

Legal Indemnity Insurance

Insurance Product Information Document

Company: Guaranteed Conveyancing Solutions Product: Forfeiture of Lease

Guaranteed Conveyancing Solutions Limited (GCS Ltd) arranges your Policy and is authorised and regulated by the Financial Conduct Authority (with reference number 306655). Registered in England and Wales (number 3623950) at GCS House, High Street, Heathfield, East Sussex, TN21 8JD.

This document only provides a summary of this policy. Please read your Policy Wording, Schedule and Key Facts for full details.

What is this type of insurance?

This Forfeiture of Lease policy has been designed to cover the mortgage lender against the consequences of the lease being forfeited due either to a breach of the terms of the lease or the application of any other legal right by the lessor (freeholder).



What is insured?

If the landlord of the lease exercises or attempts to exercise a legal right to re-enter the property or to enforce any of the terms of the lease and/or obtains or attempts to obtain an order, injunction or judgment to support that right the policy provides cover for:

- ✓ A shortfall under the mortgage advance made by the insured in the event the lease is terminated and the insured is unsuccessful in obtaining relief against re-entry or a vesting order
- ✓ Other costs and expenses with Insurer's consent



What is not insured?

- ✗ The borrower (current owner) of the property is not covered under the terms of the policy – this Policy covers the Mortgagee identified on the Policy Schedule only
- ✗ Breaches of leasehold covenant known to the insured at the Commencement Date



Are there any restrictions on cover?

- ! The policy does not cover new development or change of use
- ! The unexpired term of the lease at commencement of the policy must be not less than 50 years
- ! The insured must make enquiry of the lessor with regard to arrears of rent or other payments due under the lease if the borrower ceases to make any mortgage payments for three consecutive months
- ! The insured must take all reasonable steps to protect their interest in the property including application to the Court for relief against forfeiture if necessary



Where am I covered?

- ✓ The Policy provides cover for the Property as noted in the Policy Schedule



What are my obligations?

- You must take care to ensure information provided to the Insurer which is relevant to this cover is accurate. If you have taken out the policy for business purposes, you must also disclose sufficient information to ensure a fair presentation of the risk is made. Failure to do so could invalidate the policy or lead to a claim not being paid in full or at all.
- Not to disclose the existence of the policy to third parties other than genuine purchasers of your interest in the Property and their mortgagees without prior consent of the Insurer
- You must take all reasonable steps to protect your interest in the Property including seeking relief from forfeiture and/or applying for a vesting order if appropriate
- To tell us as soon as possible if you become aware of circumstances which could give rise to a claim under the Policy
- To co-operate with the Insurer, respond to requests for documents and provide the information about a claim that your Insurer may need



When and how do I pay?

Your premium can be paid as a one-off payment which can be made by cheque or bank transfer.



When does the cover start and end?

The cover under the Policy will take effect on the Commencement Date as specified on your Policy Schedule and will remain in force without limit in time and the agreed Limit of Indemnity is specified on your Policy Schedule.



How do I cancel the contract?

If you are an individual buying a policy which provides cover for you in a private capacity, you may cancel this policy within 14 days of its conclusion or receipt of the policy document. To cancel you should contact the person who arranged the cover. You will be entitled to a refund of the premium paid less a deduction based upon the duration of cover provided unless a claim becomes payable under the policy prior to cancellation taking effect.

Important: cancellation may place you in breach of contract in relation to a property sale or mortgage

Mortgagees: cancellation by any other insured will not affect the rights of any mortgage lender unless the mortgage lender is aware of or agreed to the cancellation of the policy.