



# Contractor Compliance

P O R T A L

## FEE PAYER IR35 PROTECT INSURANCE

### POLICY WORDING

[www.contractor-compliance.co.uk](http://www.contractor-compliance.co.uk)

**Version: RCI-FPIP-1.1**

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Contractor Compliance Portal is a trading name of Roots Insurance Brokers Limited.

Roots Insurance Brokers Limited is authorised and regulated by the Financial Conduct Authority. Firm Reference Number: 930814.

Roots Insurance Brokers Limited. Registered Office: Jason Works, Clarence Street, Loughborough, Leicestershire, LE11 1DX. Registered in England & Wales number: 12676044.



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## Your Fee Payer IR35 Protection Insurance

A summary of the cover provided by this Policy is shown in your Insurance Product Information Document (IPID).

You are entitled to cancel your Policy with a full premium refund within 14 days of it starting, provided that there have been no claims. Please see the cancellation condition under the Conditions.

This insurance is a contract between Us (Financial & Legal Insurance Company Limited) and You (the Policyholder shown in the Policy Schedule).

The insurance provided by this policy is underwritten by Financial & Legal Insurance Company Limited authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under No. 202915. Registered in England under Company No. 03034220.

You must ensure that all the information You have given to Us is accurate to the best of Your knowledge. We will be entitled to refuse to accept a claim where You do not provide accurate information or make any misrepresentation.

The Policy Wording, Policy Schedule and any endorsements must be read together as one document.

We will, subject to the terms of this policy, provide You with the insurance set out in the policy in respect of claims reported to us during the Period of Insurance or the Extended Reporting Period.

Signed on our behalf

Nick Garner, Chief Executive Officer  
Financial & Legal Insurance Company Limited

Any queries relating to Your policy should be addressed to:

**Post:** Contractor Compliance Portal, Jason Works, Clarence Street, Loughborough, Leicestershire, LE11 1DX.

**Telephone:** 01509 380 040

**Email:** [portal@contractor-compliance.co.uk](mailto:portal@contractor-compliance.co.uk)



### **IR35 Advice Line**

**You** now have access to an IR35 advice line which will provide **You** with IR35 advice on any question relating to the laws of IR35 in the United Kingdom.

**Number:** 01509 380 365.

**Opening days:** Monday to Friday (excluding Bank Holidays).

**Opening times:** 09:00 to 17:00.

**Fair Usage Policy:** This IR35 advice line operates on a fair usage basis. To ensure the provision of a quality of service to all **Our** clients and to ensure that behaviour of some does not disadvantage the majority of our clients, **You** agree to abide by any fair usage policy **We** may apply.

Please note that the IR35 Helpline is not empowered to give advice on the admissibility of any claim under this policy.



## How to Make a Claim

If **You** need to contact **Us** or need to make a claim **You** can:

- Call: 0161 4921639
- Email: [nonmotorclaims@financialandlegal.co.uk](mailto:nonmotorclaims@financialandlegal.co.uk)
- Write to: Financial & Legal Insurance Company Limited, No.1 Lakeside, Cheadle Royal Business Park, Cheadle, Cheshire, SK8 3GW.

If there is a claim, which is covered by the policy **We** will then send a claim form to be completed and returned to **Us**.

If the claim is reported to **Us** during the **Period of Insurance** or the **Extended Reporting Period** and is accepted and **Reasonable Prospects** exist, the claim will be handled by **Our** specialist claims unit or **We** will instruct an **Appointed Representative** or other suitably qualified representatives to act on behalf of the **Policyholder**.

*Please note that*

- Any costs incurred before a claim is made and any costs which **We** do not authorise are not insured by this policy.
- If there is any conflict of interest or if court proceedings are to be issued only then will the **Policyholder** be entitled to choose their own **Appointed Representative**.



## Important – Key Policy Conditions

A failure to comply with these key policy conditions could mean that we decline to pay or do not pay a claim in full.

