireland, the member must follow this procedure as soon as the debt becomes **overdue by one week**:

1. The member must create and send a debt recovery letter which can be found within the NFRN Legal Plus website www.araglegal.co.uk

To do this the member needs to go to the Debt Recovery area of the website and select "Debt Recovery letters for unpaid invoices" from the menu. They then need to follow the instructions onscreen to create their customised letter. The member will be prompted to enter information and there are guidance notes to help them. When the member gets to a question about escalating their claim "through the county court, or moneyclaims online", the member needs to select "moneyclaims online".

2. The member must retain evidence of the debt recovery letter being sent to evidence their claim.
3. If the debt still remains unpaid after a further two weeks from the date of the first letter and the member has no repayment plan in place to collect what is owed, the member must send the second debt recovery letter using the Debt Recovery area of the website. Again they need to follow the online

instructions to create their customised letter and retain evidence of this letter being sent.

4. If the member does not receive a response within one week of the date of the second debt recovery letter, then the member must follow the standard claims procedure (all claims) as detailed on this page.
5. If the member wishes to draft their own debt recovery letters in preference to downloading letters from araglegal, that is acceptable provided that the member adheres to the timeframe described above and can provide proof that suitable letters have been sent to the debtor.

NFRN Legal

This policy is evidence of the contract between the **master policyholder** and the **insurer**. Terms that appear in bold face type have special meanings. Please read **Meaning of Words & Terms** for more information.

Your policy cover

Following an Insured event the **insurer** will pay **your member's legal costs & expenses** including the cost of appeals (and compensation awards under Insured event 2 Employment compensation awards) up to the limit of indemnity of £100,000 per claim (and aggregate limit of £1,000,000 per annum under Insured event 2 Employment compensation awards) for all claims related by time or originating cause subject to all the following requirements being met:

1. **You** have paid the insurance premium.
2. **You** and the **insured** keep to the terms of this **master policy** and cooperate fully with **us**.
3. The insured event arises from **your member's** occupation as an independent retailer and occurs within the **territorial limit**.
4. The claim
 - a) always has **reasonable prospects of success** and
 - b) is reported to **us**
 - i) during the **period of insurance** and
 - ii) as soon as the **member** first becomes aware of circumstances which could give rise to a claim.
5. Unless there is a conflict of interest, the **member** always agrees to use the **appointed advisor** chosen by **us** in any claim
 - a) to be heard by the **small claims court** or an Employment Tribunal and/or
 - b) before proceedings have been or need to be issued.
6. Any dispute will be dealt with through mediation or by a court, tribunal, Advisory Conciliation and Arbitration Service, the Injuries Board, ie or a relevant regulatory or licensing body within the **territorial limit**.

A claim is considered to be reported to **us** when **we** have received the **member's** fully completed claim form.

Insured **events covered**

A – Legal Expenses

1 Employment

A dispute between the **member** and their **employee**, **ex-employee**, or a prospective **employee**, arising from a breach or an alleged breach of their

- a) contract of service with the **member** and/or
- b) related legal rights.

What is not covered under Insured event 1

Any claim arising from or relating to:

1. the pursuit of an action by the **member** other than an appeal against the decision of a court, Labour Court, tribunal or the Workplace Relations Commission
2. **legal costs & expenses** for preparation and representation at an internal disciplinary hearing, grievance or appeal
3. a pension scheme where actions are brought by 10 or more **employees** or **ex-employees**
4. civil claims or statutory right relating to trustees of occupational pension schemes.

2 Employment compensation awards

Following a claim **we** have accepted under Insured event 1 Employment, the **insurer** will pay any

- a) basic and compensatory award
- b) Employment Tribunal fees under Schedule 3 of the Employment Tribunals and the Employment Tribunal Fees Order 2013

awarded against the **member** by a tribunal or

- c) (for the Republic of Ireland) financial compensation ordered against the **member** by the Labour Court, Workplace Relations Commission or on appeal by the High Court
- d) an amount agreed by **us** in settlement of a dispute.

