

INSOLVENCY ACT INDEMNITY – DEED OF GIFT

(relating to a gift or transfer at undervalue of a single private dwelling)



INDEMNITY POLICY

In consideration of the premium paid the Insurer will, subject to the Conditions, terms and limitations of this Policy, pay to the Insured the Loss described in the Cover clause of this Policy. The Policy, its Schedule which appears in the box below, any replacement Schedule and any endorsement issued in respect of this Policy shall be read as one contract. Any word or expression to which a specific meaning has been attached in any part of this Policy or the Schedule shall bear such meaning wherever it may appear.

SCHEDULE

Policy No: IA SPECIMEN

Insured: Any Lender (see Definitions) holding a mortgage/charge on the Property

Any genuine purchaser for value at arm's length whose purchase of the Property is subsequent to the deed of gift, transfer at undervalue, death of a joint tenant or gift of money

All successors in title

Property:

being a single private dwelling situated in England or Wales only

Commencement Date:

Limit of Indemnity:

Premium:

(Incl. IPT at the current rate)

Deed of Gift/Transfer at Undervalue/Death of Joint Tenant/Gift of Money dated:

Memo: Donees are not covered by this Policy

The Limit of Indemnity will be increased by 5% per annum for a period of 10 years from Commencement Date.

By authorising the issue of this Policy you confirm that you have complied with the requirements of the Insurance Distribution Directive, and provided the Insured with a full colour copy of the IPID and a copy of the specimen policy.

Authorised by

Signature

Print name in capitals

Name of firm in capitals

Date

CHOICE OF LAW

The law of England and Wales will apply to this contract unless you and the Insurer agree otherwise.

CONDITIONS

1. The liability of the Insurer to make any payment under this Policy will be conditional upon compliance with the terms and Conditions of this Policy. If the Insured fails to comply with any such term or Condition, the Insurer will not pay the claim, except where compliance with the term tends to reduce the likelihood of a Loss of a particular kind, in which case the Insurer will pay for any claim where the Insured shows that its failure to comply did not cause, contribute or make worse the Loss which occurred. The Insurer will not unreasonably reject a claim.
2. The Insured shall give immediate notice to the Insurer of any circumstances likely to give rise to a claim and, at the expense of the Insurer, shall do and concur in doing and permit to be done all things necessary to minimise the Loss.
3. The Insured shall not make any admission of liability, offer, promise or payment or incur any costs or expenses without the written consent of the Insurer.
4. If any difference shall arise 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 Arbitration Act 1996 or current equivalent. The Insured shall have no right of action against the Insurer under this condition until an arbitration award has been made.
5. If, at the time of any Loss resulting in a claim under this Policy, any other insurance taken out by or on behalf of the Insured or any other person covers the same Loss or any part of it, or would cover it but for the existence of this Policy, the Insurer's liability under this Policy shall be limited to its rateable proportion of such Loss.
6. If a claim is in any way fraudulent or if the Insured deliberately causes a Loss, the Insurer will refuse to pay the whole of the claim and recover from the Insured any sums that it has already paid in respect of the claim. The Insurer may also by notice to the Insured treat the Policy as having terminated with effect from the time of the fraudulent act. No premium will be refunded if the Policy is terminated.
7. Before the Policy starts and whenever it is changed, the Insured must take care to ensure information provided to the Insurer which is relevant to this cover is accurate. If the Insured has taken out this Policy for business purposes, the Insured must also disclose sufficient information to ensure a fair presentation of the risk is made to the Insurer. Failure to do so could invalidate the Policy or lead to a claim not being paid in full or at all.
8. This Policy shall not be in force unless it has been signed by a person so authorised by the Insurer.

COMPLAINTS PROCEDURE

If you complain, your complaint will be acknowledged within 2 working days of receipt. We will investigate your complaint and we aim to resolve complaints within 5 working days. If this is not possible, we will keep you updated and we will send a final response by the end of 8 weeks after receipt of the complaint. Please follow the steps below. Following the complaints procedure does not affect your right to take legal action. For further information on our complaints handling procedure, please contact us at the address below.

Step 1: Seek resolution by writing to the Managing Director, Guaranteed Conveyancing Solutions Limited at GCS House, High Street, Heathfield, East Sussex TN21 8JD.

Step 2: If appropriate, we will pass details of your complaint to the solicitor who sold you the Policy or the Insurer.

Step 3: If after making a complaint to us, you are still unhappy and feel the matter has not been resolved to your satisfaction, please contact the Financial Ombudsman Service, Exchange Tower, London E14 9SR, www.financial-ombudsman.org.uk, 0800 023 4567.