### **Prospects of Success:**

Where the **Contractor Compliance Portal** is used to obtain either an **IR35 SDS** showing an **Outside IR35** status determination that is confirmed as accurate by the **Client** or an **IR35 External SDS Validation** showing an **Outside IR35** status determination, the **Reasonable Prospects** clause is automatically met for:

- *Insured Incident 1. HMRC IR35 Status Enquiries – SDS Protect*
- *Insured Incident 2. HMRC IR35 Status Enquiry Tax Tribunal Hearings – SDS Protect*
- *Insured Incident 3. HMRC IR35 Status Enquiry Taxes and Interest – SDS Protect*
- *Insured Incident 4. HMRC IR35 Status Enquiry Penalties – SDS Protect*

This clause will not be met in any event if any information supplied is not accurate, has been misrepresented in some way, has been overstated, or is false or fraudulent.

### **Mandatory Reviews:**

Where an **Engagement** has an **Outside IR35** status determination from an **IR35 SDS** or **IR35 External SDS Validation** obtained from the **Contractor Compliance Portal**, a subsequent **IR35 SDS** showing an **Outside IR35** status determination is required to be obtained via the **Contractor Compliance Portal** at least every 12 months, where the **Working Practices** of the **Engagement** change, or where a new contract is negotiated with the **Agency** and or **Client**, whichever comes first.

### **Pro Rata Policy Coverage:**

Claims will be paid out based on the number of **Insurance Premium Payments** made during the period of the **Engagement**. If **You** have made all **Insurance Premium Payments** during the period of an **Engagement** **We** will pay out 100% of the claim value, otherwise **We** will pay out on a pro rata basis. The pro rata amount is based on the number of **Insurance Premium Payments** made in the period of the **Engagement** compared to the length of the **Engagement**. For the avoidance of doubt if an **Engagement** was 6 months in duration but only 5 **Insurance Premium Payments** were made during that period, any valid claim would pay out at 5/6<sup>th</sup> of the claim value, with the **Policyholder** left to pay the remaining 1/6<sup>th</sup> personally.

### **Pro Rata Policy Payments:**

Where the **Policyholder** has not submitted their **Monthly Declaration** nor made the corresponding **Insurance Premium Payments** in full within the stipulated timeframe, the **Policyholder** can, during the **Grace Period**, submit a late **Monthly Declaration** providing the **Insurance Premium Payments** are also made in full within the **Grace Period**.

Any **Engagement** reported on a **Monthly Declaration** that has not been submitted within the stipulated timeframe and after the expiry of the **Grace Period** will be subject to the **Pro Rata Policy Payment** clause.



## Definitions

Each of the words or terms have a specific meaning which applies wherever they appear in **bold** type in this policy.

### **Agency:**

Means any **Employment Intermediary** that supplies a **Contractor** to work for a **Client** or another **Employment Intermediary**, and where the **Client** then pays the **Agency** or a third party connected to the **Agency** for the **Contractors** services.

### **Appointed Representative:**

Means the solicitor, lawyer, accountant or firm of accountants or other suitably qualified person appointed by **Us** to act on behalf of the **Policyholder**, in accordance with **Our** standard terms of appointment.

### **Client/End Client/Engager/Hirer:**

Means the business who is or will be receiving the services of a **Contractor**.

### **Contractor/Worker:**

Means an individual who provides their services via their **Personal Service Company**.

### **Contractor Compliance Portal:**

Means the online Contractor Compliance Portal system ([www.contractor-compliance.co.uk](http://www.contractor-compliance.co.uk)) owned & controlled by **Roots** and which issues **IR35 SDS's**.

### **Costs and Expenses:**

Means all necessary and reasonable fees, costs, disbursements and expenses charged by the **Appointed Representative** and agreed by **Us**.

### **Employment Intermediary:**

Means a person or business who arranges for someone to work for a third person.

### **Engagement:**

Means the contractual agreement for the provision of professional services by the **Personal Service Company** to the **Client** and as evidenced by the **IR35 SDS**.

### **Excess:**

Means the first amount of each and every claim which the **Policyholder** is responsible for paying as shown in the **Policy Schedule**.

### **Extended Reporting Period:**

Means the period shown in the **Policy Schedule** after the expiry of the **Period of Insurance** during which the **Policyholder** can notify and make a claim.

### **Fee Payer:**

Means the business in the contractual chain that is responsible for the direct payment to the **Personal Service Company** for the **Contractors** services, after ensuring the **Personal Service Company** is subject to the correct tax and National Insurance Contributions (NIC) treatment.

### **Grace Period:**

Means a period of 14 days immediately following on from 14 days after the end of the previous month.

### **HMRC:**

Means Her Majesty's Revenue & Customs. The UK's tax, payments and customs authority.

