

AFTER THE EVENT LITIGATION COSTS Policy Summary for F.L.I. Document 2005



This summary contains **keyfacts** about your policy

After the Event Litigation Costs Insurance is underwritten by
QBE Insurance (Europe) Limited (“QBE”).

After the Event Litigation Costs Insurance Policy is a non renewable contract that expires on conclusion of the legal action specified in the policy.

This document provides only a summary of the main benefits under the After the Event Litigation Costs Insurance Policy referenced F.L.I. Document 2005 and its terms and conditions. **For full details of all policy benefits and all terms and conditions you should read the *policy document* a copy of which will be provided immediately after your policy is taken out or at any time on request.**

Policy Type

If you select the After the Event Litigation Costs Insurance Policy, the following significant features and benefits, subject to the following significant or unusual exclusions and limitations, will be included in your policy.

Significant Features and Benefits

After the Event Litigation Costs Insurance provides for payment of your litigation costs in relation to a particular legal action specified when applying. Payment includes your own costs (where offered in the quotation letter) and your opponents cost but not exceeding the sub-limit for your

- own costs (if applicable)
- opponents costs

but in aggregate not exceeding the indemnity limit specified in the policy and stated in the quotation letter.

Any damages and/or costs awarded to you as settlement in the legal action or any connected action shall first be allocated to your own costs and then to the opponent's costs before any claim is made under the policy and a claim will only be made if your insured liability for costs exceeds the damages and/or costs recovered by you.

In the event of settlement pre trail at no cost to QBE then the No Claim Bonus sum if specified is payable to you.

Opponent's Costs

- (a) These are payable following an order of the court for costs(Clause 3.1)
- (b) Where an order of the court for costs is made against you in favour of your opponent in the legal action and in related proceedings costs are awarded in your favour, QBE will only pay for any balance of cost payable by you to your opponent in the legal action(Clause 3.2)

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- (c) Where the court makes an order for costs pending conclusion of the legal action then:
- QBE will not be obliged to pay opponent's costs until conclusion of the legal action and after any appeals process has been exhausted unless pending any appeal there is a referral by the court to stay any costs order against you (Clause 3.4)
 - The opponent's costs shall be assessed by the relevant authority unless QBE agrees to the level of costs (Clause 3.5)
 - You agree to grant subrogation rights to QBE in respect of the opponents costs and to use best endeavours to minimise the amount payable (Clause 3.6)
 - If opponent's costs are payable by another party, QBE will only pay those costs that are not payable by the other party (Clause 3.7)
 - You agree to subrogate your rights against any other party to recover opponent's costs and you undertake to use your best endeavours to assist QBE to maximise the amount recovered from the other party (Clause 3.8)

Your Own Costs

- (a) These are payable by QBE where such costs are not payable by your opponent by way of an award of monetary relief (whether by way of damages, costs or otherwise) in the legal action (Clause 4.1)
- (b) QBE will not pay your own costs before conclusion of the legal action (Clause 4.2)
- (c) You must take all reasonable steps to minimise your costs and allow QBE to inspect any part of the legal representative's files relating to the legal action (Clause 4.2)
- (d) If your costs are payable by another party to the legal action or related proceedings, QBE will only pay those costs that are not payable by the other party (Clause 4.3)
- (e) You agree to grant subrogation rights to QBE in respect of your costs and to use best endeavours to support any action to maximise the recovery from any other party to the legal action or related proceedings who is liable to pay your costs. (Clause 4.4)

Significant Exclusions or Limitations

The policy document contains a number of limitations. The more significant exclusions and limitations applying that will bar any payment are listed below. After the Event Litigation Costs Insurance excludes:

1. the first amount of each and every claim (the deductible) as stated in the quotation or in the policy schedule (Clause 6.1 & 8.6)
2. VAT payments for litigation costs whether your costs or the opponents costs unless the policy specifically includes that VAT element (Clause 5.4)
3. any costs incurred in providing information requested by QBE (Clause 8.1)
4. any legal costs payable by the opponent pursuant to any compromise (Clause 8.2)
5. litigation costs caused by
 - failure to co-operate with or follow the advice of the legal representative

