



Contingent Buildings

A) *Can all of the following Underwriting Criteria be complied with?*

1. The property is a private residential house, maisonette or flat and/or commercial premises in England or Wales of standard construction, which has existed and has remained unaltered for at least 12 months immediately prior to the Inception Date, and
 - a. The obligation in the lease requiring insurance of the remainder of the building:
 - i. Are absent from the lease
 - ii. May be difficult to enforce due to the landlord being bankrupt, or in liquidation or absent
 - iii. Are inadequate for the proper protection of the Property
 - b. The Property insurance on the remainder of the premises could be vitiated through the act or omission of a party other than the Insured
2. The Property is insured at the Inception Date and insurance of the Property or the premises has been NOT declined by any insurer in the 12 months immediately prior to inception of the policy
3. A mortgagee has NOT, prior to the inception of the Policy required remedial works to be carried out to the Property as a result of the mortgage valuation
4. The remainder of the building is entirely residential

<u>Limit</u>	<u>Premium</u>
Up to and including £50,000.00	£150.00 including IPT
Up to and including £100,000.00	£185.00 including IPT
Up to and including £150,000.00	£200.00 including IPT
Up to and including £250,000.00	£250.00 including IPT
Up to and including £500,000.00	£450.00 including IPT
Up to and including £750,000.00	£640.00 including IPT
Up to and including £1,000,000.00	£800.00 including IPT
Up to and including £1,500,000.00	£1,100.00 including IPT
Up to and including £2,000,000.00	£1,250.00 including IPT

B) If any of the above Underwriting Criteria cannot be fully complied with the case will need to be submitted to CSL Title Limited with full supporting information.



Contingent Buildings Insurance Policy

Schedule

Policy Number:

Insurer: Hardy Conveyancing Insurances, underwritten by Syndicate 382 at Lloyd's
Authorized and regulated by the Financial Services Authority

Insured: **Purchaser:**
Mortgagee:
and the Insured's successors in title, including any mortgagee, lessee or chargee of the Property or any part thereof as set out in the Definitions whom shall be bound by the terms of this Policy

Property:

Limit of Indemnity: £[]

Premium: £[] (inclusive of Insurance Premium Tax)

Inception Date:

Period of Insurance: For the Purchaser: A period of 25 years from the Inception Date
For the Mortgagee: For the term of any subsisting mortgage commencing during the 25 year period after the Inception Date

Defective Insurance Provisions

1. The insurance provisions in the Lease are or may be inadequate for the proper protection of the Property or are absent from the Lease
2. The insurance provisions in the Lease may be difficult to enforce due to the landlord being absent or in liquidation or bankrupt
3. The Property Insurance on the Premises or any part thereof may be vitiated through an act or omission of any person or persons other than the Insured

Insured Use: The continued use of the Property as a single private leasehold residential flat or maisonette as it is constructed at the Inception Date

Escalator Clause The Limit of Indemnity will increase by 5% of the original amount on each anniversary of the Inception Date for the first 10 years

Policy Date:

Signed by Conveyancing Liability Solutions Limited
on behalf and with the authority of the Insurer



Preamble

In consideration of payment of the Premium and Insurance Premium Tax, the Insurer will, subject to the terms of this Policy, indemnify the Insured in respect of Loss occurring during the Period of Insurance. This Policy is provided on the understanding that full disclosure of all material facts has been made by or on behalf of the Insured, whether or not requested. This Policy and any endorsement issued in respect of it are one contract and shall be read together.

Definitions

Where a word is defined below or in the Schedule it shall carry the same meaning wherever it appears in bold text in this Policy.

