

Legal Expenses Policy



Paragon

Paragon Household

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Paragon is authorised and regulated by the Financial Conduct Authority

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Introduction to your Landlords Legal Expenses & Rent Guarantee Insurance Policy

Introduction

This policy is evidence of a legally binding contract of insurance between **you** (the **insured**) and **us** (Financial & Legal Insurance Company Limited). **We** rely upon:

- The information **you** provided or which has been provided on **your** behalf when **you** took out insurance with **us**, and
- Any other information given by **you** or on **your** behalf in the formation and throughout the duration of the contract.

You must read this policy and **schedule** together. Please check these documents carefully to make certain they give **you** the cover **you** want.

We agree to insure **you** under the terms, **condition(s)** and exceptions contained in this policy or in any **endorsement** applying to this policy. The insurance provided by the policy covers legal expenses arising from certain events that may occur within England, Wales, Scotland and Northern Ireland during any **period of insurance** for which **you** have paid, or agreed to pay the premium.

Nobody other than **you** (and the **insured person**) and **us** (Financial & Legal Insurance Company Limited) has any rights that they can enforce under this contract of insurance and it cannot be assigned to any other party.

Unless some other law is agreed in writing, this policy is governed by English law. If there is a dispute, it will only be dealt with in the courts of England or of the country within the United Kingdom in which your main residence is situated.

The terms and **condition(s)** of this policy and all other information concerning this insurance are communicated to **you** in the English language and **we** undertake to communicate in this language for the duration of the policy.

Guidance Notes

The guidance notes that are included throughout the policy are to help you understand this insurance. They do not form part of the contract of insurance between you and us. They should be read in conjunction with the full text of your policy.

The parties involved in your Insurance

This Landlords Legal Expenses & Rent Guarantee Insurance policy has been arranged by Lexelle Limited, with Financial & Legal Insurance Company Limited.

Financial & Legal Insurance Company Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. **You** can check this on the Financial Services Register by visiting <https://register.fca.org.uk/>. Our Financial Service Register number is 202915.

This is a "claims made" Insurance policy and only covers claims notified by the **insured** within the **period of cover**. In return for the payment by the **insured** of the premium payable for this policy of insurance **we** will provide before the event legal expenses insurance on the terms set out below:

We have appointed Lexelle Limited to administer **your** insurance on **our** behalf, who are authorised and regulated by the Financial Conduct Authority, register number 312782.

TENANT REFERENCING – IMPORTANT POLICY CONDITIONS

Guidance Notes

For the Landlords Legal Expenses & Rent Guarantee Policy to be valid there are a number of Tenant Referencing terms that must be met prior to purchasing this policy, as detailed below.

LANDLORDS LEGAL EXPENSES & RENT GUARANTEE POLICY - TENANT REFERENCING REQUIREMENTS

All **tenants** and any **Guarantor** must be FULLY referenced and have passed the relevant checks (see below) in order to establish they are able to meet the tenancy terms, this includes a report and credit check provided by a Licensed Credit Reference Company along with written references. A formal **tenancy agreement** along with all satisfactory checks must be in place prior to **your tenants** renting the let **property**.

The following **tenants** Checklist provides detail of the conditions that must be met from the START of the **tenancy agreement** (Valid Types of **tenancy agreement** are listed in the Policy Terms & Conditions (See “Policy Definitions - **Tenancy Agreement**”).

