Motor Legal Expenses Insurance

Policy Document

Motor Legal Expenses Insurance

Please read this policy carefully and in full to understand the terms and conditions, as well as the claims procedure.

This section summarises the policy cover only; the policy wording starts at page 6 and provides full terms, conditions and exclusions of the insurance contract between you and the insurer.

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

Telephone helplines

Legal Advice: 0344 571 7976
Open 24 hours a day, 365 days of the year

UK Tax Advice: 0344 571 7976
Open 9am to 5pm weekdays (except bank holidays)

Counselling service: 0333 000 2082
Open 24 hours a day, 365 days of the year

Main benefits of Motor Legal Expenses Insurance

Protection for legal costs arising from:

- an event that damages your vehicle or injures or kills you or your passengers where another party is at fault
- defending a motor prosecution
- motor contract disputes (including vehicle servicing & repair disputes, vehicle purchase disputes, vehicle lease disputes and overseas vehicle hire disputes)
- vehicle cloning disputes
- pothole damage disputes
- illegal clamping & towing disputes
- unenforceable parking fines disputes
- Motor Insurance Database disputes
- Motor Insurer Bureau recovery disputes.

We can also try to arrange a replacement vehicle following a crash where another party is at fault.

Who is ARAG?

ARAG is the largest family enterprise in the German insurance industry and has positioned itself as a versatile quality insurer. Specialising in legal insurance as the leading legal insurer worldwide, ARAG also offers its customers attractive, needs-based products and services from a single source.

Active in a total of 19 countries – including the US, Canada and Australia – ARAG is also represented by international branches, subsidiaries and shareholdings in numerous international markets in which it holds a leading position as a provider of legal insurance and legal services. With almost 4,700 employees, the Group generates revenue and premium income totalling more than €2.0 billion.

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 7976

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 personal legal matters within UK, Isle of Man, Channel Islands and EU law and personal 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. 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 to you or your family members who are suffering from emotional upset or feeling worried and anxious about a personal or work-related problem. This service is available 24 hours a day, 365 days of the year.

Calls to this service will not be recorded.

Important information (continued)

In respect of a claim under Insured Events 1 & 2 (Uninsured Loss Recovery and Personal Injury), telephone Kindertons Limited on **0343 509 4900**.

If you wish to report a claim under Insured Events 3, 4, 5, 6, 7, 8, 9 & 10 (Motor Prosecution, Motor Contract, Tax Protection, Vehicle Cloning Protection, Pothole Damage, Illegal Clamping & Towing, Unenforceable Parking Fines, Motor Insurance Database Disputes & Uninsured Driver Motor Insurer Bureau Recovery), follow these steps:

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 application and supporting documentation can be submitted online or sent to **us** by email, or post.

Further details are set out on our website.

What happens next?

1. **We** will send the **insured** an 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 contact the **insured** either:
   a) confirming cover under the terms of this policy 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(s) why, and advise whether **we** can assist in another way.

3. When a representative is appointed by **us**, 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.

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.**

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 all 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**

Motor Legal Expenses Insurance

This policy is proof of the contract between **you** and the **insurer**.

Words 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 the **insured**'s **legal costs & expenses** up to the **limit of indemnity** provided that:

1) the claim always has **reasonable prospects of success** and is reported to **us**
   a) during the **period of insurance** and
   b) immediately after the **insured** first becomes aware of circumstances which could give rise to a claim under this policy
2) if:
   a) a suitably qualified advisor considers that it has become necessary to issue proceedings or proceedings are issued against an **insured**, or
   b) there is a conflict of interest

   the **insured** may choose a qualified **appointed advisor**
3) any proceedings or hearings are dealt with by a Court or any other body that **we** agree to, in the **territorial limit**
4) in respect of pursuing a claim, the **insured** enters into a **conditional fee agreement** with the **appointed advisor** or the **appointed advisor** enters into a **collective conditional fee agreement** with **us** where legally permitted

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.

Insured events covered

1 Uninsured loss recovery An event causing damage to the **insured vehicle** and/or personal property in or on it, which can be recovered from another party.	

2 Personal injury An event causing the **insured** personal injury whilst in or on an **insured vehicle**.	

3 Legal defence An event leading to a motoring prosecution being brought against **you**.	**What is not covered under Insured event 3** Any claim arising from or relating to a parking offence.

Insured events covered (continued)

4 Motor contract A dispute arising out of an agreement or alleged agreement which has been entered into by **you** arising from or relating to: a) testing, servicing or repair of the **insured vehicle** excluding claims less than £100 or in excess of £10,000. b) the sale, purchase or hire purchase of the **insured vehicle**. c) the lease of the **insured vehicle**. d) hiring the **insured vehicle** within the territorial limits..	**What is not covered under Insured event 5** Any claim where **you** cannot provide **your insured vehicle**'s logbook, driver's licence and proof of address.

