



Right to Buy

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

1. The Property is a single private residential house, maisonette or flat in England or Wales which has existed and been unaltered for at least 12 months immediately prior to the Inception Date and if:
 - a. the Property is being purchased under Right to Buy legislation from the local authority, who will be imposing a statutory charge, and the purchaser is arranging a mortgage, or
 - b. the Property has been purchased by former tenants under the Right to Buy from the local authority, who have imposed a statutory charge, and the Property is subsequently being remortgaged
 - a. the property was purchased by previous owners under the Right to Buy legislation and the current/proposed owner is taking out a mortgage secured against the propertyand it has not been possible for a deed of postponement to be obtained from the local authority.
2. The mortgage advance does NOT exceed 90% of the current market value of the Property according to the mortgagee's valuation.
3. No change of use of, nor development works to, the Property are intended.

<u>Limit</u>	<u>Premium</u>
Up to and including £100,000.00	£50.00 including IPT
Up to and including £150,000.00	£75.00 including IPT
Up to and including £200,000.00	£100.00 including IPT
Up to and including £250,000.00	£130.00 including IPT
Up to and including £300,000.00	£180.00 including IPT
Up to and including £500,000.00	£240.00 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.



Right to Buy 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:
(Mortgagee Only)** 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 for the term of the Mortgage

Insured Use: The continued use of the Property as a single private residential house or flat 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.

Cover

The Insurer shall indemnify the Insured in respect of Loss sustained by the Insured arising directly out of the absence of a deed of postponement in relation to a statutory charge against the Property in favor of the local authority, the Insured's borrower having purchased the Property at a discount under the Right to Buy Legislation.

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.

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. any liability of the Insured to repay some or all of the discount allowed by the local authority under Right to Buy legislation as a direct result of the absence of a deed of postponement3. the cost of any settlement made out of court with the prior written consent of the Insurer4. costs and expenses incurred by the Insured with the prior written consent of the Insurer in taking or defending any action at law or otherwise5. all other costs and expenses incurred with the prior written consent of the Insurer
Mortgage Order	the monies advanced by the Insured and secured on the Property
Right to Buy Legislation	an order, decision, injunction or judgment from a court of competent jurisdiction upholding the statutory charge in favor of the local authority
	the provisions of the Housing Act 1985

Exclusion

The Insurer shall not be liable to indemnify the Insured if the loan advanced under the Mortgage exceeds 90% of the value of the Property according to the Insured's valuation for Mortgage purposes.

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. The Insured must give written notice to Hardy Underwriting, 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. This Policy is not assignable.
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. 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.
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. 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

Right to Buy Insurance

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

This is a summary of the cover provided under a Right to Buy 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 absence of a deed of postponement where the property has been purchased at a discount from the local authority under Right to Buy legislation. The duration of the Policy is for the term of the mortgage. Cover is available to lenders only.

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 the absence of a deed of postponement in relation to a statutory charge against the property in favor of the local authority, the insured's borrower having purchased the property at a discount under the Right to Buy legislation.

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. Any liability of the insured to repay some or all of the discount allowed by the local authority under the Right to Buy legislation, as a direct result of the absence of a deed of postponement.
3. 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) a loan which exceeds 90% of the value of the property according to the insured's valuation for mortgage purposes.
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 the inception date of the Policy.



keyfacts®

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.

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.