Tenancy Checklist:

- ✓ A credit check made obtained from a licensed credit referencing company showing:
 - a) no settled County Court Judgements in the past three years; nor any outstanding County Court Judgements regardless of when these may have been made/recorded.
 - b) the credit check must show a credit score that is deemed as ‘good’ by the licensed credit referencing company.
- ✓ Where this is a new **tenant** or a **tenant** who has been in residence in the **property** for less than 1 year: A reference from the **tenant’s** employer confirming they have been employed in a permanent role for the last 6 months and is not on a zero-hours contract. If the **tenant** is unemployed and is not responsible for any of the rent this is not required. For **tenants** who are Self-Employed, the last 2 years tax returns confirming profit, 3 months of personal bank statements showing earnings and a letter from their accountant confirming their current and future business/income.
- ✓ Where the **tenant** who has been in residence in the **property** for 1 or more years: A reference from the **tenant’s** employer confirming their employment. If the **tenant** is unemployed and is not responsible for any of the rent this is not required. For **tenants** who are Self-Employed, the last 2 years tax returns confirming profit, 3 months of personal bank statements showing earnings and a letter from their accountant confirming their current and future business/income.
- ✓ A satisfactory reference from the **tenant’s** last landlord, (if the **tenant** has not rented before, evidence must be obtained to confirm their previous living arrangements/circumstances).
- ✓ A recent bank statement showing **the tenants’** salary/wages being received.
- ✓ The **tenant** and any **guarantor** must meet/exceed the **affordability** requirement, (see “Policy Definitions – **Affordability**”).

Please note: If there are any doubts as to the integrity or financial standing of the **tenant** as expressed in any **tenant reference** or other documentation or there is a lack of response to any enquiry, **you** must obtain **our** approval prior to commencement of the letting or where they are already resident, prior to taking out this insurance.

On the making of any claim **you** should be in a position to forward copies of the **tenant reference** documents to **us**. **You** shall not allow any **tenant** into occupation until the first month's rent and the dilapidations deposit payment have been cleared in the managing agent's bank account (or alternatively cash has been received)

Making a claim

If **you** need to make a claim, please contact the **administrator**:

Lexelle Limited

PO Box 4428

Sheffield

S9 9DD

Telephone: 0114 249 3300

Email: assist@lexelle.com

Your responsibility

You must take reasonable care to:

- a) supply accurate and complete answers to all the questions **your** broker / agent may ask as part of **your** application for cover under the policy
- b) to make sure that all information supplied as part of **your** application for cover is true and correct
- c) tell **your** broker / agent of any changes to the answers **you** have given as soon as possible.

You must take reasonable care to provide information that is accurate and complete answers to the questions **your** broker/ agent ask when **you** take out, make changes to and renew **your** policy. If any information **you** provide is not accurate and complete, this may mean **your** policy is invalid and that it does not operate in the event of a claim or **we** may not pay any claim in full.

If **you** become aware that information **you** have given **your** broker / agent is inaccurate or has changed, **you** must inform them as soon as possible.

Fraud

You must not act in a fraudulent way. If **you** or anyone acting for **you**:

- fails to reveal or hides a fact likely to influence whether **we** accept **your** proposal, **your** renewal, or any adjustment to **your** policy;
- fails to reveal or hides a fact likely to influence the cover **we** provide;
- makes a statement to **us** or anyone acting on our behalf, knowing the statement to be false;
- sends **us** or anyone acting on our behalf a document, knowing the document to be forged or false;
- makes a claim under the policy, knowing the claim to be false or fraudulent in any way; or
- makes a claim for any loss or damage **you** caused deliberately or with **your** knowledge;

If **your claim** is in any way dishonest or exaggerated **we** will not pay any benefit under this policy or return any premium to **you** and **we** may cancel **your** policy immediately and backdate the cancellation to the date of the fraudulent claim. **We** may also take legal action against **you** and inform the appropriate authorities.

Governing Law

Unless some other law is agreed in writing, this policy is governed by English law. If there is a dispute, it will only be dealt with in the courts of England or of the country within the United Kingdom in which **your** main residence is situated.

Arbitration/Mediation

A dispute between **you** and **us** may arise, which may be referred to an arbitrator, who shall be either a solicitor or a barrister who **you** and **we**/the **administrator** agree on in writing. If an arbitrator cannot be agreed then an arbitrator will be appointed by the authorised body identified in the current arbitration legislation. The decision of the arbitration shall be final and binding on both parties and they will decide who should pay the costs of the arbitration. If costs are awarded against **you**, they are not covered under this policy. This arbitration condition does not affect **your** rights to take separate legal action.