5 Vehicle cloning protection An appeal against parking fines or civil or criminal penalty notices brought against **you** where **you** are the victim of vehicle number plate cloning.	**What is not covered under Insured event 5** Any claim where **you** cannot provide **your insured vehicle**'s logbook, driver's licence and proof of address.

6 Pothole damage A dispute with the relevant local authority following damage to the **insured vehicle** on a public highway as a consequence of a pothole.	

7 Illegal clamping & towing A dispute about the recovery of illegal clamping or towing fees related to the **insured vehicle**.	

8 Unenforceable parking fines A dispute with the local authority or independent adjudicator about an unenforceable parking fine.	

9 Motor Insurance Database disputes A dispute with the police and/or other government agency in the event **your insured vehicle** is seized following a failure in the communications between **your motor insurer** and the Motor Insurance Database resulting in incorrect information about **you** or **your insured vehicle** being recorded on that database.	

10 MIB recovery Costs to assist **you** in making a claim to the Motor Insurers' Bureau where the driver at fault is uninsured or cannot be traced.	**What is not covered under Insured event 10** Claims for property damage of less than £300 where the driver at fault cannot be traced.

What is not covered

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

1) **legal costs & expenses** incurred before **we** accept a claim
2) any event occurring prior to the inception of this policy, and which the **insured** knew or ought reasonably to have known could give rise to a claim under this policy
3) any claim arising from a deliberate or criminal act or omission by an **insured** which **we** deem to be of fraudulent or false nature
4) any claim when at the time of the insured event the **insured** did not hold or was disqualified from holding a valid driving licence
5) unlawful use of alcohol or drugs
6) any claim covered by another policy, or any claim that would have been covered by any other policy if this policy did not exist
7) a settlement due under an insurance policy
8) fines, penalties or compensation
9) a dispute with **us** or the **insurer** not dealt with under Condition 6
10) Group Litigation Orders
11) a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste 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, 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 **insured**
    f) a dispute where providing cover, payment of any claim or the provision of any benefit where doing so would breach any sanction, prohibition or restriction imposed by law or regulation.

Policy conditions

CONDITIONS APPLICABLE TO ALL INSURED EVENTS

1. The Insured's Responsibilities

An **insured** must

a) observe and keep to the terms of the policy
b) not do anything that hinders **us** or the **appointed advisor**
c) tell **us** immediately after **you** first become aware of any cause, event or circumstances which could give rise to a claim under this policy
d) tell **us** immediately of anything that may materially alter **our** assessment of the claim
e) cooperate fully with the **appointed advisor** and **us**, give the **appointed advisor** any instructions **we** require and keep them updated with progress of the claim
f) provide **us** with everything **we** need to help **us** handle the claim
g) take reasonable steps to recover **legal costs & expenses** that the **insurer** pays and pay to the **insurer** all costs that are recovered should these be paid to **you**
h) tell the **appointed advisor** to have the **legal costs & expenses** assessed or audited if **we** require
i) minimise any **legal costs & expenses** and try to prevent anything happening that may cause a claim
j) allow the **insurer** at any time to take over and conduct in the **insured**'s name any claim, proceedings or investigation.

2. The Appointed Advisor

a) In certain circumstances as set out in 2 c) below the Insured may choose an **appointed advisor**. In all other cases no such right exists and **we** shall choose the **appointed advisor**.
b) Where the **insured** wishes to exercise their right to choose, they should write to **us** with their nominated 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).
c) 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.
d) If the **appointed advisor** refuses with good reason to continue acting for the **insured**, the **insured** dismisses the **appointed advisor** without good reason, or the **insured** withdraws from the claim without **our** written agreement, cover will end immediately unless **we** agree to appoint another **appointed advisor**.
e) In respect of pursuing a claim the **insured** must enter into a **conditional fee agreement** (unless the **appointed advisor** has entered into a **collective conditional fee agreement**) where legally permitted.

3. Our Consent

We must give **our** written consent to the **insured** to incur any **legal costs & expenses**. The **insurer** does not accept any liability for **legal costs & expenses** incurred without **our** written consent.

4. Settlement

a) The **insurer** has the right to settle the claim by paying the value of **your** claim.
b) The **insured** must not negotiate, settle the claim or agree to pay any **legal costs & expenses** incurred without **our** agreement.
c) If the **insured** refuses to settle the claim following
   (i) a reasonable offer, or
   (ii) advice to do so from the **appointed advisor** the Insurer may refuse to pay further **legal costs & expenses**.

Policy conditions (continued)

CONDITIONS APPLICABLE TO ALL INSURED EVENTS

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 **your** right under Condition 6 below.