Provided that compensation is:

- i) agreed through mediation or conciliation or under a settlement approved by **us** in advance or
- ii) awarded by a tribunal judgment, or in the Republic of Ireland the Labour Court, Workplace Relations Commission or on appeal the High Court, after full argument unless given by default.

What is not covered under Insured event 2

Compensation awards or settlements relating to:

1. money due to an **employee** under a contract or a statutory provision relating thereto
2. trade union membership or non-membership, industrial or labour arbitration, collective bargaining agreements, trade union recognition or matters concerning a European Works Council.

3 Employment restrictive covenants

- a) A dispute with the **member's employee** or **ex-employee** which arises from their breach of a restrictive covenant where the **member** is seeking financial remedy or damages.

Provided that the restrictive covenant

- i) is designed to protect the **member's** legitimate business interests, and
 - ii) is evidenced in writing and signed by the **member's employee** or **ex-employee**, and
 - iii) extends no further than is reasonably necessary to protect the business interests, and
 - iv) does not contain restrictions in excess of 12 months.
- b) A dispute with another party who alleges that the **member** has breached their legal rights protected by a restrictive covenant.

Insured **events covered** (continued)

4 Tax protection

- a) A formally notified enquiry into the **member's** tax affairs, or into the personal tax affairs of the **member's** directors and/or partners.
- b) A dispute about the **member's** compliance with regulations relating to:
 - i) Value Added Tax, or
 - ii) Pay As You Earn, or
 - iii) Social Security, or
 - iv) National Insurance Contributions, or
 - v) the Universal Social Charge, or
 - vi) IR35following a
 - compliance check by HM Revenue & Customs.
 - a Revenue non-audit compliance intervention or a Revenue audit by the Revenue Commissioners.
- c) An enquiry into the **member's** tax affairs, or into the personal tax affairs of the **member's** directors and/or partners, arising from an alleged discovery by HM Revenue & Customs or the Revenue Commissioners.

Provided that:

- i) all returns are completed and have been submitted within the statutory timescales permitted; and
- ii) the **member** keeps proper records in accordance with statutory requirements; and
- iii) in respect of any appealable matter the **member** has requested an Internal Review from HM Revenue & Customs where available.

What is not covered under Insured event 4

Any claim arising from or relating to:

1. tax returns which result in HM Revenue & Customs (or the Revenue Commissioners in the Republic of Ireland) imposing a penalty or which contain careless and/or deliberate misstatements
2. an investigation by the Fraud Investigation Service of HM Revenue & Customs (or the Investigations & Prosecutions Division of Revenue Commissioners in the Republic of Ireland)
3. circumstances where the i) Disclosure of Tax Avoidance Scheme Regulations, or ii) (in the Republic of Ireland) General Anti-Avoidance Rule contained in section 811C or a Specific Anti-Avoidance Provision contained in Schedule 33 apply or should apply to the **member's** financial arrangements
4. any enquiry that concerns assets, monies or wealth in a tax jurisdiction which is foreign to the location of **your member**
5. the **member's** failure to register for VAT.

5 Property

A dispute relating to material property which the **member** owns or is the **member's** responsibility:

- a) following an event which causes physical damage to the **member's** material property
- b) following a public or private nuisance or trespass
- c) which the **member** wishes to recover or repossess from an **employee** or ex-**employee**.

What is not covered under Insured event 5

Any claim arising from or relating to:

1. a contract between the **member** and a third party except for a claim under 5 c)
2. goods in transit or goods lent or hired out
3. compulsory purchase, demolition restrictions, controls or permissions placed on land or property by any government, local or public authority
4. a dispute with any party other than the party who caused the damage, nuisance or trespass.