If a disputed claim is not referred to arbitration within 12 months of **your** claim being turned down, **we** will treat the claim as abandoned.

Definition of terms used (displayed in bold font in this policy)

Guidance notes

The words or phrases shown below have the same meaning wherever they appear in this policy (in bold or italic font) and your schedule and any endorsements.

Administrator – Lexelle Limited

Affordability – The tenants annual gross salary/wages (profit for the self-employed) must be in excess of 30 times the monthly rent. For Guarantors their confirmed annual net income must be in excess of 35 times the monthly rent.

Costs – up to the limit of cover:

Unrecovered **professional fees** which **you** are liable to pay to **your professional adviser**; and **professional fees you** are ordered to pay or have agreed to pay (with **our** permission in writing);

Guarantor - The individual, who must be a home owner providing, under a contract/guarantors agreement, a financial guarantee of the **tenant (s)** performance of their obligations under the **tenancy agreement**; The guarantor must have been referenced and met the requirements of the **tenant reference**

Insured/you/your - the person(s) named as insured in the **policy schedule**;

Insured event(s) -

1. An incident or the first of a series of incidents where the **tenant(s)** fails to perform their obligations set out in the **tenancy agreement** relating to their rightful occupation of the **insured property**.
2. **You** discover that someone is living in your property without your permission.

Limit of cover - the amount stated in the **policy schedule** being the maximum sum **we** will pay for all claims under this policy arising from one or more **insured events** occurring at the same time, in the same place or from the same cause;

Sections 1 and 2: £50,000;

Section 3: £1,500;

Section 4: Rent Guarantee: £2,500 per month for a maximum of 12 months

Period of insurance - the period for which **we** have agreed to cover **you** and for which **you** have paid the premium as detailed on the **policy schedule**;

Policy schedule - The document which shows **your** details and this insurance and is attached to and forms part of this policy;

Professional adviser - A solicitor, counsel, claims handler or mediator, or other appropriately qualified person appointed and approved by **us** under the terms and conditions of this policy to represent **your** interests.;

Professional fees - Legal fees and costs reasonably and properly incurred by the **professional adviser**, with **our** prior written authority including costs incurred by another party for which **you** are made liable by Court Order, or may pay with **our** consent in pursuit of a civil claim in the **territorial limits** arising from an **insured event**. **Professional fees** will include VAT where it cannot be recovered. This includes disbursements as long as these are in respect of services supplied by a third party, that the services are distinct and separate from the services supplied by the **professional adviser** and that **our** prior permission has been obtained prior to incurring any disbursement cost in excess of £100 including VAT;

Property - the private dwelling including garages outbuildings and fixtures and fittings all used solely for domestic purposes and comprised in the tenancy;

Prospects of success – in **our** opinion:

- a) it is more probable than not, i.e. a greater than 50% chance, that **your** claim will succeed assuming it is determined at a final hearing and **you** will be able to obtain the compensation or result **you** are seeking; and
- b) **your** interests cannot be better achieved by other means;

Standard professional fees - The level of **professional fees** that would normally be incurred by **Us** in using a nominated **professional advisor** of **our** choice, which currently is currently set at an hourly rate of £100+ VAT;

Tenant - The individual(s) of legal age, entitled to the tenancy of the **property**, other than children of the family unit residing in the **property** who are not responsible for paying any of the rent;

Tenancy agreement - A tenancy agreement in writing made between **you** and the **tenant** which is an assured Shorthold Tenancy Agreement within the meaning of the Housing Acts 1988 and 1996, or a Short Assured Tenancy or an Assured Tenancy as defined in the Housing (Scotland) Act 1988, or a tenancy agreement in which the **tenant** is a limited company. In Northern Ireland the agreement between **you** and the **tenant** to let the **property** must not be a Protected Tenancy or a Statutory Tenancy within the meaning of the Rent (NI) Order 1978, nor a Protected Shorthold Tenancy within the meaning of Housing (NI) Order 1983, or a **tenancy agreement** in which the **tenant** is a limited company, or a **tenancy agreement** or lease of a commercial premises. Or any other residential tenancy;