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- your delay or default or any delay or default on part of your legal representatives
- disability or death of the legal representatives or judge or other official adjudication in the legal action (Clause 8.3)
- 6. costs where you or your legal representatives are entitled to an indemnity under any other policy (Clause 8.4)
- 7. costs incurred after discovery of any matters of fact or evidence which materially affect the Insured's prospects of success in the insured legal action (Clause 8.7)
- 8. costs incurred in connection with an application by the opponent for security for costs (Clause 8.8)
- 9. costs incurred if the legal action is stayed, discontinued or abandoned by virtue of the opponent's or your lack of funds (Clause 8.9)
- 10. costs incurred prior to the inception of the policy unless specifically included in the policy (Clause 8.10)
- 11. the opponent's costs incurred as a result of your failure to beat any payment into court which is equal to or in excess of the agreed settlement figure unless the prior written consent of the insurer has been obtained (Clause 8.11)
- 12. costs incurred by virtue of any counterclaim (unless disclosed at inception) (Clause 8.12)
- 13. opponent's costs or your costs where damages and/or costs have been awarded to you in the insured legal action or in any related proceedings other than costs that are in excess of those damages and/or costs awarded (Clause 8.13)
- 14. costs incurred by virtue of negligence or default of the legal representative (Clause 8.15)
- 15. costs directly or indirectly arising from defective computer processing due to a lack of recognition of the true date (Clause 8.16)
- 16. costs relating to any appeal process unless prior agreement of QBE is obtained (Clause 8.17)

Significant limitations that will restrict payment are:

a) Undertakings that

- you will continue to disclose material information in relation to the legal action for example
 - the contents of any pleadings (Clause 2.1.1)
 - details of any defence or counterclaim (Clause 2.1.2)
 - material developments in discovery (Clause 2.1.3)
 - evidence that may adversely affect the merits of success of the legal action (Clause 2.1.4)
 - lack of co-operation demonstrated by any witness (Clause 2.1.5)
 - any settlement offer or payment into court (Clause 2.1.6)
 - written advice from counsel (Clause 2.1.7)
 - ability of any opponent to meet any order for costs (Clause 2.1.8)
 - material alterations to legal costs for the action (Clause 2.1.9)
- all statements will remain complete and accurate (Clause 1.1)
- all reasonable steps have and are taken to minimise cost and expenses relating to the legal action (Clause 1.3)

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- you will allow QBE and their authorised agent First Legal Indemnity direct access to your legal representatives (Clause 2.1)
 - you will provide a written assessment of the merits of the legal action from time to time and immediately prior to any final hearing.
- b) A stipulation that at inception you will agree a settlement figure that is acceptable to you. If this figure is subsequently offered by the opponent and rejected, then QBE is entitled to increase the premium or cancel this insurance (Clause 2.4)
- c) That you will not terminate the legal action without QBE's prior written agreement (Clause 2.5)
- d) That whilst you are free to select your legal representation, you will not change your legal representative without QBE's prior written consent (Clause 2.6)
- e) That in the event of your insolvency, bankruptcy or appointing a receiver and the like then QBE may cancel the policy (Clause 5.5)
- f) In the event of a settlement or termination of the litigation then any outstanding instalment premium will become payable immediately (Clause 5.6)

Please refer to the *policy document* for the complete list of exclusions and a full description of each exclusion.

Important Information

Your Right to Cancel

If you are an individual/sole trader (including a partnership in England and Wales) buying a After the Event Litigation Costs Insurance Policy in a private capacity, you have the right to cancel your policy during a period of 14 days either from;

- the day of purchase of the contract, or
 - the day on which you receive your policy documentation,
- whichever is the later.

To cancel please write to the address or call the number shown on your policy schedule.

On receipt of your notice of cancellation, we will refund any premiums you have already paid less a pro rata charge for the period on insurance provided.

If you do not exercise your right to cancel your policy, it will continue in force for the term of the policy and you will be required to pay the full premium as stated.

