

Unoccupied Property Owners' Legal Solutions Policy Document



Unoccupied Property Owners' Legal Solutions

Policy Document

Please read this policy carefully and in full to familiarise yourself with the terms and conditions, as well as the:



Legal and other helpline services



Legal services website



Claims procedure.

If you are unsure about anything in this document please contact whoever you purchased your policy from.

Telephone helplines

Legal advice on matters within UK, Isle of Man, Channel Islands and EU law, 24 hours a day, 365 days of the year

0344 571 7978

UK tax advice, 9am to 5pm weekdays

0344 571 7978

Counselling service

0333 000 2082

Legal services website

www.araglegal.co.uk

Register on your first site visit using the voucher codes shown below. Discover our law guides and create tenancy and business legal documents and letters.

- Register for Landlords' documents using voucher code **EC426C378CB8**
- Register for Business legal services using voucher code **X1232KC79BB5**

Main benefits of Unoccupied Property Owners' Legal Solutions

Protection for legal costs arising from:

- property damage, nuisance & trespass
- tax investigations & VAT disputes
- legal defence.

Who is ARAG?

ARAG plc is part of the global ARAG Group, the largest family-owned enterprise in the German insurance industry. Founded in 1935, on the principle that every citizen should be able to assert their legal rights, ARAG now employs 4,700 people around the world and generates premium income in excess of €2.0 billion. Operating in the UK since 2006, ARAG plc provides a comprehensive suite of "before-the-event" and "after-the-event" legal insurance products and assistance solutions to protect both businesses and individuals.



Important information

We record and monitor calls for training purposes, to improve the quality of our service, to help us deal with queries or complaints from you and to prevent and detect fraud and financial crime.

Helplines

All helplines are subject to fair and reasonable use. The level of fair usage will depend on individual circumstances. However, if our advisors consider that your helpline usage is becoming excessive they will tell you. If following that warning, usage is not reduced to a more reasonable level, we can refuse to accept further calls.

Legal and tax advice 0344 571 7978

If you have a legal or tax problem, we recommend you call our confidential legal and tax advice helpline. Legal advice is available 24 hours a day, 365 days of the year, and tax advice is available between 9am and 5pm on weekdays (except bank holidays).

We give advice about legal matters within UK, Isle of Man, Channel Islands and EU law and tax matters within the UK. Your query will be dealt with by a qualified specialist who is experienced in handling legal and tax-related matters.



You can visit our website to see a [video](#) about this service.

Use of this service does not constitute reporting of a claim.

Counselling assistance 0333 000 2082

Our qualified counsellors will provide free confidential support and advice by phone if you are suffering from emotional upset or are feeling worried and anxious about a personal or work-related problem.

Calls to the Counselling assistance service will not be recorded.

Important **information** (continued)

Legal services website

www.araglegal.co.uk

Getting started

You will need to enter the voucher codes shown in the yellow box on page 2 when you register to access landlords' and business content on the website.

Once you have registered you can access the website at any time to create and securely store your legal documents.

 You can visit our website to see a [video](#) about this service.

More help?

If you have problems using the website please contact our digital technical support team. Contact details can be found on the website. Our digital technical support team cannot give you legal or insurance advice.

Claims procedure

Telling us about your claim

- 1) If an **insured** needs to make a claim, they must notify **us** as soon as possible.
- 2) If an **insured** instructs their own solicitor or accountant without telling **us**, they will be liable for costs that are not covered by this policy.
- 3) A claim can be made online at www.arag.co.uk/newclaims. Alternatively an **insured** can obtain a claim form by downloading one at www.arag.co.uk/newclaims or by calling **us** on **0330 303 1955** between 9am and 5pm weekdays (except bank holidays).
- 4) The completed claim form and supporting documentation can be submitted online or sent to **us** by email, or post. Further details are set out in the claim form itself.

What happens next?