Lease	the Purchaser's lease of the Property
Loss	1. loss sustained by <ol style="list-style-type: none">the Purchaser and calculated after all reasonable steps to enforce the repair or reinstatement of the Property and/or the Premises or to obtain insurance proceeds or compensation have been taken; orthe Mortgagee should the proceeds of sale of the Property be insufficient to discharge the whole of the sum outstanding under the Mortgage and calculated at the date the Mortgagee sells the Property due to reduction in the Market Value of the Property arising as a direct result of damage to or destruction of the Premises and/or the Property and the Insured being unable to fully reinstate or repair the Premises and/or the Property or any part thereof or to obtain full indemnity under the Property Insurance or compensation in respect of such damage or destruction due to the Defective Insurance Provisions 2. loss sustained by any Insured in respect of: <ol style="list-style-type: none">the cost of any settlement made out of courtall other costs and expenses incurredcosts and expenses incurred by the Insured in taking or defending any action at law or otherwise with the prior written consent of the Insurer
Market Value	the value of the Insured's interest in the Property as determined by a surveyor appointed by agreement between the Insurer and the Insured
Mortgage	the monies advanced by the Mortgagee and secured on the Property
Mortgagee	any financial institution which has a Mortgage secured on the Property on or after the Inception Date including any subsequent mortgagee of the Purchaser and any mortgagee of a purchaser acquiring the Property from a mortgagee
Premises	the remainder of the building of which the Property forms part including the common parts
Property Insurance	buildings insurance either solely on the Property and effected in the name of the Insured, or on the Premises including the Property and effected in the name of a party other than the Insured
Purchaser	the leasehold owner of the Property named in the Schedule and any subsequent Purchaser acquiring the Property from a Mortgagee in possession of the Property or exercising its power of sale on the Property

Cover

The Insurer shall indemnify the Insured in respect of Loss sustained by the Insured during the Period of Insurance arising directly out of damage to or destruction of the Property and/or the Premises (insofar as it affects the Insured's interest in the Property) and the Insured being unable to fully reinstate or repair the Property and/or the Premises or any part thereof or to obtain full indemnity under the Property Insurance or compensation for such damage or destruction due to the Defective Insurance Provisions.

Protection for Mortgagees

The Insurer shall not avoid any liability to any mortgagee under this Policy for claims resulting from any act, omission, or misrepresentation committed or made by any other party unless such party acted on behalf of such mortgagee or with the knowledge or consent of such mortgagee or such mortgagee had knowledge of the act, omission or misrepresentation prior to the Inception Date.



Exclusions

The Insurer shall not be liable to indemnify the Insured in respect of:

1. loss arising as a result of the Insured being unable to rebuild or reinstate the Property due to damage or destruction as a result of a peril against which adequate Property Insurance was not in force at the date of the loss unless, where the Property is included in the insurance of the Premises:
 - (a) the Insured can show that all reasonable steps were taken to ensure that such insurance was renewed annually, remained adequate and in force
 - (b) the Insured has arranged and maintained in force Property Insurance effected in the name of the Insured on becoming aware of any deficiency in the Property Insurance on the Premises including the Property and effected in the name of the party other than the Insured, at least to the extent of such deficiency
2. loss if the Premises are not used for entirely residential purposes
3. loss arising from damage or destruction of the Property and/or the Premises by a peril which cannot, or cannot reasonably, be included in any Property Insurance
4. any excess or deductible applicable under any Property Insurance
5. loss due to the insolvency of any Property Insurance insurer
6. loss arising as a result of the Insured cancelling or allowing to lapse any Property Insurance effected in the name of the Insured and in force on the Property at the Inception Date.