Alternatively, if you are not buying After the Event Litigation Costs Insurance Policy in a private capacity there are no cancellation rights under this policy on your part but QBE may issue written notice of cancellation to terminate cover immediately upon:

- (a) Material misrepresentation or non-disclosure
- (b) Fraudulent request involving collusion between the parties to any legal action
- (c) Breach of any warranty.

No return premium will be allowed.

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Claim Notification (See policy document clause 9.1)

All communication and notices to QBE should be sent by facsimile and post to:

First Legal Indemnity Limited
42 Crutched Friars
London EC3N 2AP
Tel: 0207 977 1408 [Fax: 020 7977 1409]

You must give them any information or help that they ask for. You must not settle, reject, negotiate or agree to pay any claim without written permission.

Full details of how to claim are included in the policy. First Legal Indemnity staff will telephone or write to advise any further action that must taken.

Complaint Procedure (See policy document)

QBE aims to give its customers a high standard of service at all times. If you are unhappy with the service provided for any reason or have cause for complaint you should initially contact the person who arranged the policy for you or The Managing Director at:

QBE Insurance (Europe) Limited,
Plantation Place
30 Fenchurch Street
London, EC3M 3BD
Tel: 0207 105 4000
Fax: 0207 105 4009
enquiries@qbe-europe.com

The Managing Director will tell you what they will do to resolve your concerns and how long it will take. In the unlikely event that you remain dissatisfied and wish to make a complaint under your After the Event Litigation Costs Insurance Policy, please write to QBE at the following address:

Chief Executive Officer **QBE Insurance (Europe) Limited,**
Plantation Place
30 Fenchurch Street
London, EC3M 3BD
Tel: 0207 105 4000
Fax: 0207 105 4009
[Registered in England No. 1761561](#)

If QBE cannot resolve the matter to your satisfaction, we will provide you with our final response so that you can, if you wish, refer the matter to the Financial Ombudsman Service at the following address:

Insurance Division
The Financial Ombudsman Service
South Quay Plaza 2
183 Marsh Wall, Docklands
London E14 9SR

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Making a complaint to the Financial Ombudsman Service does not affect your right to take legal proceedings.

Compensation

QBE Insurance (Europe) Limited is covered by the Financial Services Compensation Scheme. This provides compensation in case any of its members are unable, in specified circumstances, to meet any valid claims under their policies. The first £2,000 of a claim is protected in full. Above this threshold, 90% of the remainder of the claim will be met (100% if the insurance is legally compulsory).

Compensation is only available to commercial customers in limited circumstances.

Further information can be obtained from QBE at the address above, or from the Financial Services Compensation Scheme at the following address:

Financial Services Compensation Scheme
7th Floor, Lloyds Chambers,
1 Portsoken Street,
London E1 8BN
Tel: 020 7892 7300

Directive Required Information

QBE Insurance (Europe) Limited

QBE Insurance (Europe) Limited is a private company limited by shares and is authorised and regulated by the Financial Services Authority (FSA) as an insurance company and, with effect from 14 January 2005, to undertake insurance mediation, under Registration Number **202842**.

You can check this on the FSA's Register by visiting the FSA's website www.fsa.gov.uk/register or by contacting the FSA on 0845 606 1234.

In the event of a complaint please read the procedure set out on the previous page.

The law and language applicable to the policy

The law of England and Wales will apply to this contract unless:

1. You and QBE agrees otherwise, or
2. At the commencement of this insurance you are a resident of (or in the case of a business, the registered office or principal place of business is situated in) Scotland, Northern Ireland, Channel Islands or the Isle of Man, in which case the law of that country will apply unless you and QBE agree otherwise.

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The language used in this policy and any communications relating to it will be English.

QBE's Head Office

QBE's Home State is the United Kingdom and this policy is underwritten from its London premises located at the address below. QBE's Head Office and registered address is:

QBE Insurance (Europe) Limited,

Plantation Place
30 Fenchurch Street
London, EC3M 3BD
Tel: 0207 105 4000
Fax: 0207 105 4009