- 1) **We** will send the **insured** a written acknowledgment by the end of the next working day after receiving their claim.
- 2) Within five working days of receiving all the information needed to assess the availability of cover under the policy, **we** will write to the **insured** either:
 - a) confirming cover under the terms of this policy and advising the **insured** of the next steps to progress their claim; or
 - b) if the claim is not covered, **we** will explain in full the reason why and advise whether **we** can assist in another way.
- 3) When a representative is appointed they will try to resolve the **insured's** dispute without delay, arranging Alternative Dispute Resolution, such as mediation, whenever appropriate.
- 4) **We** will check on the progress of the **insured's** claim with the **appointed advisor** from time to time. Sometimes matters cannot be resolved quickly, particularly if the other side is slow to cooperate or a legal timetable is decided by the courts.

 You can visit **our** website to see [videos](#) about making **your** claim and what happens next.

Important information (continued)

Privacy statement

This is a summary of how we, on behalf of the insurer, collect, use, share and store personal information. To view our full privacy statement, please see our website www.arag.co.uk. The insurer's full privacy notice may be found at the following link: <https://www.hdi-specialty.com/int/en/legals/privacy>

Collecting personal information

ARAG may be required to collect certain personal or sensitive information which may include name, address, date of birth and if appropriate medical information. We will hold and process this information in accordance with the relevant data protection regulations and legislation. Should we ask for personal or sensitive information, we undertake that it shall only be used in accordance with our privacy statement.

We may also collect information for other parties such as suppliers we appoint to process the handling of a claim.

Using personal or sensitive information

The reason we collect personal or sensitive information is to fulfil our contractual and regulatory obligations in providing this insurance product, for example to process premium or handle a claim. To fulfil these obligations, we may need to share personal or sensitive information with other organisations.

We will not disclose personal or sensitive information for any purpose other than the purpose for which it was collected. Please refer to our full privacy statement for full details.

Keeping personal information

We shall not keep personal information for any longer than necessary.

Your rights

Any person insured by this policy has a number of rights in relation to how we hold personal data including; the right to a copy of the personal data we hold; the right to object to the use of personal data or the withdrawal of previously given consent; the right to have personal data deleted.

 For a full list of privacy rights and when we will not be able to delete personal data, please refer to our full [privacy statement](#).

What happens if the insurer cannot meet its liabilities?

The insurer is covered by the Financial Services Compensation Scheme (FSCS). The insured 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.

Unoccupied **Property Owners'** Legal Solutions

This policy is evidence of the contract between **you** and the **insurer**. The policy and schedule shall be read together as one document.

Terms that appear in bold type have special meanings. Please read **Meaning of words & terms** for more information.

Your policy cover

Following an Insured event, the **insurer** will pay **legal costs & expenses** including the cost of appeals, up to the policy limits stated below subject to all of the following requirements being met.

- 1) **You** have paid the insurance premium.
- 2) The **insured** keeps to the terms of this policy and cooperates fully with **us**.
- 3) The Insured event 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 **insured** first becomes aware of circumstances which could give rise to a claim.
- 5) Unless there is a conflict of interest, the **insured** always agrees to use the **appointed advisor** chosen by **us** before proceedings have been or need to be issued.
- 6) Any dispute will be dealt with through mediation or by a court or tribunal within the **territorial limit**.

We consider that a claim has been reported to **us** when **we** have received the **insured's** fully completed claim form.

This policy will pay any otherwise covered claim involving the use of or inability to use a computer, including devices such as smart phones, tablets and wearable technology. This cover is subject to all other policy terms.

Policy limits

The most the **insurer** will pay for all claims related by time or originating cause including the cost of appeals shall be limited to the following:

Insured event 1) Property damage, nuisance & trespass:

- £50,000.

Insured events 2) Tax disputes and 3) Legal defence:

- £100,000

Insured events covered

1) Property damage, nuisance & trespass

- a) An event which causes physical damage to **your insured property** and/or anything owned by **you** at **your insured property**.
- b) A public or private nuisance or a trespass relating to **your insured property**.

What is not covered under Insured event 1)

- 1) The first £250 of any claim in respect of Insured event 1)
 - b) except where **you** bring a claim against a person who is living at **your insured property** without **your** permission (i.e. squatters). **You** will have to pay this as soon as **we** accept **your** claim.
- 2) Any claim arising from or relating to:
 - a) the compulsory purchase of, or demolition, restrictions, controls or permissions placed on land or property by any government, local or public authority
 - b) a dispute with any party other than the party who caused the damage, nuisance or trespass.