### **Insurance Premium Payments:**

Means the monthly payment made via the **Contractor Compliance Portal** to insure an **Engagement**.



**Insured Parties:**

Means any or all of the:

- **Personal Service Company**
- **Fee Payer**
- **Agency**
- **Client**

involved in the **Engagement**.

**Interest:**

Means the Interest charged on PAYE tax and Class 1 NIC.

**IR35/Off-Payroll Working Legislation:**

Means Chapter 10 Part 2 Income Tax (Earnings and Pensions) Act 2003 (ITEPA 2003); and Social Security Contributions (Intermediaries) Regulations 2000 (SI 2000 no 727).

**IR35 External SDS Validation:**

Means an **IR35 SDS** obtained from somewhere other than the **Contractor Compliance Portal** that shows an **Outside IR35** opinion, and which has subsequently been validated as **Outside IR35** by the **Contractor Compliance Portal**.

**IR35 SDS:**

Means a written communication titled 'Status Determination Statement' (SDS) in the required format, including the start and end date of the **Engagement** and the **IR35** employment status of the **Personal Service Company** engaged by the **Client**.

**IR35 Status Enquiry:**

Means a verbal or written notification received by the **Policyholder** from **HMRC** informing them that they are subject to an **IR35** status enquiry under Chapter 10 Part 2 Income Tax (Earnings and Pensions) Act 2003 (ITEPA 2003); and Social Security Contributions (Intermediaries) Regulations 2000 (SI 2000 no 727).

**Limit of Liability:**

Means the amount specified in the **Policy Schedule** as the maximum amount payable by the **Us** in respect of each accepted claim within the **Period of Insurance**.

**Monthly Declarations:**

Means the report submitted to Roots via the **Contractor Compliance Portal** that contains details of the **Outside IR35 Engagements** insured for the previous month. The **Monthly Declaration** must be submitted no later than 14 days after the end of the previous month, and payment in full made no later than 30 days after the end of the previous month.

**Outside IR35:**

Means an **IR35 SDS** which shows as 'Outside IR35'.

**Penalties:**

Means any additional payments imposed upon the **Policyholder** by **HMRC** and which are both related to the tax to be paid and capable of mitigation.

**Period of Insurance:**

Means the start and end date of this insurance as stated on the **Policy Schedule**.

**Personal Service Company/PSC:**

Means a UK limited company where the **Contractor** is its principal shareholder, director and fee-earner, and where the business provides services on a temporary contract basis.

**Policyholder/You/Your:**

Means the **Insured Parties** named in the **Policy Schedule** as the policyholder(s).

**Policy Schedule:**

Means the document that is issued to the **Policyholder** when they purchase this insurance and which is attached to and forms part of this policy.

**Reasonable Prospects:**

Means that in respect of each claim there is always more than a 50% chance of the **Policyholder** successfully defending or pursuing a claim and the benefits likely to be obtained by proceeding with the claim justify the costs. This will be assessed by **Us** or the **Appointed Representative**.

Where the **Contractor Compliance Portal** is used to obtain either an **IR35 SDS** showing an **Outside IR35** status determination that is confirmed as accurate by the **Client** or an **IR35 External SDS Validation** showing an **Outside IR35** status determination, the **Reasonable Prospects** clause is automatically met for:

- *Insured Incident 1. HMRC IR35 Status Enquiries – SDS Protect*
- *Insured Incident 2. HMRC IR35 Status Enquiry Tax Tribunal Hearings – SDS Protect*
- *Insured Incident 3. HMRC IR35 Status Enquiry Taxes and Interest – SDS Protect*
- *Insured Incident 4. HMRC IR35 Status Enquiry Penalties – SDS Protect*

This clause will not be met in any event if any information supplied is not accurate, has been misrepresented in some way, has been overstated, or is false or fraudulent.

**Roots:**

Means Roots Insurance Brokers Limited. A company registered in England & Wales number 12676044 whose registered address is: Jason Works, Clarence Street, Loughborough, Leicestershire, LE11 1DX and which is authorised and regulated by the Financial Conduct Authority with the Firm Reference Number 935324. Contractor Compliance Portal is a trading name of Roots Insurance Brokers Limited.