Tenant reference: -

The following checks/evidence must have been undertaken/gained for each **tenant**, and any **guarantor** within 45 days of the start of the original or subsequent **tenancy agreement** prior to the inception of the policy

1. A credit check made obtained from a licensed credit referencing company showing:
 - a) no settled County Court Judgements in the past three years; nor any outstanding County Court Judgements regardless of when these may have been made/recorded.
 - b) the credit check must show a credit score that is deemed as 'good' by the licensed credit referencing company
2. Where this is a new **tenant** or a **tenant** who has been in residence in the **property** for less than 1 year: A reference from the **tenant's** employer confirming they have been employed in a permanent role for the last 6 months and is not a zero-hours contract. If the **tenant** is unemployed and is not responsible for any of the rent this is not required. For **tenants** who are Self-Employed, the last 2 years tax returns confirming profit, 3 months of personal bank statements showing earnings and a letter from their accountant confirming their current and future business/income.
3. Where the **tenant** who has been in residence in the **property** for 1 or more years: A reference from the **tenant's** employer confirming their employment. If the **tenant** is unemployed and is not responsible for any of the rent this is not required. For **tenants** who are Self-Employed, the last 2 years tax returns confirming profit, 3 months of personal bank statements showing earnings and a letter from their accountant confirming their current and future business/income.
4. A satisfactory reference from the **tenant's** last landlord, (if the **tenant** has not rented before, evidence must be obtained to confirm their previous living arrangements/circumstances).
5. A recent bank statement showing the **tenants'** salary/wages being received.
6. The **tenant** and any **guarantor** must meet/exceed the **affordability** requirement.

Please note:- The above **tenant reference** criteria is a requirement of the policy and if **you** have any doubts as to the integrity or financial standing of the **tenant** or their ability to meet the terms of the **tenancy agreement** in any way, including via the **tenant reference**, then **you** should contact the Claims Helpline for **our** prior agreement that cover can be accepted or where the **tenant** is already in residence, prior to inception of the policy. Following review of the information provided **we/the administrator** may require a **guarantor** or **we** could refuse to provide cover.

Also, **you** should not allow any **tenant** into occupation of **your property** until the first month's rent and dilapidations security deposit has been paid and cleared.

Territorial limits - The United Kingdom (meaning England, Scotland, Northern Ireland, Wales);

Unoccupied - not lived in by **You** or a person authorised by **you**;

We / Us / Our / Insurers - Financial & Legal Insurance Company Limited;

Your property - the **property** to be insured. If there is more than one **property**, the policy limits and exclusions apply separately to each **property** in the same way as if each had been insured by a separate policy;

Insurance provided – the cover we offer

The sections of this insurance that are available are shown in the table below:

The sections **you** are covered for under this insurance are shown on **your schedule**. Cover is subject to any endorsement(s) shown on **your schedule**.

The general exceptions and general terms and condition of this insurance policy apply to all sections of policy cover.

24/7 Free legal advice service

Guidance notes

This section of your policy provides a 24/7 free legal advice service over the telephone, this service is only available for legal issues falling under the jurisdiction of the courts of England, Wales, Scotland & Northern Ireland.

Service Provision

The helpline only provides **free legal advice** for **your** personal legal issues, it is not intended to replace the services of a solicitor, but rather to assist **you** to identify the legal issues at hand, consider their legal rights and what courses of action are available to them and whether they need to consult a solicitor. The **free legal advice** helpline will provide general advice only and cannot assist with complex legal matters which may require the review of documentation or specific legislation.

