

### 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: FL SPECIMEN	
<b>Insured</b> (The Mortgagee):  			
<b>Property:</b>  being situated in England or Wales only			
<b>Commencement Date:</b>	<b>Limit of Indemnity:</b>	<b>Premium:</b>	
<b>Insured Use:</b> Continued use as a single private dwelling		(Incl. IPT at the current rate)	
<b>Mortgagees in Possession:</b> This Policy (including the provisions of this clause) shall automatically vest in mortgagees of purchasers acquiring the Property from any Mortgagee insured under this Policy acting as a mortgagee in possession or exercising its power of sale and the Indemnity Period shall recommence from the date of such purchase			
<b>The Limit of Indemnity will be increased by 5% per annum for a period of 10 years from Commencement Date.</b>			
<i>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.</i>			
<b>Authorised by</b>			
Signature	Print name in capitals	Name of firm in capitals	Date
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

### 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.
9. This Policy is not assignable other than as described in the Schedule under Mortgagees in Possession.

### 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](http://www.financial-ombudsman.org.uk), 0800 023 4567.

## NON-INVALIDATION CLAUSE

(Protection for Mortgagees)

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.

## COVER

Loss sustained in the event of the lessor under the Lease exercising or attempting to exercise a legal right against the Insured as Mortgagee in possession to forfeit the Lease on or after the Commencement Date and during the Indemnity Period.

**For the purposes of this Policy, Loss shall mean**

1. costs and expenses which the Insured is liable to pay to the landlord as a result of prosecuting or defending, with the Insurer's prior written consent, any legal or other action to protect the interest of the Insured in the Property, including the cost of compliance with any Order.
2. if the Lease is terminated and the Insured is unsuccessful in obtaining relief from forfeiture or a vesting order, any adverse difference between:
  - (a) the lesser of the outstanding amount payable by the Borrower to the Insured under the Mortgage Advance as at the date of any Order permitting the lessor re-entry and the Market Value of the Insured's interest in the Property immediately before such Order; and
  - (b) the Market Value of the Insured's interest in the Property immediately after the Order.
3. all other legal costs and expenses incurred by the Insured with the prior written consent of the Insurer in connection with 1. above.

## 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 Insured or Borrower have paid and shall pay on demand all arrears of ground rent and other payments due by the Borrower under the Lease.
- (c) the Insured shall notify the lessor of the Lease of their interest in the Property within 3 months of the Commencement Date and request that the lessor notify the Insured of any non-payment of ground rent and/or other payments due under the Lease, together with details of notices served upon the Lessee in relation to any rights of re-entry.
- (d) in the event of the Borrower ceasing to make any mortgage payments for three consecutive months, the Insured shall immediately
  - (i) ask the lessor whether there are any arrears of rent or other payments due under the Lease and immediately pay any outstanding amounts,
  - (ii) take all reasonable steps to protect their interest in the Property, including applying to the Court for relief against forfeiture or for a vesting order.
- (e) the Insurer shall not be liable in respect of any Loss arising out of the use of the Property for any purpose known to the Insured, other than the Insured Use.

## DEFINITIONS

**Indemnity Period** shall mean the duration of the Mortgage Advance.

**Borrower** shall mean the recipient of the Mortgage Advance.

**Lease** shall mean the Borrower's lease of the Property with a term of at least 50 years remaining at the Commencement Date.

**Mortgage Advance** shall mean the mortgage provided by the Insured to the Borrower which is secured on the Property.

**Market Value** shall mean the value as determined by a surveyor appointed by agreement between the Insurer and the Insured.

**Order** shall mean any order, injunction or judgment from a court of competent jurisdiction.

**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](mailto: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.

**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](http://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/](http://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.