**Targeted Anti-Avoidance Rules (TAAR):**

Means the HMRC legislation that deals with reduced tax liabilities via converting what would otherwise be a dividend into a capital payment by winding up a company. This includes but is not limited to Sections 396B and 404A of the Income Tax (Trading and Other Income) Act 2005.

**Tax Avoidance Scheme:**

Means a mechanism that implements strategies involving artificial transactions and/or business structures that have little or no commercial effect other than producing a tax advantage, regardless of whether or not the scheme has been registered under the DOTAS rules.

**Taxes:**

Means PAYE tax and employee and employer NIC including Class 1, Class 1A and Class 1B NIC, employee and employer Health and Social Care Levy and the Apprenticeship Levy arising as a result of the successful application of the **IR35** legislation by **HMRC**, less any amounts paid by the **Policyholder** which **HMRC** allow the **Policyholder** to offset in calculating the liability, and for which the **Policyholder** is able to obtain a corporate tax deduction.

**Territorial Limits:**

Means the United Kingdom.

**We/Us/Our:**

Means Financial & Legal Insurance Company Limited.

**Working Practices:**

Means the actual working relationship between the **Personal Service Company** and the **Client** as opposed to the theoretical working relationship written in the contract.



## What is Insured

We will, subject to **What is NOT Insured**, the **Claims Settlement Provisions** and **Conditions** of this policy provide the insurance, shown as operative in the **Policy Schedule**, set out below.

Provided that:

1. **Reasonable Prospects** exist for the duration of the claim.
2. The claim is reported to **Us**
  - a. During the **Period of Insurance** or the **Extended Reporting Period**, and
  - b. As soon as the **Policyholder** becomes aware of circumstances which may give rise to a claim, and
  - c. No later than 14 days after the **Policyholder** becomes aware of circumstances which may give rise to a claim.
3. All returns to **HMRC** have been completed, are correct and submitted on time.
4. The event which leads to a claim arises in the **Territorial Limits**.
5. The **Policyholder** has taken reasonable care to ensure that their accounts and tax affairs and records have been properly maintained.
6. The **Policyholder** has met all **IR35** legislative requirements and timeframes applicable at that time when assessing **IR35** status.
7. The **IR35 SDS** has been confirmed as accurate by the **Client**.
8. Where an **Engagement** has an **Outside IR35** status determination from an **IR35 SDS** or **IR35 External SDS Validation** obtained from the **Contractor Compliance Portal**, a subsequent **IR35 SDS** showing an **Outside IR35** status determination is required to be obtained via the **Contractor Compliance Portal** at least every 12 months, where the **Working Practices** of the **Engagement** change, or where a new contract is negotiated with the **Agency** and or **Client**, whichever comes first.

## Insured Incidents

Cover will only be provided for the sections of cover marked as 'Insured' on the **Policy Schedule**. Subject to the **Limit of Indemnity**, this policy will cover:

### 1. *HMRC IR35 Status Enquiries – SDS Protect*

We will pay the **Costs and Expenses**, less any **Excess** that may apply, should the **Policyholder** become involved in an **IR35 Status Enquiry**.

### 2. *HMRC IR35 Status Enquiry Tax Tribunal Hearings – SDS Protect*

We will pay the **Costs and Expenses**, less any **Excess** that may apply, should the **Policyholder** become involved in a First-Tier Tribunal hearing, Upper Tribunal hearing and an appeal following a First-Tier or Upper Tribunal decision in connection with an accepted claim made under *Insured Incident 1. HMRC IR35 Status Enquiries – SDS Protect* of this policy.

### 3. *HMRC IR35 Status Enquiry Taxes and Interest – SDS Protect*

We will pay the **Taxes** and **Interest** deemed due by the **Policyholder**, less any **Excess** that may apply, to **HMRC** in connection with an accepted claim made under *Insured Incident 1. HMRC IR35 Status Enquiries – SDS Protect* of this policy.

### 4. *HMRC IR35 Status Enquiry Penalties – SDS Protect*

We will pay the **Penalties** deemed due by the **Policyholder**, less any **Excess** that may apply, to **HMRC** in connection with an accepted claim made under *Insured Incident 1. HMRC IR35 Status Enquiries – SDS Protect* of this policy.



## What is NOT Insured

### 1. Prior Claims

Any claim or incident which may lead to a claim and which the **Policyholder** knew about or ought reasonably to have known about before the start of this policy.

