

# Legal Indemnity Insurance

Insurance Product Information Document

Company: Legal & Contingency Limited Product: Insolvency Act Insurance Policy (Residential, commercial or other use)

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 (or your lender, in the case of cover applying to your lender) suffer a financial loss arising from a third party seeking to rely upon the provisions of the Insolvency Act in relation to a deed of gift or transfer at undervalue that took place on or before the start of the policy.



### What Is Insured?

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

- ✓ The amount paid to any party relying upon the provisions of the Insolvency Act in connection with the transaction either by out of court settlement or paid under an order; or
- ✓ If a mortgagee suffers a financial loss which is covered by this policy, the amount of such mortgagee's loss under the mortgage caused solely and directly by the transaction being set aside
- ✓ For any other insured any reduction in the market value of the insured's interest in the property as calculated by a surveyor
- ✓ Out of court settlement(s) paid with the prior written consent of Legal & Contingency Limited
- ✓ Defence costs including costs incurred with the prior written consent of Legal & Contingency Limited 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 sustained by a party to the transaction, or who is a relative or business associate of any party to the transaction
- ✗ 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
- ✗ If the donor is not a private individual



### Are there any restrictions on cover?

- ! The property insured must be in England or Wales.
- ! All of the donors must be private individuals and an up to date clear bankruptcy search must have been undertaken and must be valid at the start of the policy.
- ! There is no cover if any of the parties to the transaction believe that the transaction was or is for the purposes of avoiding creditors or that any of the donors will or may not continue to be solvent as a result of the transaction.
- ! There is no cover if there are any entries on the Land Registry title prior to the start of the policy which would prevent or otherwise affect the registration of the transfer of the property to the insured.



### 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.
- In the event of a third party seeking to rely upon the provisions of the Insolvency Act in relation to the transaction 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 inception date shown on 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.