2) Tax disputes

- a) A formally notified enquiry into **your** personal or business tax.
- b) A dispute about **your** compliance with HMRC regulations relating to **your employees**, workers or payments to contractors (where appropriate).
- c) A dispute with HMRC about Value Added Tax.

Provided that:

- a) **you** keep proper records in accordance with legal requirements and
- b) in respect of any appealable matter **you** have requested an Internal Review from HMRC where available.

What is not covered under Insured event 2)

Any claim arising from or relating to:

- 1) tax returns which are submitted late or for any other reason, result in HMRC imposing a penalty, or which contain careless and/or deliberate misstatements or omissions
- 2) an investigation by the Fraud Investigation Service of HMRC
- 3) circumstances where the Disclosure of Tax Avoidance Scheme Regulations apply or should apply to **your** financial arrangements
- 4) any enquiry that concerns assets, monies or wealth outside of the United Kingdom
- 5) **your** failure to register for VAT (where required).

3) Legal defence

- a) A criminal investigation and/or enquiry by:
 - i) the police or
 - ii) other body with the power to prosecute where it is suspected that an offence may have been committed that could lead to the **insured** being prosecuted.
- b) The charge for an offence or alleged offence which leads to the **insured** being prosecuted in a court of criminal jurisdiction.

What is not covered under Insured event 3)

Any claim relating to a parking offence.

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

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

- 1) **costs** incurred without **our** consent
- 2) any actual or alleged act, omission or dispute happening before, or existing at the start of the insurance provided by this policy, and which the **insured** knew or ought reasonably to have known could lead to a claim
- 3) an allegation against the **insured** involving:
 - a) assault, violence, malicious falsehood, defamation
 - b) indecent or obscene materials
 - c) the use of alcohol or its unauthorised or unregulated manufacture, unlicensed dealing in alcohol or dealing in or using illegal drugs
 - d) illegal immigration
 - e) money laundering or bribery offences, breach of international sanctions, fraud or any other financial crime activities
- 4) defending a claim in respect of loss or damage to property owned by the **insured**
- 5) a dispute with any subsidiary, parent, associated or sister company or between shareholders or business partners
- 6)
 - a) a franchise agreement
 - b) an agency agreement through which one party has the legal capacity to alter the legal relations of the other
- 7) a judicial review
- 8) a dispute with **us**, the **insurer** or the party who arranged this cover not dealt with under Condition 6
- 9)
 - 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.
 - f) a dispute where providing cover, payment of any claim or the provision of any benefit would expose the **insurer** to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.
- 10) The payment of fines, penalties or compensation awarded against the **insured** or costs awarded against the **insured** by a court of criminal jurisdiction.

Policy conditions

Where the **insurer's** risk is affected by the **insured's** failure to keep to these conditions, the **insurer** can refuse a claim or withdraw from an ongoing claim. The **insurer** also reserves the right to claim back **legal costs & expenses** from the **insured** 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 the **insured's** favour
- b) cooperate fully with **us**, give the **appointed advisor** any instructions **we** require, and keep them updated with the 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) 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) a suitably qualified advisor considers that it has become necessary to issue proceedings or proceedings are issued against an **insured**, or
 - ii) there is a conflict of interestthe **insured** may choose a qualified **appointed advisor**.
- c) Where the **insured** wishes to exercise the right to choose, the **insured** must write to **us** with their preferred representative's contact details.
- d) 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 and will pay only the costs that the **insurer** would have been liable to pay. (**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.)
- e) 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 an **insured**, the **insurer's** liability in respect of that claim will end immediately.

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) An **insured** must have **your** agreement to claim under this policy.

4. Settlement

- a) The **insurer** can settle the claim by paying the reasonable value of the **insured's** claim.
- b) The **insured** must not negotiate or settle the claim 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 costs.

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 policy, the **insured** 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.

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** and the **insured** 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 policy did not exist; even if the other **insurer** refuses the claim.