Insured **events covered** (continued)

<p>6 Legal defence</p> <ul style="list-style-type: none">a) 24/7 access to legal representation at an interview under caution which may lead to the member being prosecuted subject to the member using the helpline described on page 2 of this master policy.b) A criminal investigation and/or enquiry by:<ul style="list-style-type: none">i) the police (or the garda in the Republic of Ireland)ii) a health & safety authority oriii) other body with the power to prosecute where it is suspected that an offence may have been committed that could lead to the member being prosecuted.c) An offence or alleged offence which leads to the member being prosecuted in a court of criminal jurisdiction.d) A motor prosecution brought against the member's directors and/or partners that arises from the use of any vehicle for personal, social or domestic purposes or to commute to or from their place of work.	<p>What is not covered under Insured event 6</p> <p>Any claim arising from or relating to:</p> <ul style="list-style-type: none">1. legal costs & expenses in excess of £2,500 in respect of a claim under 6 a)2. a parking offence.
<p>7 Compliance & regulation</p> <ul style="list-style-type: none">a) Receipt of a Statutory Notice that imposes terms against which the member wishes to appeal.b) Notice of a formal investigation or disciplinary hearing by any professional or regulatory body.c) A civil action alleging wrongful arrest arising from an allegation of theft.d) A claim against the member for compensation under Section 13 of the Data Protection Act 1998 including compensation awarded against the member provided that the member is registered with the Information Commissioner.	<p>What is not covered under Insured event 7</p> <p>Any claim arising from or relating to:</p> <ul style="list-style-type: none">1. the pursuit of an action by the member other than an appeal2. a routine inspection by a regulatory authority3. a Health and Safety Executive Fee for Intervention.
<p>8 Statutory licence appeals</p> <ul style="list-style-type: none">a) An action brought by the relevant authority that could directly lead to the member's statutory licence or compulsory registration being altered, suspended, revoked or a refusal to renew.b) An appeal against a decision by the relevant authority to alter, suspend, revoke or refuse to renew the member's statutory licence or compulsory registration.	
<p>9 Loss of earnings</p> <p>The member's absence from work to attend court, tribunal, Labour Court or Workplace Commission hearing, arbitration, regulatory proceedings or a professional body's disciplinary hearing at the request of the appointed advisor or whilst on jury service which results in loss of earnings.</p>	<p>What is not covered under Insured event 9</p> <p>Any sum which can be recovered from the court or tribunal.</p>

Insured **events covered** (continued)

10 Employees' extra protection

At the **member's** request

- a) where civil proceedings are issued against **your member's employee**:
 - i) for unlawful discrimination; or
 - ii) in their capacity as a trustee of a pension fund set up for the benefit of the **member's employees**;
- b) where the **member's employee** or a member of their family suffers physical bodily injury or death as a result of a sudden event
- c) a claim arising from personal identity theft targeted at the **member's** directors and/or partners.

What is not covered under Insured event 10a) and b)

Any claim arising from or relating to:

1. defending the **member**
2. a condition, illness or disease which develops gradually over time.

11 Crisis communication

Following an event which causes the **member's** business significant adverse publicity or reputational damage which is likely to have a widespread financial impact on the **member's** business, **we** will

- a) liaise with the **member** and their solicitor (whether the solicitor is an **appointed advisor** under this **master policy**, or acts on the **member's** behalf under any other policy), to draft a media statement or press release and/or
- b) prepare communication for the **member's** staff/ customers/suppliers and/or a telephone or website script or social media messaging and/or
- c) arrange, support and represent the **member** at an event which media will be reporting
- d) support the **member** by taking phone calls/emails and managing interaction with media outlets
- e) support and prepare the **member** for media interviews provided that the **member** has sought and followed advice from **our** Crisis communication helpline.

What is not covered under Insured event 11

Any claim arising from or relating to:

1. matters that should be dealt with through the **member's** normal complaints procedures.
2. a matter that has not actually resulted in adverse publicity appearing online, in print or broadcast
3. **legal costs & expenses** in excess of £10,000.

12 Contract & debt recovery (including debt recovery)

A breach or alleged breach of an agreement or alleged agreement which has been entered into by the **member** or on the **member's** behalf relating to the purchase, hire, hire purchase, lease, servicing, maintenance, testing, sale or provision of goods or services

If the **member** is claiming for an undisputed debt, the **member** needs to follow the Claims procedures relating to debt recovery as detailed on page 4 where applicable.

What is not covered under Insured event 12

Any claim arising from or relating to:

1. an amount which is less than £200
2. disputes with a tenant or leasee where the **member** is the landlord or lessor
3. the sale or purchase of land or buildings
4. loans, mortgages, endowments, pensions or any other financial product
5. computer hardware, software, internet services or systems which have tailored to the **member's** requirements
6. a breach or alleged breach of a professional duty by the **member**
7. the settlement payable under an insurance policy
8. a dispute relating to an **employee** or **ex-employee**
9. adjudication or arbitration.