NON-INVALIDATION CLAUSE

(Protection for Mortgagees, Successors in Title and Genuine Purchasers)

The interest of any Insured in this Policy shall not be prejudiced by any act omission or misrepresentation by any other party unless such party acted on their behalf or with their knowledge or consent.

continued overleaf

COVER

Loss sustained as a direct result of a claim or claims made, on or after the Commencement Date, under the provisions of Section 339 of the Insolvency Act 1986 (as amended by the Insolvency Act 1994) or Section 421A of the Insolvency Act 1986 (as introduced by Section 12 of the Insolvency Act 2000) to invalidate

1. the deed of gift in respect of the Property,
2. the transfer of the Property at undervalue,
3. the acquisition by a surviving joint tenant of a deceased joint tenant's interest in the Property,
4. the gift of money

the date of which is shown in the Schedule to this Policy.

For the purposes of this Policy, Loss shall mean

1. In respect of any Lender

- A. any adverse difference between the:
 - (i) lesser of the outstanding amount payable by the Borrower to the Insured under the Insured's mortgage advance as at the date of any Order and the Market Value of the Borrower's interest in the Property immediately before such Order; and
 - (ii) the Market Value of the Borrower's interest in the Property immediately after the Order to the extent only that the Borrower defaults on repayment of the mortgage advance and the Insured is unable to recover such sums from the Borrower.
- B. any sum paid by the Insured under any court order, or with the prior written consent of the Insurer, to protect the Insured's interest in the Property.
- C. all other legal costs and expenses incurred by the insured with the written consent of the Insurer.

2. In respect of any genuine purchaser for value at arm's length

- A. any adverse difference in the Market Value of the Insured's interest in the Property brought about by an Order.
- B. any sum paid by the Insured under any court order, or with the prior written consent of the Insurer, to protect the Insured's interest in the Property.
- C. all other legal costs and expenses incurred by the Insured, with the prior written consent of the Insurer.

PROVISOS

Provided always that

- (a) however many claims are made under this Policy, the total liability of the Insurer in respect of all claims added together shall not exceed the Limit of Indemnity.
- (b) the existence of this Policy shall not be disclosed to any third party other than genuine purchasers of the Insured's interest in the Property and their mortgagees, without the prior written consent of the Insurer.
- (c) the Insured shall not be a relative or business associate of the person who sold, transferred or made any gift of the Property, or of any deceased joint tenant of the Property, under 1, 2, 3 or 4 above.

DEFINITIONS

Market Value shall mean the value as determined by a surveyor appointed by agreement between the Insurer and the Insured at the date of the Order.

Borrower shall mean the recipient of a mortgage advance over the Property by the Lender.

Order shall mean an order, injunction or judgment from a court or tribunal of competent jurisdiction, invalidating the transfer of the Insured's interest in the Property in full or in part.

Lender shall mean any bank, building society or other institutional lender regulated by the Financial Conduct Authority which holds a mortgage or charge over the Property.

Donee(s) shall mean a sole surviving joint tenant or the person or persons immediately benefiting from the deed of gift or transfer at undervalue or gift of money.

Insurer shall mean First Title Insurance plc, registered in England & Wales under Company number 01112603, Registered Office- ECA Court, 24-26 South Park, Sevenoaks, Kent, TN13 1DU, authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority under Register number 202103.

ADDITIONAL CLAUSES

How to Claim: If you need to make a claim please contact the Insurer at ECA Court, 24-26 South Park, Sevenoaks, Kent, TN13 1DU, or by email to claims@firsttitle.co.uk, or by telephone on 0207 160 8126 quoting the Policy number. Please be aware of the Conditions on the face of the Policy and the Provisos above. In assessing any claims made the Insurer or their agents may undertake checks against publicly available information (such as electoral roll, county court judgments, bankruptcy or repossessions).

Cancellation Rights: You may cancel this Policy within 14 days of its conclusion or receipt of the Policy document whichever is the later. 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 the 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 of this Policy by any other Insured shall not affect the rights or interests of any mortgagee unless the mortgagee is aware of or agreed to the cancellation of the Policy.

Financial Services Compensation Scheme (FSCS): We are covered by the Financial Services Compensation Scheme (FSCS). If we cannot meet our obligations you may be entitled to compensation from this scheme, depending on the type of insurance and circumstances of any claim. Further information about compensation scheme arrangements is available from the FSCS www.fscs.org.uk or contact the Scheme helpline on 0800 678 1100 or 020 7741 4100.

Privacy Policy: We will use data in accordance with our privacy policy, which can be found on our website at www.gcs-title.co.uk/privacy-policy/.

Sanctions: The Insurer shall not be deemed to provide cover and shall not be liable to pay any claim or provide any benefit under this Policy to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the Insurer to any sanctions, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.