Policy **conditions** (continued)

8. Fraudulent claims and claims tainted by dishonesty

- a) If the **insured** makes any claim which is fraudulent or false, the policy may immediately become void and all benefit under it may be lost.
- b) An **insured** shall at all times be entirely truthful, accurate 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 to the **appointed advisor** 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 **insured's** claimthe **insurer** shall have no liability for **legal costs & expenses** incurred from the date of the **insured's** breach.

9. Cancellation

- a) **You** may cancel the 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 time remaining of the **period of insurance** unless a claim has been or is later accepted by **us** in which case no refund of premium shall be allowed.
- b) Where there is a valid reason for doing so, the **insurer** has the right to cancel the policy at any time by giving **you** at least 21 days written notice. The **insurer** will refund the premium for the time remaining of the **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 the **insured** uses threatening or abusive behaviour or language, or intimidates or bullies **our** staff or suppliers,
 - iii) where **we** have evidence that the **insured** has committed a fraudulent act.
- c) The **insurer** may also cancel the policy and refund the premium for the remaining **period of insurance** if at any time **you**:
 - i) enter into a voluntary arrangement or a deed of arrangement or
 - ii) become bankrupt, are placed into administration, receivership or liquidation or
 - iii) have **your** affairs or property in the care or control of a receiver or administrator.

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

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

11. Contracts (Rights of Third Parties) Act 1999

Except for any person or business appointed as **your** agent to manage the letting of **your** property a person who is not party to 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

- 1) solicitor, accountant, or other advisor (who is not a mediator), appointed by **us** to act on behalf of the **insured**;
- 2) mediator appointed by **us** to provide impartial dispute resolution in relation to a claim accepted by **us**.

Employee

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

Insured

- 1) **You, your** directors, partners, managers, officers and **employees of your** business (as appropriate).
- 2) A person declared to **us**, who is contracted to perform work for **you**, who in all other respects **you** have arranged to insure on the same basis as **your employees** and who performs work under **your** supervision.

Insured property

Unoccupied property owned by **you** which is shown in the schedule to which this policy attaches and is located in England, Scotland, Wales or Northern Ireland.

Insurer

HDI Global Specialty SE (commercial register number: HRB 211924), (FRN: 659331).

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 44.2.
- 2) In civil claims, other side's costs, fees and disbursements where the **insured** has been ordered to pay them or pays them with **our** agreement.
- 3) Reasonable accountancy fees reasonably incurred under Insured event 2) Tax disputes by the **appointed advisor** and agreed by **us** in advance.

Period of insurance

The period shown in the schedule to which this policy attaches. (The **period of insurance** shall otherwise expire on earlier cancellation of this policy.)

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.

Territorial limit

For Insured event 1) Property damage, nuisance & trespass – the United Kingdom, Channel Islands and the Isle of Man.

For Insured event 2) Tax disputes – the United Kingdom, Channel Islands and the Isle of Man.

For Insured event 3) Legal defence – the United Kingdom, Channel Islands, Isle of Man, Norway, Switzerland and countries in the European Union.

We/Us/Our

ARAG plc who is authorised under a binding authority agreement to administer this insurance on behalf of the **insurer**.

You/Your

The business or person named in the schedule, including any subsidiary and/or associated companies declared to **us**.

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:



0117 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. They can be contacted at:



0800 0234 567 or 0300 1239 123



complaint.info@financial-ombudsman.org.uk



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

The FOS is an independent service in the UK for settling disputes between consumers and businesses providing financial services. You can find 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.



You can read more about our complaints procedure on our website by clicking here: <https://www.arag.co.uk/contact/making-a-complaint>

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.

ARAG plc is authorised to administer this insurance on behalf of the insurer HDI Global Specialty SE. Registered address: Roderbruchstraße 26, 30655 Hannover, Germany.

HDI Global Specialty SE is authorised and regulated by the Bundesanstalt für Finanzdienstleistungsaufsicht (BaFin). Authorised by the Prudential Regulation Authority. Subject to regulation by the Financial Conduct Authority and limited regulation by the Prudential Regulation Authority. Details about the extent of our regulation by the Prudential Regulation Authority are available from us on request. (FRN: 659331).

www.arag.co.uk