What is **not covered** by this policy (applicable to the whole policy)

The **member** is not covered for any claim arising from or relating to:

1. **legal costs & expenses** or compensation awards incurred without **our** consent
2. any actual or alleged act, omission or dispute happening before, or existing at the time when the **insured member's** cover first commenced under this **master policy**, and which the **member** knew or ought reasonably to have known could lead to a claim
3. an allegation against the **member** involving:
 - a) assault, violence, indecent or obscene materials (other than those obtained through legitimate news wholesalers), dishonesty, malicious falsehood, defamation, the manufacture or use of alcohol, illegal drugs, illegal immigration; except in relation to Insured event 11 Crisis Communication
 - b) offences under Part 7 of the Proceeds of Crime Act 2002 (money laundering offences)
4. defending a claim in respect of damages for personal injury (other than injury to feelings in relation to Insured event 1 Employment), or loss or damage to property owned by the **member**
5. patents, copyright, passing-off, trade or service marks, registered designs and confidential information (except in relation to Insured event 3 Employment restrictive covenants)
6. a dispute with any subsidiary, parent, associated or sister company or between shareholders or partners
7. franchise or agency agreements
8. a judicial review
9. a dispute with **us** or the **insurer** not dealt with under Condition 6 or a dispute between **you** and **your member(s)**
10.
 - a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel
 - b) radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
 - c) war, invasion, act of foreign enemy hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military or usurped power
 - d) pressure waves from aircrafts or other aerial devices travelling at sonic or supersonic speed
 - e) any terrorist action (regardless of any other cause or event contributing concurrently or in any other sequence to the liability) or any action taken in controlling, funding, preventing or suppressing terrorist action. If the **insurer** alleges that by reason of this exclusion any liability or loss is not covered by this policy, the burden of proving the contrary shall be upon the **member**
11. The payment of fines, penalties or compensation awarded against the **member** (except as covered under Insured event 2 Employment compensation awards or Insured event 7d) or costs awarded against the **member** by a court of criminal jurisdiction.

Policy conditions

Where the **insurer's** risk is affected by the **member's** failure to keep to these conditions the **insurer** can cancel the **member's** policy, refuse a claim or withdraw from an ongoing claim. The **insurer** also reserves the right to claim back **legal costs & expenses** from the **member** if this happens.

1. The insured's responsibilities

An **insured** must:

- a) tell **us** immediately of anything that may make it more costly or difficult for the **appointed advisor** to resolve the claim in their favour
- b) cooperate fully with **us**, give the **appointed advisor** any instructions **we** require, and keep them updated with progress of the claim and not hinder them
- c) take reasonable steps to claim back **legal costs & expenses** and, where recovered, pay them to the **insurer**
- d) keep **legal costs & expenses** as low as possible
- e) allow the **insurer** at any time to take over and conduct in the **insured's** name, any claim.

2. Freedom to choose an appointed advisor

- a) In certain circumstances as set out in 2.b) below the **insured** may choose an **appointed advisor**. In all other cases no such right exists and **we** shall choose the **appointed advisor**.
- b) If:
 - i) **we** agree to start proceedings or proceedings are issued against the **member**, or
 - ii) there is a conflict of interestthe **insured** may choose a qualified **appointed advisor** except where the **insured's** claim is to be dealt with by the Employment Tribunal or Labour Court or Workplace Commission or **small claims court** where **we** shall always choose the **appointed advisor**.
- c) Where the **insured** wishes to exercise the right to choose, they must write to **us** with their preferred representative's contact details. Where the **insured** chooses to use their preferred representative, the **insurer** will not pay more than **we** agree to pay a solicitor from **our** panel. (**Our** panel solicitor firms are chosen with care and **we** agree special terms with them including rates which may be lower than those available from other firms.)
- d) If the **insured** dismisses the **appointed advisor** without good reason, or withdraws from the claim without **our** written agreement, or if the **appointed advisor** refuses with good reason to continue acting for the **insured**, cover will end immediately.
- e) In respect of pursuing a claim under Insured event 12 Contract & debt recovery the **member** must enter into a **conditional fee agreement** (unless the **appointed advisor** has entered into a **collective conditional fee agreement**) where legally permitted.