Conditions

1. It is a condition precedent to the Insurer's liability that the Insured shall not:
 - a) disclose the existence of this Policy, other than to prospective purchasers, their mortgagees and legal representatives
 - b) occupy the Property other than in accordance with the Insured Use after the Inception Date without the prior written consent of the Insurer.
2. The due observance and fulfilment of the terms of this Policy, so far as they relate to anything to be done or complied with by the Insured, shall be a condition precedent to any liability of the Insurer to make any payment under this Policy.
3. This Policy shall be governed by and construed in accordance with the law of England and Wales.
4. The total liability of the Insurer in respect of all claims made under this Policy will not exceed, in the aggregate, the Limit of Indemnity.
5. This Policy shall not be in force unless it has been signed by a person who has been authorized to do so by the Insurer.
6. This Policy is not assignable.
7. The Insured will give written notice to CLS Limited, as soon as reasonably practicable, of any circumstances likely to give rise to a claim for which there may be liability under this Policy and provide them with such information and documentation as they may reasonably require.
8. The Insured must by prior agreement with and at the expense of the Insurer, do and permit to be done all things reasonably practicable to minimize Loss.
9. The Insured must not make any admission of liability, offer, promise or payment or incur any costs or expenses without the prior written consent of the Insurer.
10. If any difference arises as to the amount to be paid under this Policy (liability being otherwise admitted) such difference shall be referred to an arbitrator to be appointed by the parties in accordance with the relevant statutory provisions in force at the time. Where referral to arbitration is made under this Condition, the making of an award shall be a condition precedent to any right of action against the Insurer.
11. If at the time of Loss, resulting in a claim under this Policy, there is any other insurance in force covering such Loss or any part of it, the liability of the Insurer under this Policy shall be limited to its rateable proportion of such Loss.
12. If the Insured shall make any claim knowing the same to be false or fraudulent as regards amount or otherwise, this Policy shall become voidable and all claims hereunder shall be forfeited.
13. For the purposes of this Policy, if written consent for any action to be taken by the Insured is granted by CLS Limited, it shall be deemed to be the consent of the Insurer.
14. The due observance and fulfilment of the terms and conditions of this Policy and the truth of the representations made by the Insured shall be a condition precedent to Insurer's liability to make any payment under this Policy to the original Insured.



Cancellation Rights

You may cancel this Policy by returning the Policy document within 14 days of the Inception Date. If you do have any reason to cancel this Policy, please contact **CLS Title Limited, Suite 39, 40 Churchill Square, Kings Hill, West Malling, Kent, ME19 4YU.**

We will fully refund any premium paid and cancel the Policy from the Inception Date. If you cancel this Policy, you may be in breach of the terms of your mortgage or the terms for the sale of the Property.

Making a Claim

To notify us of a claim under this Policy please write to:

CLS Title Limited, Suite 39, 40 Churchill Square, Kings Hill, West Malling, Kent, ME19 4YU.

enclosing a copy of the Policy. Please be aware of the Conditions 5 and 7 of the Policy.

Complaints Procedure

We aim to provide an excellent service. If you have any cause for complaint you should, in the first instance, contact us at:

CLS Title Limited, Suite 39, 40 Churchill Square, Kings Hill, West Malling, Kent, ME19 4YU.

Please quote the details of the policy (surname and initials, policy number, Property address etc).

If the matter is not resolved to your satisfaction, please write to the Insurer at:

Hardy Conveyancing Insurances, 4th Floor, 40 Lime Street, London EC3M 7AW

If you are still not satisfied with the way a complaint has been dealt with you may ask the Complaints Department at Lloyd's to review your case without prejudice to your rights in law at:

Complaints Department, Lloyd's, One Lime Street, London EC3M 7HA.

Please quote your Policy Number in all cases.

How we will use your data

CLS Title Limited holds data in accordance with the Data Protection Act 1998. It may be necessary for us to pass data to other organisations that supply products and services associated with this contract of insurance. In order to verify information, and to prevent and detect fraud, we may share information you give us with other organisations and public bodies, who access and update various databases, including those held by the Police. If you give us false or inaccurate information and we suspect fraud, we will record this and the information will be available to other organisations that have access to the database(s). We can supply details of the databases we access or contribute to, on request.

Financial Service Compensation Scheme (FSCS)

The Insurer is covered by the FSCS. If the Insurer is unable to meet its obligations under this Policy the Insured may be entitled to compensation. You may contact the FSCS on 020 7892 7300 for further details.

Policy Summary - Contingent Buildings Insurance

Insurer: Hardy Conveyancing Insurances underwritten by Syndicate 382 at Lloyd's

This is a summary of the cover provided under a Contingent Buildings Insurance Policy. It does not contain the full terms and conditions and does not form part of the Policy. You should read the Policy to ensure that you are fully aware of the terms and conditions of the cover provided. A specimen policy wording is available upon request from your adviser.

Type of insurance and cover

The Policy provides cover in respect of the defective insurance provisions in the lease of the property. The duration of the Policy is for 25 years from inception date of the Policy. The Policy covers the owner or purchaser of the leasehold interest in the property and any mortgagee of the property and any purchaser acquiring the property from a mortgagee in possession.