General advice may be limited to signposting and referring the caller to other appropriate agencies, or recommending a specialist solicitor for further assistance, which may include considering policy cover under this insurance.

To use the 24/7 **free legal advice** helpline, **you** must have **your** policy number and name of the organisation who sold **you** this insurance and also quote the master certificate number detailed on Page 1 of this document and call **Tel: 0333 4008217**

Please note that in some cases, depending on the type of advice required and time of call, a call back may need to be arranged.

Using the helpline service, does not constitute notification of a claim which must not be delayed whilst using the **free legal advice** helpline. Please refer to the “Making a claim” section described on page 4 above, delays in making a claim may reduce or prevent **you** from receiving assistance under the policy.

You must not rely on the **free legal advice** instead of reporting a claim.

We/the administrator cannot be held responsible if any of the Helpline Services become unavailable for reasons outside of our control.

The **free legal** advice cannot assist with matters that would fall outside of the following jurisdictions: England & Wales, Scotland or Northern Ireland.

Section 1. Pursuit

Guidance notes

This section of your policy provides cover for legal costs to negotiate your legal rights after an incident of physical damage to your let property or in trying to regain possession of your property (including recovery of any owed rent) following a breach of tenancy or to evict anyone that has not got your permission to reside there (e.g. squatters)

What is insured?

The **administrator** will negotiate for **your** legal rights:

- a) after an incident of physical damage to **your property**. The amount in dispute must be more than the security deposit or £1,000, whichever is the greater.
- b) in trying to get possession of **your property** that **you** have let:
 - i under a **tenancy agreement**. **You** must be trying to get possession under:
 - a. Schedule 2, Part I (Grounds 1 to 8) of the Housing Act 1988; or
 - b. Schedule 5, Part I (Grounds 1 to 8) of the Housing (Scotland) Act 1988; or
 - c. Section 21 of the Housing Act 1988 including the Accelerated Possession procedure; or
 - d. Section 33 Housing (Scotland) Act 1988.**You** must give the **tenant** correct notices telling him or her that **you** want possession of **your property**.
 - ii to a company or partnership and **your property** has been let for people to live in.
- c) to evict anyone (including squatters) in **your property** who has not got **your** permission to be there .
- d) to recover any rent **your tenant** owes **you** for **your property up to vacant possession**.

Section 2. Legal Defence

Guidance notes

This section of your policy provides cover for legal assistance should an incident arises from your letting your property that leads to you being prosecuted in a criminal court

What is insured?

The **administrator** will defend **your** legal rights if an incident arising from **you** letting **your property** leads to **you** being prosecuted in a criminal court

Section 3. Hotel Expenses

Guidance notes

This section of your policy provides cover for Hotel Expenses where no alternative accommodation is available whilst trying to regain possession of your let property

What is insured?

The **administrator** will pay up to £50 per day up to the **limit of cover** for hotel expenses, where no other alternative accommodation is available, while **you** try to get a possession_order for **your property** so **you** can live in it.

Section 4. Rent Guarantee

Guidance notes

This section of your policy provides cover for loss of rent up to vacant possession whilst cover is being provided to regain repossession of your property under Section 1 - Pursuit

What is insured?

Any rent that is one month or more outstanding that **you** tenant owes **you** up to vacant possession under a tenancy defined in Section 1b (i) of this policy, provided that such arrears occur during the tenant's occupation of **your property** and **we** are providing cover under Section 1 of this policy for **you** to get repossession of **your property**.

No payments will be made in respect of rent arrears until the **tenant** is at least one month in arrears and **we/the administrator** have accepted **your claim** to evict the **tenant** due to rent arrears.

We/the **administrator** shall be entitled to take over and conduct in **your** name the defence or settlement of any claim, or to prosecute for **our** own benefit any claim for indemnity or damage or otherwise, and shall have full discretion in the conduct of proceedings or in the settlement of any claim. **You** will give **us** all such information and assistance as **we/the administrator** may require.