3. Consent

- a) The **insured** must agree to **us** having sight of the **appointed advisor's** file relating to the **insured's** claim. The **insured** is considered to have provided consent to **us** or **our** appointed agent to have sight of their file for auditing and quality and cost control purposes.
- b) The party claiming under this **master policy** must have the **member's** agreement to claim.
- c) The **insurer** can refuse to cover a claim under this **master policy** should **you** inform **us** that **your** reputation as a professional organisation will be brought into disrepute by providing cover to the **insured**.

4. Settlement

- a) The **insurer** can settle the claim by paying the reasonable value of the **member's** claim.
- b) The **insured** must not negotiate, settle the claim or agree to pay **legal costs & expenses** without **our** written agreement.
- c) If the **insured** refuses to settle the claim following advice to do so from the **appointed advisor** the **insurer** reserves the right to refuse to pay further **legal costs & expenses**.

5. Barrister's opinion

We may require the **insured** to obtain and pay for an opinion from a barrister if a dispute arises regarding the merits or value of the claim. If the opinion supports the **insured**, then the **insurer** will reimburse the reasonable costs of that opinion. If that opinion conflicts with advice obtained by **us**, then the **insurer** will pay for a final opinion which shall be binding on the **insured** and **us**. This does not affect the **insured's** right under Condition 6 below.

6. Arbitration

If any dispute between the **insured** and **us** arises from this **master policy**, the **member** can make a complaint to **us** as described on the back page of this policy and **we** will try to resolve the matter. If **we** are unable to satisfy the **insured's** concerns and the matter can be dealt with by the Financial Ombudsman Service the **insured** can ask them to arbitrate over the complaint.

Policy conditions (continued)

If the dispute cannot be dealt with by the Financial Ombudsman Service, it can be referred for independent arbitration to a qualified person agreed upon by both parties. The loser of the dispute shall be liable to pay the costs incurred.

If we fail to agree on a suitable person to arbitrate the matter **we** will ask the President of the relevant Law Society to nominate. The arbitration shall be subject to the Arbitration Acts and the arbitrator's decision shall be binding on the parties.

7. Other insurance

The **insurer** will not pay more than their fair share (rateable proportion) for any claim covered by another policy, or any claim that would have been covered by any other policy if this **master policy** did not exist.

8. Fraudulent claims and claims tainted by dishonesty

- a) If the **insured** makes any claim which is fraudulent or false, their entitlement to cover under this **master policy** shall become void and all benefit otherwise available to them will be lost.
- b) The **insured** shall at all times be entirely truthful and open in any evidence, disclosure or statement they give and shall act with complete honesty and integrity throughout. Where, on the balance of probabilities and having considered carefully all the facts of the claim, it appears that the **insured** has breached this condition and that the breach has:
 - i) affected **our** assessment of **reasonable prospects of success**, and/or
 - ii) prejudiced any part the outcome of the **member's** claimthe **insurer** shall have no liability for **legal costs & expenses**.

9. Cancellation

- a) The **master policyholder** may cancel **the master policy**:
 - i) within 14 days of the date of its purchase with a full refund of premium paid provided a claim has not been accepted; or
 - ii) at any other time by giving **us** at least 21 days' written notice and the **insurer** will refund the premium for the unexpired period unless a claim has been or is later accepted by **us** in which case no return of premium shall be allowed.
- b) Where there is a valid reason for doing so, the **insurer** has the right to cancel a **member's** entitlement to insurance under this **master policy** at any time by giving at least 21 days' written notice to the **member**.
The **insurer** will refund the premium applicable to that **member** for the remaining **period of insurance**. **We** will set out the reason for cancellation in writing. Valid reasons may include but are not limited to:
 - i) where the party claiming under this policy fails to cooperate with or provide information to **us** or the **appointed advisor** in a way that materially affects **our** ability to process a claim, or **our** ability to defend the **insurer's** interests,
 - ii) where an **insured** uses threatening or abusive behaviour or language, or intimidates or bullies **our** staff or suppliers,
 - iii) where **we** reasonably suspect fraud.
- c) The **insurer** may also cancel the **master policy** or a **member's** entitlement to insurance under the **master policy** and refund the applicable premium for the remaining **period of insurance** if at any time the **master policyholder** or the **member**
 - i) enters into a voluntary arrangement or a deed of arrangement or
 - ii) becomes bankrupt, are placed into administration, receivership or liquidation or
 - iii) has their affairs or property in the care or control of a receiver or administrator.

