NOTICE TO POLICYHOLDERS

Alterations to your Policy

1 Legal Expenses

This notice summarises the main changes to the Legal Expenses section of your policy.

The Legal Expenses section is now administered by ARAG PLC on behalf of Insurer Brit Syndicate 2987 at Lloyds.

A summary and Guide containing further details of the new Legal Expenses cover can be viewed at www.mortonmichel.com.

We are pleased to advise that as well as improved cover, you now also have access to Business Legal Service which provides access to legal documents to assist you with commercial matters. You will need to register at www.araglegal.co.uk using voucher code ARAG7537BIZ.

**Important note** - Business Legal Service is not applicable to Mobile Crèche, Toy Library, Nanny, Adultcare, HolidayPlay or Parent & Toddler policies.

There are new telephone numbers for Claims and Helplines. Please quote Morton Michel policy and your policy number:

- Legal and Tax Advice Helpline: 0344 571 7978
- Redundancy approval Helpline: 0117 917 1698
- Crisis communication: 0344 571 7964
- Counselling Helpline: 0333 000 2082

Please note that Health & Medical Information Service helpline is withdrawn as NHS 111 is freely available.

Making a Claim

If you need to make a claim you must notify Insurers as soon as possible and under no circumstances should you instruct your own lawyer or accountant as the insurer will not pay any costs incurred without prior agreement.

You can request a claim form between 9am and 5pm Monday to Friday (except bank holidays) by telephoning 0117 917 1698 or by downloading one at www.arag.co.uk/newclaims.

A written acknowledgement within one working day of receiving your claim form will be provided and within five working days of receiving all the information needed to assess the availability of cover under this section of the policy, Insurers will either:
- confirm the appointment of a qualified representative who will promptly progress the claim for you; or
- if the claim is not covered, explain in full why and whether they can assist in another way.
The cover provided is now listed as **Insured events.**

**The following changes apply to all insured events:**

New exclusions apply relating to allegations involving:
- the manufacture, dealing in or use of alcohol, illegal drugs, illegal immigration
- money Laundering offences

**The changes to each Insured event are as follows:**

**Employment**

There is no longer an exclusion applying to current T.U.P.E regulations (these regulations impose obligations on employers where employees transfer from one employer to another following acquisition of business or the transfer of a contract to provide services between service providers).

**Employment compensation awards**

There are no longer exclusions for:
- a settlement agreed and payable following conciliation under the ACAS Early Conciliation procedure;
- compensation awards relating to pregnancy or maternity rights, paternity, parental or adoption rights;
- any award ordered because you have failed to provide relevant records to employees under the National Minimum Wage laws.
- any compensation award or increase in compensation award ordered by the tribunal for failure to comply with a recommendation it has made, including non-compliance with a reinstatement or re-engagement order.

**Employment Restrictive Covenants**

Cover is included for legal costs to seek damages from your employee or ex-employee where they have breached a restrictive covenant in their employment contract with you or to defend a claim where another party alleges that you are in breach of a restrictive covenant.

**Tax Protection**

Cover has been widened to include:
- HMRC enquiries into the personal tax affairs of your directors and/or partners (in addition to your business tax affairs).
- an enquiry into your tax affairs, the personal tax affairs of your directors and/or partners arising from an alleged discovery by HM Revenue and Customs.

Exclusion applies to any enquiry that concerns assets, monies or wealth outside of Great Britain and Northern Ireland.

There is no longer an exclusion relating to your failure to register for Pay As You Earn

**Property** – *(This cover has not previously been included under the Nanny or AdultCare policy as an insured event)*

Cover is now provided for property which you wish to recover or repossess from an employee or ex-employee.
There are no longer exclusions for:
- Motor vehicles owned by or used by, or hired to an insured person
- Goods not at a premises other than those occupied by you
- Mining subsidence.

**Legal Defence**
Cover has been extended to defend your business and your employees if they are prosecuted for a motoring offence. Your directors and/or partners also enjoy cover while driving for personal, social or domestic purposes or to commute to or from their place of work.

Territorial Limits now extend to include countries of the European Union plus Norway and Switzerland.

**Compliance and Regulation**
- You are covered for legal costs for advice and representation if you receive notice of a formal investigation or disciplinary hearing by any professional or regulatory body (for example OFSTED).
- You are also covered for legal costs to appeal against a legal notice issued against you by your regulator (for example an OFSTED initial or final warning letter).

**Loss of Earnings**
Loss of earnings cover has been enhanced to provide for an insured person’s absence from work to attend mediation, a professional body’s disciplinary hearing or regulatory proceedings at the request of an appointed advisor.

**Employees Extra Protection**
Cover includes Identity theft targeted at Directors and/or partners.

Cover for an insured person or a member of their family if they suffer bodily injury or death as a result of a sudden event. *(This cover has not previously been included under the Nanny or AdultCare policy as an insured event.)*

**Crisis Communication**
You can get help from a professional PR consultant to deal with communications where an event causes your business significant adverse publicity or reputational damage. PR consultancy costs are covered up to £10,000.