6. Disputes

If any dispute between the **insured** and **us** arises from this policy, the **insured** can make a complaint to **us** as described in the complaints section 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** 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. Fraudulent claims and claims tainted by dishonesty

a) If the **insured** makes any claim which is fraudulent or false, the policy may 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 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 claim

   the **insurer** shall have no liability for **legal costs & expenses**.

8. Cancellation

a) **You** may cancel the policy within 14 days of the date of issue of this policy with a full refund of the insurance premium paid provided an **insured** has not made a claim which has been accepted.

b) Where there is a valid reason for doing so, the **insurer** has the right to cancel the policy at any time by giving at least 21 days written notice to **you**. The **insurer** will refund the premium 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 the party claiming under this policy uses threatening or abusive behaviour or language, or intimidation or bullying of **our** staff or suppliers,

   iii) where **we** reasonably suspect fraud.

The **insurer** also reserves the right to withdraw from any claim in the circumstances noted in 8 c).

9. 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 and the Channel Islands and any subsequent amendment or replacement legislation. This policy will be governed by English Law.

10. Contracts (Rights of Third Parties) Act 1999

A person who is not an 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 or other advisor appointed by **us** to act on behalf of the **insured**.

Conditional fee agreement
A legally enforceable agreement entered into between the **insured** and **appointed advisor** for paying their professional fees where a dispute is decided in a court within England & Wales and falls outside the jurisdiction of the Small Claims Court.

Collective conditional fee agreement
A legally enforceable agreement entered into on a common basis between the **appointed advisor** and **us** to pay his or her professional fees where a dispute is decided in a court within England & Wales and falls outside the jurisdiction of the Small Claims Court.

Insured
In respect of Insured Events 3, 4, 5, 6, 7, 8, 9 & 10 **you** only. In respect of all other Insured Events **you** and any driver or passenger in or on the **insured vehicle** with **your** permission.

Insured vehicle
The vehicle specified in **your** motor insurance policy and any trailer or caravan attached to it.

Insurer
ARAG Legal Expenses Insurance Company Limited.

Legal costs & expenses
1) Reasonable legal costs, fees and disbursements reasonably and proportionately incurred by the **appointed advisor** on the Standard Basis, and agreed in advance by **us** or Fixed Recoverable Costs. The term “Standard Basis” can be found within the Court’s Civil Procedure Rules Part 44.3.
2) Other side’s costs and disbursements where the **insured** has been ordered to pay them or pays them with **our** agreement.

Limit of indemnity
£100,000 which shall be the maximum **legal costs & expenses** payable by the **insurer** in respect of all claims related by time or original cause.

Motor insurer
The **insurer** providing indemnity for loss of or damage to the **insured vehicle** arising out of an Insured Event.

Period of insurance
The period as shown in the policy to which this Policy attaches.

Reasonable prospects of success
In civil and criminal claims, where the Insured has a greater than 50% chance of successfully pursuing or defending the claim. This means that it is always more likely than not that:
- the **insured**’s claim or appeal will be successful, and
- any judgment being sought by the **insured** will be enforced.

Territorial limit
In respect of Insured Event 3, 4, 5, 6, 7, 8, 9 & 10 The United Kingdom, Channel Islands and the Isle of Man.
In respect of Insured Events 1 & 2 The United Kingdom, Channel Islands, the Isle of Man 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 person who has taken out this policy.

How we handle complaints

ARAG is committed to providing a first class service at all times. However, if a complaint arises, please contact us using the number you rang to report your claim. The staff handling your claim should be able to resolve it. If in the course of those discussions it becomes clear that the matter has not been resolved to your satisfaction, details of your complaint will be passed to our Customer Relations Department where we will arrange to have it reviewed at the appropriate level. We will also contact you to let you know that we are reviewing your complaint.

Alternatively, you can contact our Customer Relations Department directly; 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 will be recorded).

customerrelations@arag.co.uk

ARAG plc, Unit 4a, Greenway Court, Bedwas, Caerphilly CF83 8DW.

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 123 9123**

complaint.info@financial-ombudsman.org.uk

Financial Ombudsman Service, Exchange Tower, London, E14 9S

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.

ARAG plc is authorised and regulated by the Financial Conduct Authority (FRN452369). Registered Address: Unit 4a, Greenway Court, Bedwas, Caerphilly CF83 8DW. Registered in England and Wales. Company Number 02585818.

ARAG plc is authorised to administer this insurance on behalf of the insurer ARAG Legal Expenses Insurance Company Limited.

ARAG Legal Expenses Insurance Company Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority (FRN202106) and the Prudential Regulation Authority. Registered Address: Unit 4a, Greenway Court, Bedwas, Caerphilly CF83 8DW. Registered in England and Wales. Company Number 103274.

www.arag.co.uk

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