The **insurer** also reserves the right to withdraw from any claim in the circumstances noted in 9 b) and 9 c).

10. Acts of parliament, statutory instruments, civil procedure rules & jurisdiction

All legal instruments and rules referred to within the policy shall include equivalent legislation in Scotland, Northern Ireland, the Isle of Man, the Channel Islands and the Republic of Ireland, and any subsequent amendment or replacement legislation. This policy will be governed by English law.

11. Data Protection Act 1998

It is agreed by the **member** that any information provided to **us** and/or the **insurer** regarding the **member** will be processed by **us** and/or the **insurer**, in compliance with the provisions of the Data Protection Act 1998, for the purpose of providing insurance and handling claims, if any, which may involve passing information to other parties. For **our** mutual protection and **our** training purposes, calls may be recorded.

12. Contracts (Rights of Third Parties) Act 1999

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

Meaning of **words & terms**

Certain words and terms contained in this policy have been defined as they have the same meaning wherever they appear.

Appointed advisor

The solicitor, accountant, mediator or other advisor appointed by **us** to act on behalf of the **member**.

Collective conditional fee agreement

A legally enforceable agreement entered into on a common basis between the **appointed advisor** and **us** to pay their professional fees on the basis of 100% "no-win no-fee".

Conditional fee agreement

A legally enforceable agreement between the **member** and the **appointed advisor** for paying their professional fees on the basis of 100% "no-win no-fee".

Employee

A worker who has or alleges they have entered into a contract of service with the **member**.

Insured

1. **Your members**, their directors, partners, managers, officers and **employees** of the **member's** business.
2. The estate, heirs, legal representatives or assigns of any persons mentioned in 1. in the event of such person dying.
3. A person declared to **us**, who is contracted to perform work for the **member**, who in all other respects the **member** has arranged to insure on the same basis as their other **employees** and who perform work under the **member's** supervision.

Insurer

ARAG Allgemeine Versicherungs-AG Branch UK.

Legal costs & expenses

1. Reasonable legal costs and disbursements reasonably and proportionately incurred by the **appointed advisor** on the standard basis and agreed in advance by **us**. The term "standard basis" can be found within the Courts' Civil Procedure Rules Part 44.
In the Republic of Ireland, reasonable legal costs and disbursements reasonably and proportionately incurred by the **appointed advisor** on a party/party basis and agreed in advance by **us**.
2. In civil claims, other side's costs, fees and disbursements where the **member** has been ordered to pay them or pays them with **our** agreement.
3. Reasonable accountancy fees reasonably incurred under Insured event 4 Tax by the **appointed advisor** and agreed by **us** in advance.
4. **Your member's employee's** basic wages or salary under Insured event 9 Loss of earnings in the course of their employment with the **member** while attending court or tribunal at the request of the **appointed advisor** or whilst on jury service where the **member** does not pay for time lost and lost wages or salary cannot be claimed back from the court or tribunal.
5. The professional fees and expenses of an **appointed advisor** selected by **us** to reduce the actual or anticipated adverse or negative publicity or media attention directed towards the **member** under Insured event 11 Crisis communication.

Master policy

The master Business Legal Solutions policy issued by **us** to the **master policyholder**.

Master policyholder/you/your

The National Federation of Retail Newsagents (NFRN).

Period of insurance

The period shown in the schedule to which this **master policy** attaches.