### 2. Prior Costs and Expenses

Any costs incurred before a claim is made and any **Costs and Expenses** which **We** do not authorise.

### 3. Dishonesty, Deliberate or Wilful Acts, Omission, Misrepresentation and Fraud

Any claim:

- a. Involving actual or alleged dishonesty or deliberate or wilful act, omission or misrepresentation by the **Policyholder**.
- b. Or statement which is overstated, false or fraudulent.

**We** will have the right to refuse to pay a claim or to void this insurance from the date of the act.

### 4. Judicial Review, Mediation and Arbitration

Any claim directly or indirectly relating to or resulting from:

- a. A judicial review.
- b. Mediation and arbitration.

### 5. Bankruptcy, Liquidation or Receivership

Any claim where the **Policyholder** is bankrupt, in liquidation, has made an arrangement with his or her creditors, has entered into a Deed of Arrangement or part or all of the **Policyholder's** affairs or property are in the care or control of a receiver or an administrator.

### 6. Other Insurance

Any **Costs and Expenses**, which can be recovered by a **Policyholder** under any other insurance, from a Trade Union or public body or which would have been covered if this insurance did not exist, except for any amount in excess of that which would have been payable under such insurance(s).

### 7. Fines and Penalties

Any civil or criminal fines, damages other penalties or punitive damages, which a **Policyholder** is ordered to pay by a court or other authority, except as provided for under Insured Incident 3. *HMRC IR35 Status Enquiry Taxes and Interest – SDS Protect* and under Insured Incident 4. *HMRC IR35 Status Enquiry Penalties – SDS Protect*.

### 8. Disputes with Us

Any claim against **Us**, Financial & Legal Insurance Company Limited or any company or subsidiary of the Drive Further collective.

### 9. Territorial Limits

Any claim arising outside the **Territorial Limits**.

### 10. Proportionality

Any claim where, in **Our** opinion, the value/amount in dispute is disproportionate to the time and **Costs and Expenses** involved in its pursuit.

### 11. Computer Viruses

Any claim caused by computer viruses, malware or ransomware that results in electronic data being lost, destroyed, distorted, altered, or otherwise corrupted.

### 12. VAT

Any claim for the VAT element of the **Costs and Expenses**, if **You** are registered for VAT.

### 13. Limit of Liability

Any claim which exceeds the relevant **Limit of Liability** and the annual aggregate limit shown in the **Policy Schedule**.



**14. Excess**

Any claim for the amount of any **Excess** shown in the **Policy Schedule** in respect of each claim.

**15. Unappointed Representative**

Any work undertaken on behalf of the **Policyholder** by any form, professional, agent or representative other than the **Appointment Representative** or **Us**, unless **We** have explicitly consented such in writing.

**16. Preparation and Rectification Work**

In respect of the preparation or rectification of self-assessment tax returns, accounts, P11Ds, P35s, VAT returns or any other statutory returns or for any **Costs and Expenses** incurred for the routine presentation of the **Policyholder's** affairs, including the reconciliation of annual accounts with VAT returns.

**17. Outside Policy Period**

Any claim where an **Insured Event** occurs outside the **Period of Insurance** or the **Extended Reporting Period**.

**18. Criminal Defence**

Any claim relating to the defence of any criminal prosecution.

**19. Tax Returns Out of Time**

Any claim arising from an enquiry into a **Policyholder's** tax return or amended tax return or any other statutory return that was not submitted within the statutory time limits. In order for the statutory return to be regarded as having been submitted within the statutory time limits, **HMRC** must have agreed this to be the case and the filing date must not allow **HMRC** the right to extend their enquiry window beyond the normal time limits.

**20. Minimum Wage**

Any claim arising under the National Minimum Wage Act 1998 or the Tax Credits Act 2002.

**21. TAAR**

Any claim relating to **Targeted Anti-Avoidance Rules (TAAR)**.

**22. Tax Avoidance Schemes**

Any claim relating to where the **Policyholder** has adopted a **Tax Avoidance Scheme**.

**23. Corporation Tax**

Any taxes, interest or penalties, which are recoverable through Corporation Tax deductions arising in any year.

**24. Managed Service Companies**

Any taxes, interest, penalties and fines or any other duties where the **Policyholder** is deemed by **HMRC** to be a Managed Service Company, as defined by Chapter 9, Part 2 of The Income Tax (Earnings and Pensions) Act 2003.