You shall not be able to use:

- a) Schedule 2, Part I, Ground 8 of the Housing Act 1988 (as amended), to seek possession of **your property** until two months' rent is owed to **you**;
- b) Schedule 5, Part I, Ground 8 of the Housing (Scotland) Act 1988 (as amended) to seek possession of **your property** until three months' rent is owed to **you**.

What is not insured?

We shall not be liable for:

- a) more than the maximum monthly rent payments of £2,500 for the period of 12 months;
- b) any advance amounts or deposits paid to **you** by the **tenant** that are not required for the repair of dilapidations. Receipts may be offset against settlement of a claim.

WHAT IS NOT COVERED

A. Any compensation, penalty or taxes

B. EXCLUDED CLAIMS:

- a) where the **tenant reference** has not been obtained
 - b) where the monthly rent due under the tenancy is greater than £2,500
 - c) where tenants do not meet **affordability** requirements
 - d) reported to **us** after the **period of insurance** expires;
 - e) where **your** delay during the **period of insurance** in telling **us** of an **event** has prejudiced **our** position;
 - f) arising from an **event** which happens, or a series of **events** which starts, before the start of the **period of insurance**;
 - g) arising from an **event** which happens, or a series of **events** which starts outside the **period of insurance**;
 - h) arising from any **event** which happens outside the **territorial limits**;
 - i) where before the start of the **period of insurance** in **our** opinion the **insured** was aware, or should have been aware, that a claim was likely to be made;
 - j) relating to registering rents, buying the freehold of **your property** or any matter which relates to rent tribunals, land tribunals or rent assessment committees unless **you** are defending an action brought against you by **your tenant**;
 - k) relating to anyone including any government, public or local authority legally taking **your property** from **you**;
 - l) relating to any works by or under the order of any government, public or local authority;
 - m) relating to the settlement payable under an insurance policy;
 - n) that is false or fraudulent.
2. Any claim concerning or arising from:
- a) anything to do with building, rebuilding, converting or extending all or part of a building;
 - b) town and country planning laws and regulations;
 - c) subsidence, land heave, land slip, mining or quarrying;
 - d) an alleged dishonest or malicious act by **you**;
 - e) a dispute between **you** and **us** about this legal expenses cover;
 - f) any application for judicial review;

3. Any claim directly or indirectly caused by or contributed to or arising from:
 - a) Any direct or indirect consequence of war, civil war, invasion, acts of foreign enemies (whether war be declared or not), rebellion, revolution, insurrection, military or usurped power, or confiscation, nationalisation, requisition, destruction of or damage to property by or under the order of any government, local or public authority
 - b) Any direct or indirect consequence of terrorism as defined by the Terrorism Act 2000 and any amending or substituting legislation.
 - c) Any direct or indirect consequence of:
 - i. Irradiation, or contamination by nuclear material; or
 - ii. The radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter; or
 - iii. Any device or weapon which employs atomic or nuclear fission or fusion or other comparable reaction or radioactive force or matter.
 - d) Any consequence, howsoever caused, including but not limited to Computer Virus in Electronic Data being lost, destroyed, distorted, altered, or otherwise corrupted.

For the purposes of this Policy, Electronic Data shall mean facts, concepts and information stored to form useable data for communications, interpretations, or processing by electronic or electromechanical data processing or other electronically controlled hardware, software and other coded instructions for the processing and manipulation of data, or the direction and manipulation of such hardware.

For the purposes of this Policy, Computer Virus shall mean a set of corrupting, harmful, or otherwise unauthorised instructions or code, whether these have been introduced maliciously or otherwise, and multiply themselves through a computer system or network of whatsoever nature.