Reasonable prospects of success

1. Other than as set out in 2. and 3. below, a greater than 50% chance of the **insured** successfully pursuing or defending the claim and, if the **insured** is seeking damages or compensation, a greater than 50% chance of enforcing any judgment that might be obtained.
2. In criminal prosecution claims where the **insured**
 - a) pleads guilty, a greater than 50% chance of reducing any sentence or fine or
 - b) pleads not guilty, a greater than 50% chance of that plea being accepted by the court.
3. In all claims involving an appeal, a greater than 50% chance of the **insured** being successful.

Where it has been determined that **reasonable prospects of success** do not exist, the **insured** shall be liable to pay any legal costs incurred should they pursue or defend their claim irrespective of the outcome.

Meaning of **words & terms** (continued)

Small claims court

A court in

- England & Wales that hears a claim falling under the small claims track in the County Court as defined by Section 26.6 (1) of the Civil Procedure Rules 1999,
- Scotland that uses the simple claims procedure as set out by the Courts Reform (Scotland) Act 2014,
- Northern Ireland where the sum in dispute is less than £3,000,
- Republic of Ireland as provided for under the District Court (Small Claims Procedure) Rules 1997 & 1999 as amended by SI number 519 2009, Order 53A

or the equivalent jurisdiction in the **territorial limit** where the policy applies.

Territorial limit

For Insured events 6 Legal defence, 7 Compliance & regulation and 12 Contract disputes (including debt recovery) the United Kingdom, Channel Islands, Isle of Man, Norway, Switzerland and countries in the European Union.

For all other Insured events the United Kingdom, Channel Islands, the Isle of Man and the Republic of Ireland.

We/Us/Our

ARAG plc who is authorised under a coverholder agreement to administer this insurance on behalf of the **insurer** with ARAG Allgemeine Versicherungs-AG Branch UK.

You/Your

The Member of the **master policyholder** for whom a premium has been paid.

Signed by



Managing Director
ARAG plc

How we handle complaints

Step 1

ARAG is committed to providing a first class service at all times. However, if a complaint arises, this should be addressed to our Customer Relations Department who will arrange to have it reviewed at the appropriate level. We can be reached in the following ways:



+44 (0) 117 917 1561 (hours of operation are 9am-5pm, Mondays to Fridays excluding bank holidays. For our mutual protection and training purposes, calls may be recorded).



customerrelations@arag.co.uk



ARAG plc, 9 Whiteladies Road, Clifton, Bristol, BS8 1NN.

Step 2

If we are not able to resolve the complaint to your satisfaction then you can refer it to the Financial Ombudsman Service (FOS) provided that it falls within their jurisdiction. The FOS can normally deal with complaints from small businesses with an annual turnover of less than €2 million. They can be contacted at:



+44 (0) 800 023 4567 or +44 (0) 300 123 9123



complaint.info@financial-ombudsman.org.uk



Financial Ombudsman Service, Exchange Tower, London, E14 9SR.

Note to customers in the Republic of Ireland

If the Financial Ombudsman Service UK in the course of its investigation and adjudication of your complaint deems it appropriate to refer the matter to the Financial Services Ombudsman, Republic of Ireland. They may exercise their discretion in this regard. ARAG plc is regulated by the Central Bank of Ireland for Conduct of Business Rules.

The FOS is an independent service in the UK for settling disputes between consumers and businesses providing financial services. You can find out more information on the Financial Ombudsman Service at www.financial-ombudsman.org.uk

The FOS's decision is binding upon the insurer, but you are free to reject it without affecting your legal rights.

ARAG plc is registered in England number 02585818. Registered address: 9 Whiteladies Road, Clifton, Bristol BS8 1NN. ARAG plc is authorised and regulated by the Financial Conduct Authority firm registration number 452369. This can be checked by visiting the FCA website at www.fca.org.uk/register or by contacting the FCA on +44 (0) 300 500 0597. ARAG plc is a coverholder of the insurer ARAG Allgemeine Versicherungs- AG Branch United Kingdom. ARAG Allgemeine Versicherungs- AG Branch United Kingdom is authorised and regulated by BAFin (firm reference number VU5455) and by the Prudential Regulation Authority and is also regulated by the FCA (firm reference number 722744).

ARAG plc is covered by the Financial Ombudsman Service.

www.arag.co.uk