

Legal Indemnity Insurance

Insurance Product Information Document

Company: Legal & Contingency Limited Product: Forfeiture of Lease (Housing Act 1988) Insurance Policy – Mortgagee Only (Residential use only)

Legal & Contingency Limited is authorised and regulated by the Financial Conduct Authority – Reference No. 312376. Registered in England No. 3511606.

This Insurance Product Information Document is intended to provide a summary of the main cover and exclusions and is not personalised in any way. Complete contractual and pre-contractual information in the form of the Representations is provided in the policy document.

What is this type of insurance?

The policy provides cover to a lender for any actual financial loss in relation to the mortgage resulting from a landlord in the lease to the property exercising or attempting to exercise their right to terminate the lease by virtue of Ground 8 of the Housing Act 1988 for non-payment of rent on the basis that the lease is deemed to be an assured tenancy pursuant to Schedule 1, Section 3A of the Housing Act 1988, i.e. the yearly rent payable under the lease is over £1,000, if the property is within Greater London, or over £250 if the property is located elsewhere and has not been paid for a period of 3 months or more.



What Is Insured?

For a full list of what is and isn't covered please refer to the policy document.

- ✓ Damages and/or compensation and any other party's costs and expenses awarded against the insured by a court order
- ✓ The irrecoverable amount of the Mortgage in the event that the insured is unsuccessful in obtaining relief against forfeiture up to a maximum of the market value of the property as calculated by a surveyor
- ✓ Out of court settlements paid with our prior written consent
- ✓ Defence costs including costs incurred in defending any action at law against other parties
- ✓ Any other costs and expenses incurred with our prior written consent
- ✓ This policy will pay any otherwise covered claim involving the use of or inability to use a computer, including devices such as smart phones, tablets and wearable technology up to the limit of indemnity shown on the policy schedule.



What Is Not Insured?

For a full list of what is and isn't covered please refer to the policy document.

- ✗ Any loss where there was unpaid ground rent or other payments due under the lease at the commencement of the policy.
- ✗ Any loss where there were outstanding claims, objections, notices or disputes with the landlord in relation to or arising from any matters in regards to the lease.
- ✗ Any loss where the lender becomes aware of arrears rent due under the lease and fails to pay the said rent.
- ✗ Any loss where forfeiture and/or determination of the lease is sought or executed by any means other than in relation to Housing Act as described under 'What is this type of insurance?' above.



Are there any restrictions on cover?

A full list of the restrictions that apply are found in the policy document.

- ! There is no cover if the insured does not serve notice on the landlord of its interest in the property within two months of the commencement of the policy and requests immediate notice from the landlord should there be any arrears in ground rent or other payments due under the lease.
- ! There is no cover if the insured does not request from the landlord details of any arrears of ground rent and/or other payments due under the lease should payments due under the mortgage remain unpaid for a period of two months.
- ! There is no cover if the insured does not pay at its own expense all arrears of ground rent and any other payments due under the lease that they become aware of and thereafter pay the ground rent and/or other payments due.
- ! There is no cover if the insured does not at its own expense and as soon as reasonably possible do all things possible to minimise loss including but not limited to applying for relief against forfeiture.



Where am I covered?

- ✓ This insurance covers the property shown in the policy schedule which must be located in England or Wales.



What are my obligations?

A full list of your obligations, duties and conditions are contained within your policy document.

- You must not disclose the existence of the policy other than to your legal representative or the borrower under the mortgage you hold and their legal representatives.
- You must not make any admission of liability, offer, promise or payment or incur any costs or expenses.
- You must contact us within 21 days in the event that you become aware that the landlord has exercised, attempted to exercise or has threatened to exercise their right to terminate the lease by virtue of ground 8 of the Housing Act 1988 for non-payment of rent on the basis that the Lease is deemed to be an assured tenancy pursuant to Schedule 1, Section 3A of the Housing Act 1988.



When and how do I pay?

For details of when and how to pay you should contact your legal representative.



When does the cover start and end?

This insurance starts on the inception date shown in the policy schedule and continues until the redemption of the mortgage.



How do I cancel the contract?

Please contact your legal representative to cancel your policy within 14 days in the first instance. There will be no refund of premium where you have benefited from the policy to facilitate a transaction unless you can demonstrate the policy was never required from the start of the policy. If the policy is cancelled after 14 days there will be no refund of premium.