**25. Public Policy**

Any Penalties as covered under *Insured Incident 3. HMRC IR35 Status Enquiry Taxes and Interest – SDS Protect* or *Insured Incident 4. HMRC IR35 Status Enquiry Penalties – SDS Protect* where an additional payment either constitutes a penalty payable in circumstances where Public Policy would prevent the application of Insurance or where the **Policyholder** has deliberately sought to evade tax or where fraud is established.

**26. Voluntary Disclosure**

Any claim arising from any voluntary disclosure.

**27. Failure to Register for VAT**

Any claim arising from the **Policyholder's** failure to register for VAT.



**28. COP9 Investigation**

Any claim involving or under a COP9 investigation.

**29. HMRC Special Investigations Unit**

Any claim involving an investigation undertaken by HMRC's Special Investigations unit.

**30. Tax Liabilities – No Prospects of Success**

Any **Taxes, Interest** and **Penalties** due where there are not **Reasonable Prospects** under *Insured Incident 1. HMRC IR35 Status Enquiries – SDS Protect*.

**31. Tax Liabilities – Prior to the Policy Start Date**

Any **Taxes, Interest** and **Penalties** due prior to the inception date shown on the **Policy Schedule**.

**32. Tax Liabilities – Penalties Unrelated**

Any **Penalties** which are unrelated to the **Taxes** required to be paid *under Insured Incident 3. HMRC IR35 Status Enquiry Taxes and Interest – SDS Protect*.



## Claims Settlement Provisions

### 1. Reasonable Precautions

The **Policyholder** must take all reasonable precautions to reduce or remove the risk of a claim and not take any deliberate acts, which will result in a claim.

### 2. When You Must Report a Claim to Us

The **Policyholder** must tell **Us** immediately of any circumstances which may give rise to a claim.

### 3. Acceptance of a Claim

On receipt of the claim it will be assessed and dealt with by **Our** in-house claims negotiators and, if appropriate and if **Reasonable Prospects** exist and the claim is reported to **Us** immediately after the **Policyholder** becomes aware of circumstances which may give rise to a claim, **We** will then instruct an **Appointed Representative** to handle the claim on behalf of the **Policyholder**. If there is a dispute as to whether **Reasonable Prospects** exist, **We** may require the **Policyholder**, at the **Policyholder's** own expense, to obtain Counsel's opinion as to the merits of the case. The costs will be refunded to the **Policyholder** if Counsel's opinion clearly shows that there are merits in proceeding.

### 4. Conduct of the Claim

#### *i. We will be entitled*

- a) To have direct contact with the **Appointed Representative**.
- b) To take over and conduct in the **Policyholder's** name any claim at any time and negotiate any claim on behalf of the **Policyholder**.
- c) To refuse to accept a claim or continue with a claim where the **Policyholder** does not take reasonable care not to make a misrepresentation or has failed to supply relevant information and supporting evidence to **Us** or the **Appointed Representative**.

#### *ii. What the Policyholder must do*

- a) Provide, at the **Policyholder's** own expense, the **Appointed Representative** and **Us** with any proof, evidence, certificates and assistance as **We** may reasonably ask for in connection with the claim.
- b) Cooperate fully with the **Appointed Representative** and **Us** and provide, within a reasonable time avoiding any unnecessary delays, any relevant requested information and documentation in relation to the claim.
- c) Take all reasonable steps to recover **Costs and Expenses** and to minimise the amount payable under this policy.
- d) Take all reasonable steps to resolve disputes that otherwise may give rise to a claim.

#### *iii. What the Policyholder must not do*

- a) Withdraw from any claim or withdraw instructions from **Us** without **Our** consent or the consent of the **Appointed Representative**.
- b) Pursue a claim in any way against the advice or Instructions from **Us** or the **Appointed Representative**.
- c) Incur any **Costs and Expenses** without **Our** consent or the consent of the **Appointed Representative**.
- d) Agree to settle any claim on any basis or reject any offer to settle a claim, without **Our** consent or the consent of the **Appointed Representative**.

#### **Please Note**

**We** will be entitled to be reimbursed by the **Policyholder** for any **Costs and Expenses** previously agreed or paid to or on behalf of the **Policyholder** if the **Policyholder** breaches any of the conditions in ii. and iii. above.