C. EXCLUDED COSTS:

Any Costs:

- a) incurred prior to written confirmation from **us** or the **administrator** that the claim has been accepted or **professional fees** beyond those for which the **administrator** have given **our** prior approval in accordance with the terms and conditions of the cover;
- b) relating to any disagreement with **your** tenant when the **event** is within the first 90 days of the start of the **period of insurance** and the tenancy agreement started before the start of the **period of insurance**;
- c) **you** pay or agree to pay before the **administrator** have accepted **your** claim in writing and **your** solicitor confirms in writing that he or she will co-operate with **you** to keep to the terms of this legal expenses cover;
- d) for more than the **administrator** have agreed
- e) where **you** have entered into a conditional fee agreement without obtaining **our** permission in writing first

General policy terms and conditions

Guidance notes

These terms and conditions explain your responsibilities under this contract of insurance.

These general terms and conditions apply to the whole of the insurance

1. CONDUCT:

You shall:

- a) not allow an adult **tenant** into possession other than on the basis of an already completed **tenancy agreement** duly signed by all parties;
- b) ensure that any relevant statutory pre-grant notices are served in the correct form on the **tenant** prior to the grant of the tenancy;
- c) prior to the grant of any tenancy make all relevant and necessary searches to reveal county court judgements in the last three years against the proposed **tenant** by name;
- d) prior to the grant of any tenancy **you** must obtain a minimum of a **tenant reference**. If any doubts as to the integrity or financial standing of the **tenant** are expressed in any reference or there is a lack of response to any enquiry, you must obtain **our** approval prior to commencement of the letting or where they are already resident, prior to taking out this insurance. On the making of any claim **you** should be in a position to forward the **tenant reference** documentation to **us**. **You** shall not allow any tenant into occupation until the first month's rent and the dilapidations deposit payment have been cleared in the managing agent's bank account (or alternatively cash has been received);
- e) ensure that **you** comply with the requirements of any statutory tenancy deposit scheme;
- f) ensure that all statutory requirements are complied with regarding the issue and service of notices of intention to take proceedings;

- g) ensure that all pre-agent notices and pre-proceeding notices are served personally with the person serving the notice if possible retaining a copy of the notice duly signed and dated by way of receipt by the recipient(s) of the notice;
- h) prepare prior to the grant of the tenancy a detailed inventory allowing space for comments to be made as to the condition of the items in the inventory on check in and comments to be made later on check out of **your property**;
- i) conduct regular inspections of the **property** (by reference to such inventory) at no less intervals than every six months;
- j) as soon as possible after a **tenant** has checked out or has otherwise vacated **your property**, prepare a detailed Schedule of Dilapidations;
- k) keep clear up-to-date rental records;
- l) ensure that where a **tenant** makes payment of rent that such payment is only received on the express understanding that it is being taken on account of the longest outstanding sum of arrears that are then due and that it is received without prejudice to any termination notice and/or to any proceedings taken pursuant thereto. Where the **tenant** is a company the **professional adviser's** advice must be taken before any arrears of rent are accepted;
- m) ensure that any claims are accompanied by **our** fully completed claims form and submitted to **us** within 90 days of the rent falling into arrears;
- n) send a letter threatening legal action within 45 days of rent falling into arrears;
- o) contact the **tenant** at the **tenant's** place of employment within 28 days of any rent falling into arrears.

2. **PREMIUM:**

The policyholder named in the **schedule** must have paid the relevant premium and have been declared to **us** as having done so.

3. **APPOINTMENT OF PROFESSIONAL ADVISER:**

At any time before the **administrator** agree that legal proceedings need to be issued, the **administrator** will choose a **professional adviser** to act for **you**.

If **Legal Proceedings** have been agreed by **us**, **you** may nominate **your** own **professional adviser** whose name and address **you** must submit to **us**. In selecting **your professional adviser** **you** shall have regard to the common law duty to minimise the cost for **your** claim. Any dispute arising from this shall be referred to Arbitration in accordance with the policy conditions.

When **you** have elected to use **your** own nominated **professional adviser** **you** will be responsible for any **professional fees** in excess of **our standard professional fees**.

If **you** discontinue **your** instructions to **your professional adviser** without **our** prior written permission, **our** cover will stop at once and **we** may recover any **costs** already paid back from **you**.

