

Legal Indemnity Insurance

Insurance Product Information Document

Company: Legal & Contingency Limited **Product: Breach of Leasehold Covenant Insurance Policy (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?

This policy provides cover if you suffer a financial loss arising from the enforcement or threat of enforcement of a breach of covenants contained in your lease of your property in respect of alterations carried out at least 12 months prior to the start of the policy where there is no evidence that the consent of the landlord or management company had been obtained.



What Is Insured?

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

- ✓ Damages and/or compensation awarded against the insured
- ✓ Any costs incurred by the insured in complying with an order which may include costs of works to demolish or reinstate any structure on the property
- ✓ Any reduction in market value of the insured's interest as calculated by a surveyor
- ✓ Out of court settlement(s)
- ✓ Defence costs including costs incurred in defending any action at law including actions taken in the name of the insured against other parties
- ✓ Any other costs and expenses incurred with the prior written consent of Legal & Contingency Limited
- ✓ 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 the required consents have been requested or declined prior to the start of the policy
- ✗ Any loss where an approach is made to the landlord and/or management company after the start of the policy regarding the alterations and /or the breach of the restrictive covenant
- ✗ Any loss where rent and/or service charges due are not paid after the start of the policy
- ✗ Any loss relating to the development, conversion or change of use of the property after the start of the policy
- ✗ Any loss arising from an approach to any court in respect of the leasehold covenants
- ✗ Fines, penalties, punitive, exemplary, aggravated, liquidated and multiple damages
- ✗ Any payment to a party where such payment will be deemed to be in violation of any trade, economic or political sanctions law or regulation



Are there any restrictions on cover?

- ! The property insured must be in England or Wales and must be used solely for residential purposes.
- ! Any structures on the property must have existed and remained unaltered for at least the last 12 months prior to the start of the policy.
- ! The residential use of the property must have been continuous and unchanged for at least the last 12 months prior to the start of the policy.
- ! There is no cover in the event of any development, redevelopment or change of use; i.e. the property must remain as built and used as at the start of the policy.
- ! There is no cover where the original breach was committed by any party to be insured by this policy at the start of the policy.
- ! There is no cover, if prior to the start of the policy, any of the parties to the current property transaction are aware of any communications, objections, challenge or dispute relating to the leasehold covenants or where any approach has been made to the Land Registry or to any court in regard to the leasehold covenants, or where it is known that there are unpaid arrears of rent or service charges due at the start of the policy.
- ! There is no cover if the property is being sold by a mortgagee in possession, a trustee in bankruptcy, personal representative or an executor.



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?

- You must not disclose the existence of the policy other than to your legal representative or mortgagee or to prospective purchasers, their mortgagee and their legal representatives.
- You must not make any admission of liability, offer, promise or payment or incur any costs or expenses.
- You must not discuss the breach of leasehold covenants with the landlord and/or management company
- In the event of the landlord or management company enforcing or threatening to enforce a breach of the leasehold covenants you must notify Legal & Contingency Limited in writing immediately and in any event within 21 days providing full particulars of communications, correspondence and all court documents. You must also do all things necessary to minimise any loss and provide Legal & Contingency Limited with such co-operation, information or assistance as may reasonably be required.



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 date specified in the policy schedule and continues in perpetuity.



How do I cancel the contract?

Please contact your legal representative to cancel your policy within 14 days in the first instance. You will need to provide Legal & Contingency Limited with formal written instructions of cancellation. The policy will be deemed never to have existed. There may be an administration fee imposed for the cancellation of the policy. If the policy is cancelled after 14 days there will be no refund of premium.

Please Note: If the policy is cancelled, you may be in breach of the terms of a mortgage or the terms of the sale of the property.