### 5. Payment Instead of Pursuing or Defending a Claim

At any time **We** will be entitled to pay the reasonable amount being claimed by HMRC if in **Our** opinion this would be a more economic solution.

### 6. Claim Proceedings

All claims must be dealt with in the jurisdiction of a Court or tribunal in the United Kingdom.

### 7. Choice of Appointed Representative

Where **we** have agreed someone other than our nominated **Appointed Representative** may act for the **Policyholder**, **we** will not pay any sums in excess of what **we** would have paid to an **Appointed Representative** that **we** would have appointed to undertake the same work.



#### 8. Pro Rata Policy Coverage

Where the **Policyholder** has a claim accepted under this policy but has not made the full number of monthly payments to cover the whole term of the **Engagement We** will be entitled to provide cover on a pro rate basis for every **Insured Incident** being under, based on the number of full payments made.

For the avoidance of doubt, if the **Engagement** is ten (10) months long, inclusive of any extension(s) to it, and only six (6) payments were made, even if intermittently during the ten (10) months of the **Engagement**, then the cover provided under this policy in this example would be 60% of the total **Costs and Expenses, Taxes and Interest, and Penalties**.

Where this Claims Settlement Provision is enforced the **Policyholder** will, before the claim is accepted, agree in writing to cover the outstanding proportion of the total **Costs and Expenses, Taxes and Interest, and Penalties**. If the **Policyholder** does not agree in writing then the claim will be declined.

#### 9. Pro Rata Policy Payment Grace Period

Where the **Policyholder** has not submitted their **Monthly Declaration** nor made the corresponding payment in full within the stipulated timeframe, the **Policyholder** can, during the **Grace Period**, submit a late **Monthly Declaration** providing payment is also made in full within the **Grace Period**.

If the **Policyholder** becomes aware of any circumstance relating to an **Engagement** that could or has given rise to a claim being made under this insurance policy then no **Monthly Declaration** will be accepted for that **Engagement** in the **Grace Period**.

For the avoidance of doubt any **Engagement** declared on a **Monthly Declaration** received within the stipulated timeframe, or any previous **Engagement** declared on a previous **Monthly Declaration** that was submitted within the stipulated timeframe will be insured for that period.

#### 10. Late Monthly Declaration

Any **Engagement** reported on a **Monthly Declaration** that has not been submitted within the stipulated timeframe and after the expiry of the **Grace Period** will not be insured for that period. Any payment made for a late **Monthly Declaration** will be refunded in full.





## Conditions

### 1. Observance of Terms

Anyone making a claim under this policy must have **Your** permission and observe the terms under this policy.

### 2. Act of Parliament

Any reference to an Act of Parliament within the policy shall include an amending or replacing Act, and also include equivalent legislation in Scotland, Northern Ireland, the Channel Islands, the Isle of Man.

### 3. Assignment

This insurance is between and binding upon **Us** and **You** and their respective successors in title, but this insurance may not otherwise be assigned by **You** without **Our** prior written consent.

### 4. Cancellation

**You** may cancel this policy within 14 days of its inception without any premium charge provided that there have been no claims. Thereafter **You** may cancel the policy at any time however no refund of premium will be available. If **You** cancel the policy **You** must contact **Your** insurance adviser. **We** may cancel this policy at any time provided that **We** give **You** 7 days' notice of cancellation and there is a valid reason for doing so. Valid reasons for cancellation include, but are not limited to fraud, dishonesty and any outstanding amount due from **You** in relation to any other claim under the Policy. Where **We** cancel this policy no refund of premium will be available. If **We** cancel the policy **We** will write to **You** at **Your** address shown in **Our** records.

### 5. Governing Law

This policy is subject to the law applicable to the **Policyholder** being registered in the United Kingdom.

### 6. Recoveries

**We** reserve the right, at **Our** own expenses, to take proceedings in the name of the **Policyholder** to recover any payment made under this policy. If a **Policyholder** recovers **Costs and Expenses** previously paid under this policy such **Costs and Expenses** must be immediately repaid to **Us**.

### 7. Third Party Rights

Unless expressly stated in this insurance, nothing in this insurance will create any rights in favour of any person pursuant to the Contracts (Right of Third Parties) Act 1999.