Significant features and benefits

(see the Policy document for full details of the significant features and benefits)

The Policy provides cover against loss sustained by the insured arising directly out of damage to, or destruction of, the property and/or the other parts of the building (insofar as it affects the insured's interest in the property) and the insured being unable to fully reinstate or repair the property and/or the other parts of the building, or to obtain full indemnity under the normal buildings insurance, or full compensation, due to the defective insurance provisions.

Losses covered

(see the Policy document for full details of the losses covered)

1. Loss sustained by:

(i) the purchaser, and calculated after all reasonable steps to enforce the repair or reinstatement of the property and/or the other parts of the building or to obtain insurance proceeds or compensation have been taken; or

(ii) the mortgagee, should the proceeds of sale of the property be insufficient to discharge the whole of the sum outstanding under the mortgage and calculated at the date the mortgagee sells the property,

due to reduction in the market value of the property arising as a direct result of damage to or destruction of the other parts of the building and/or the property and the insured being unable to fully reinstate or repair the other parts of the building and/or the property, or to obtain full indemnity under the normal buildings insurance, or full compensation, in respect of such damage or destruction due to the defective insurance provisions.

2. With the prior written consent of the Insurer:

(i) the cost of any settlement made out of court;

(ii) costs and expenses incurred by the insured in taking or defending any action at law or otherwise;

(iii) all other costs and expenses incurred;

Significant and unusual exclusions or conditions

(see the Policy document for full details of exclusions and conditions)

1. The Policy does not provide cover in respect of:

(i) any claim which is induced either wholly or partly by, or through, any willful act or neglect of the insured;

(ii) loss arising as a result of the insured being unable to rebuild or reinstate the property due to damage or destruction as a result of a peril against which adequate buildings insurance was not in force at the date of the loss unless, where the property is included in the insurance of the other parts of the building:

(a) the insured can show that all reasonable steps were taken to ensure that such insurance was renewed annually, remained adequate and in force, and

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(b) the insured has arranged and maintained in force their own buildings insurance on becoming aware of any deficiency in the buildings insurance effected on the property or the premises by a third party, at least to the extent of such deficiency;

(iii) loss if the other parts of the building are not used for entirely residential purposes;

(iv) loss arising from damage or destruction of the property and/or the other parts of the building by a peril which cannot, or cannot reasonably, be included in any buildings insurance;

(v) any excess or deductible applicable under any buildings insurance;

(vi) loss due to the insolvency of any property insurance insurer;

(vii) loss arising as a result of the insured cancelling or allowing to lapse any buildings insurance effected in the name of the insured and in force on the property at the inception date of the Policy.

2. The Insurer will not be liable if the insured, without the prior written consent of the Insurer:

(i) discloses the existence of the Policy to any third party who is not a bona fide prospective purchaser, their mortgagee and/or legal advisor;

(ii) admits liability or takes steps to settle a claim;

(iii) alters, reconstructs or extends the property or uses it other than for the insured use after inception date of the Policy.

Cancellation Rights

You may cancel this Policy by returning the Policy document within 14 days of the Inception Date. If you do have any reason to cancel this Policy, please contact **CLS Title Limited, Suite 39, 40 Churchill Square, Kings Hill, West Malling, Kent, ME19 4YU**.

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If the matter is not resolved to your satisfaction, please write to the Insurer at:

Hardy Conveyancing Insurances, 4th Floor, 40 Lime Street, London EC3M 7AW

If you are still not satisfied with the way a complaint has been dealt with you may ask the Complaints Department at Lloyd's to review your case without prejudice to your rights in law at:

Complaints Department, Lloyd's, One Lime Street, London EC3M 7HA.

Please quote your Policy Number in all cases.

There may be a right of referral to the Financial Ombudsman Service who can be contacted on 0845 080 1800

or emailed at complaint.info@financial-ombudsman.org.uk

Financial Services Compensation Scheme (FSCS)

The Insurer is covered by the FSCS. If the Insurer is unable to meet its obligations under the Policy the Insured may be entitled to compensation. You may contact the FSCS on 020 7892 7300 for further details.