**Contract and debt recovery**
There are no longer exclusions for
- claims relating to motor vehicles
- disputes arising from an agreement entered into prior to the inception date of this section but where the date of occurrence is within the first 90 days of the inception date of this section;
- claims relating to the sale, purchase, and terms of a lease, licence or tenancy.

**Important note** - Tenancy disputes cover continues to be excluded under Mobile Crèche, Toy Library, Nanny or AdultCare policies;
- an excess of £500 for contractual disputes that exceed £5,000 in value.

The minimum amount in dispute for claims to apply has been reduced to £200 from £250. *(the minimum amount remains at £100 for Nanny and AdultCare Policies)*

Territorial Limits extend to include countries of the European Union plus Norway and Switzerland.
2 Other Changes to Your Policy

We are taking the opportunity to update your policy wording in a number of other areas to improve the cover and/or provide additional clarity in relation to its terms and conditions. Below we list the sections that are relevant to your policy.

Cancellation
The General Condition ‘Cancellation’ has been amended to provide you with some examples of reasons why we may cancel your policy and explains how we will treat your premium in the event of cancellation by you or by us.

Customer Services Information
This section has been revised to ensure you have the most up to date information concerning the insurers, how to access the cover and services under your policy and how we use information you provide to us.

Terrorism (If covered by your policy)
A summary of the changes are detailed below:

- Additional definition of phishing
- Extension of exclusion 1. a) to include phishing
The Insurance Act 2015

The Insurance Act 2015 (the ‘Act’) has introduced changes to UK insurance contracts with effect from 12 August 2016.
To assist you, we have summarised the main changes that may affect your policy.

This Notice does not constitute legal advice nor is it designed to be a summary of the Act itself. If you require any additional information please contact your insurance broker.

Fair Presentation of Risk
The main change introduced by the Act is the ‘duty of fair presentation’.
We have introduced a ‘Fair Presentation of the Risk’ condition into our policies. Under the new duty, at inception and renewal of our policies (and also whenever you request any changes) you will need to:
• tell us, in a clear and accessible manner, about all material facts;
and
• not misrepresent any material facts.

A ‘material fact’ is a circumstance or representation that would influence an Insurer’s decision to offer you insurance and, if so, on what terms. If you are unsure about whether a fact is material, please tell your insurance broker.

Failure by you to make a fair presentation of material facts could result in a reduction in any claim payment or the imposition of additional terms. In certain circumstances, failure to make a fair representation may result in your insurance being avoided with no claims being payable.

The duty to disclose continues throughout the term of your insurance and any material changes should be immediately notified to the insurer.

If you are unsure as to whether or not an item is a material fact, you should disclose it.

Warranties and Important conditions
Prior to the Act, a breach of warranty would mean that you did not have cover and that a claim would not be paid. This is amended by the Act so that a breach of warranty will now result in cover being suspended for the duration of the breach, with cover being re-instatement once the breach has been remedied (if that is possible).
In order to effect these changes, we have replaced all warranties in our policies with ‘conditions precedent’. A ‘Condition precedent to liability’ means that a breach of the condition will only allow an Insurer to avoid a claim where the breach of the condition is directly relevant to the claim in question.
You should check your schedule to review the changes which apply to your Policy.

Changes to your policy documentation

Policy wording

Various changes have been made to sections of your policy wording to reflect the adoption of the Act. Whilst these are summarised below we recommend that you review the policy wording carefully as these changes will apply to your policy with effect from the renewal date.
Proposal Form/Statement of Fact

The Proposal Form/Statement of Fact now contains a statement on the duty to make a ‘fair presentation’. The full clause is shown below;

‘Fair Presentation of the Risk

You have a duty to make a fair presentation of the risk which is covered by this policy. Therefore you should ensure that any information you have provided to us and the content of any application form, declaration and / or Statement of Fact is accurate and complete. Where you have provided us with information which relates to matters of your expectation or belief, it does not matter if such information turns out to be inaccurate provided that you acted in good faith when you provided us with such information.

If you do not comply with your duty to make a fair presentation of the risk, including failing to disclose or misrepresenting a material fact, or disclosing material facts to us in a way which is not clear and accessible your policy may not be valid or the policy may not cover you fully or at all.

A material fact is any fact which could influence our assessment or acceptance of your application for insurance.

You must also tell us about any facts or changes which affect your insurance and which have occurred either since the policy started or since the last renewal date.

If you are not sure whether certain facts are relevant please ask your insurance broker. If you do not tell us about relevant changes, your policy may not be valid or the policy may not cover you fully or at all.

You must check all the information contained within this document immediately and tell us if any details are incorrect.

You should keep a written record (including copies of letters) of any information you give us or your insurance broker.’