### 8. Waiver

If **We** or any **Policyholder** fail to exercise or enforce any rights conferred on them by this insurance, the failure to do so will not be deemed to be a waiver, nor will it bar the exercise or enforcement of, such rights at any subsequent time.



## How to Make a Complaint

**Our** aim is to provide a first-class standard of service at all times.

If **You** feel that **You** have been let down and **You** wish to raise a complaint about the sale of this Policy, please contact **Roots**.

If **You** feel that **We** have let **You** down and **You** wish to raise a complaint, please contact **Us** on 0161 495 4490 or in writing to The Compliance Department, Financial & Legal Insurance Company Limited, No. 1 Lakeside, Cheadle Royal Business Park, Cheadle, Cheshire SK8 3GW. Please quote the Policy Reference on **Your Policy Schedule** on all correspondence.

**Our** staff will attempt to resolve **Your** complaint within 3 business days of receipt and a summary resolution communication letter will be sent to you. Where this is not possible, **We** will acknowledge **Your** complaint promptly. If the complaint is not resolved within 4 weeks of receipt, **We** will write to **You** and let **You** know what further action **We** will take. A final response letter will be issued within 8 weeks of receipt.

If, upon receipt of **Our** letter in response to **Your** complaint **You** remain dissatisfied, **You** may refer **Your** complaint to the Financial Ombudsman Service. **You** can contact the Financial Ombudsman Service at: Exchange Tower, London, E14 9SR.

Following the complaints procedure does not affect **Your** right to take legal action.



### **Financial Services Compensation Scheme**

Financial & Legal Insurance Company Limited are covered by the Financial Services Compensation Scheme, established under the Financial Services and Markets Act 2000 (the "Compensation Scheme"). If Financial & Legal Insurance Company Limited are unable to meet their obligations under this Policy **You** may be entitled to compensation from the Compensation Scheme.



## Data Protection

**We** act as the Data Controller. How **We** use and look after the personal information is set out below.

Information may be used by **Us**, agents and service providers for the purposes of insurance administration, underwriting, claims handling or for statistical purposes. The lawful basis for the processing is that it is necessary for **Us** to process **Your** personal information to enable the performance of the insurance contract, to administer **Your** policy of insurance and/or handle any insurance claim **You** may submit to **Us** under this policy. The processing of **Your** personal data may also be necessary to comply with any legal obligation **We** may have and to protect **Your** interest during the course of any claim.

### What we process and share

The personal data **You** have provided, **We** have collected from **You**, or **We** have received from third parties may include **Your**:

- Name; date of birth, residential address and address history.
- Contact details such as email address and telephone numbers.
- Financial and employment details.
- Identifiers assigned to **Your** computer or other internet connected device including **Your** Internet Protocol (IP) address.
- Health or criminal conviction information.
- Vehicle or household details.
- Any information which **You** have provided in support of **Your** insurance claim.

**We** may receive information about **You** from the following sources:

- **Your** insurance broker.
- From third parties such as credit reference agencies and fraud prevention agencies.
- From insurers, witnesses, the Police (in regards to incidents) and solicitors, **Appointed Representatives**.
- Directly from **You**.

**We** will not pass **Your** information to any third parties except to enable **Us** to process your claim, prevent fraud and comply with legal and regulatory requirements. In which case **We** may need to share **Your** information with the following third parties within the EU:

- Solicitors or other **Appointed Representatives**.
- Underwriters, Reinsurers, Regulators and Authorised/Statutory Bodies.
- Fraud and crime prevention agencies, including the Police.
- Other suppliers carrying out a service on **Our**, or **Your** behalf.

**We** will not use **Your** information for marketing further products or services to **You** or pass **Your** information on to any other organisation or person for sales and marketing purposes without **Your** consent.

### Data Retention

**We** will hold **Your** details for up to seven years after the expiry of **Your** policy, complaint and/or claims settlement.

### Your rights

**Your** personal data is protected by legal rights, which include **Your** rights to:

- Object to **Our** processing of **Your** personal data.
- Request that **Your** personal data is erased or corrected.
- Request access to **Your** personal data and data portability.
- Complain to the Information Commissioner's Office, which regulates the processing of personal data.

**You** can request to see what data **We** hold on **You**, there is no charge for this service.

If **You** have any questions about **Our** privacy policy or the information **We** hold about **You** please contact **Us**.