

Freehold Rent Charge

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

1. The Property is a private dwelling and/or commercial premises in England or Wales which has existed for at least 12 months immediately prior to the Inception Date, and
 - i. The title to the Property is subject to an outstanding freehold rent charge
 - ii. The current owner has confirmed no payments have been made or demands for payment received in relation to the freehold rent charge for at least 24 months immediately prior to the inception of the Policy
2. No change of use of, not development works to, the Property are intended
3. Neither the purchaser nor the current owner:
 - a. Could reasonably be expected to be able to trace the rent charge owner
 - b. Is aware of any communication by any party with the rent charge owner during a period of 24 months immediately prior to the inception of the Policy
 - c. Is aware of any dispute, objection or communication relating to the freehold rent charge or any matter contained therein
4. The Property is known to be effected by the terms of any rent charge instrument

<u>Limit</u>	<u>Premium</u>
Up to and including £100,000.00	£30.00 including IPT
Up to and including £200,000.00	£50.00 including IPT
Up to and including £250,000.00	£65.00 including IPT
Up to and including £500,000.00	£95.00 including IPT
Up to and including £750,000.00	£145.00 including IPT
Up to and including £1,000,000.00	£195.00 including IPT
Up to and including £1,500,000.00	£250.00 including IPT
Up to and including £2,000,000.00	£350.00 including IPT

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



Freehold Rent Charge 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: and the Insured's successors in title, including any mortgagee, lessee or chargee of the
Property or any part thereof, all of 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: From the Inception Date and continuing in perpetuity

Defect in Title The Property is or may be subject to one or more rent charge at the Inception Date

Insured Use: The continued use of the Property as:
a) a private dwelling as constructed at the Inception Date, and/or
b) commercial premises for the specific purpose for which they are used and as constructed,
at the Inception Date (to be deleted as appropriate)

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 this Policy.

Loss	<ol style="list-style-type: none">1. damages or compensation (including costs and expenses) awarded against the Insured by an Order2. the adverse difference in the Market Value of the Property calculated:<ol style="list-style-type: none">(a) on the assumption that the Property is free of the rent charge(s) referred to in the Defect in Title (to the extent established by an Order), and(b) at the date an Order is granted or at the date the adverse rights or interests of the owner of the rent charge are established to the satisfaction of the Insurer (whichever is sooner)3. any legal liability of the Insured to pay arrears of rent charge payments to the rent charge owner4. the cost of any settlement made out of court with the prior written consent of the Insurer5. costs and expenses incurred by the Insured with the prior written consent of the Insurer in taking or defending any action at law or otherwise6. all other costs and expenses incurred 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
Order	an order, decision, injunction or judgment from a court of competent jurisdiction upholding the rights or interests of the owner of the rent charge in full or in part

Cover

The Insurer shall indemnify the Insured in respect of Loss sustained by the Insured arising directly out of the Defect in Title where:

- (a) the Insured has failed to make rent charge payments as a direct result of the absence of, or the inability of the Insured to contact, the rent charge owner for a period of at least 24 months prior to the Inception Date, and/or
- (b) the Insured's use of or interest in the Property is adversely affected by any matter unknown to the Insured at the Inception Date which is contained within a missing rent charge instrument, and/or
- (c) a legal right of re-entry has been exercised by the rent charge owner consequent upon (a) and/or (b) above on or after the Inception Date.

Protection for Mortgagees and Successors in Title

The Insurer shall not avoid liability to any Insured 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 Insured or with the knowledge or consent of such Insured or such Insured 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 out of:
 - (i) any rent charge instrument effected after 1977
 - (ii) any matter adversely affecting the Insured's use of or interest in the Property which was known to the Insured prior to the Inception Date
2. loss where the Insured has not taken all reasonable steps to contact the rent charge owner to obtain clear rent charge receipts prior to the Inception Date
3. loss arising out of failure to pay arrears of rent charge payments where the Insured or any party acting on their behalf could reasonably be expected to be able to trace the rent charge owner.

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
 - (c) instigate contact with the rent charge owner after the inception date
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. The Insured must 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.
7. 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.
8. 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.
9. 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.
10. 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.
11. 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.
12. For the purposes of this Policy, if written consent for any action to be taken by the Insured is granted by CLS Limited
13. 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.

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Policy Summary

Freehold Rent Charge Insurance

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

This is a summary of the cover provided under a Freehold Rent Charge 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 where the property is, or may be, subject to one or more rent charges. The duration of the Policy is in perpetuity. The Policy extends automatically to successors in title, mortgagees, lessees and chargees of the insured.

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 where:

- (i) the insured has failed to make rent charge payments as a direct result of the absence of, or the inability of the insured to contact, the rent charge owner for a period of at least 24 months prior to the inception date of the Policy, and/or
- (ii) the insured's use of or interest in the property is adversely affected by any matter unknown to the insured at the inception date of the Policy which is contained within a missing rent charge instrument, and/or
- (iii) a legal right of re-entry has been exercised by the rent charge owner consequent upon (a) and/or (b) above on or after the inception date of the Policy.

Losses covered

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

1. Damages or compensation (including costs and expenses) awarded against the insured by a court order.
2. The adverse difference in the market value of the property calculated:
 - (i) on the assumption that the property is free of the rent charge(s) (to the extent they are established by a court order), and
 - (ii) at the date a court order is granted upholding the adverse rights or interests of the owner of the rent charge or at the date such are established to the satisfaction of the Insurer (whichever is sooner).
3. Any legal liability of the insured to pay arrears of rent charge payments to the rent charge owner.
4. 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 wilful act or neglect of the insured;
 - (ii) any rent charge instrument effected after 1977;
 - (iii) any matter adversely affecting the insured's use of or interest in the property which was known to the insured prior to the inception date of the Policy;

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- (iv) loss where the insured has not taken all reasonable steps to contact the rent charge owner to obtain clear rent charge receipts prior to the inception date of the Policy;
- (v) loss arising out of failure to pay arrears of rent charge payments where the insured or any party acting on their behalf could reasonably be expected to be able to trace the rent charge owner.

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, mortgagee and/or legal advisor;
- (ii) admits liability or takes steps to settle a claim;
- (iii) instigates contact with the rent charge owner after the inception date of the Policy;
- (iv) 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**.

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.

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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.

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.