4. **CONDUCT OF YOUR CLAIM:**

You must immediately tell **your professional adviser** to:

- a) provide **us**, as soon as possible, with:
 - their views on the merits of your claim; and
 - their hourly rate and estimate of total costs of pursuing or defending **your** claim; and
 - any information, document or file (including your professional adviser's files) relating to your claim, whether or not privileged, that **we**/the **administrator** may ask for.
- b) Keep **us** fully updated during **your** claim;
 - On the progress of **your** claim, including any offers to settle; and
 - Of any change in their views on the merits of **your** claim; and
 - Of any change to their estimate of costs.

The **administrator** will set spending limits for **your professional adviser's** fees and payments during **your** claim. If a limit is exceeded without **our** prior written permission, **we** will not pay for any fees and payments above the relevant spending limit. These limits will not affect **our** rights under condition 11

5. **CO-OPERATION WITH US AND YOUR PROFESSIONAL ADVISER:**

You will co-operate with:

- a) **us** at all times and reply promptly to any correspondence about **your** claim; and
- b) **your professional adviser** at all times, provide them with all the information that they need and attend meetings and hearings whenever you are asked to.

6. INVESTIGATION AND PAYMENT OF YOUR CLAIM:

We, the **administrator** or **our** agents, may investigate **your** claim. In **our** absolute discretion, **we** may pay **you** an amount equal to **our** estimate of the value of **your** legal claim, or that made against **you**, instead of providing cover for **your costs**. If **you** or any person acting on **your** behalf submits a claim or makes a request for payment, knowing, or where **you** should have known it to be false, fraudulent or exaggerated, then this policy will become void, no premium will be refundable and **we** shall be entitled to recover any monies previously paid to **you**. **We/the administrator** may also share this information with the appropriate law enforcement authorities.

7. SETTLEMENT:

You or **your professional adviser** must immediately write to tell **us** of any offer made to settle **your** claim including offers relating to costs. **You** must not accept any offers without getting **our** permission first. **We/the administrator** will not withhold **our** consent in relation to an offer that a **professional adviser** would recommend to a private client who is paying his or her own fees.

If **you** do not accept an offer **we/the administrator** consider to be fair, **we** will not pay any further **costs**.

8. WITHDRAWING AND DISCONTINUING:

If **you** withdraw from or discontinue (stop) **your** claim without getting **our** permission in writing first then **we** will not pay **costs** and will be entitled to recover from **you** any fees and payments made or charged before the withdrawal or discontinuance. **We/the administrator** will not withhold **our** permission in relation to a withdrawal or discontinuance that a solicitor would recommend to a private client who is paying his or her own fees.

9. ASSESSMENT AND RECOVERY OF COSTS:

You must, if the **administrator** ask **you**, tell **your professional adviser** to send all of their files and any bill of costs for assessment by a court or certification by the appropriate professional body or auditing by cost consultants appointed by **us**.

You must:

- a) take steps to recover **costs** awarded or agreed to be paid to **you**; and
- b) immediately pay **us** costs recovered, or tell **your professional adviser** to do so.

If **you** pay or agree to pay costs above the **limit of cover** in order to end **your** case, any costs awarded or agreed to be paid to **you** will be divided between **us** and **you** to reflect the proportion of costs that both **we** and **you** have paid or, but for the recovery of costs from **your** opponent(s), would be liable to pay. **You** will pay **us** or tell **your professional adviser** to pay to **us** the amount that is due to **us** immediately.

10. DISPUTES:

Either **you, we** or the **administrator** may refer any dispute to an arbitrator who will be a solicitor or barrister. If all parties cannot agree on an arbitrator the Chartered Institute of Arbitrators will choose one. The arbitration will be under the Arbitration Acts in force and will be binding on the parties. If the arbitrator decides that **you** should pay the costs of the arbitration, **we** will not pay these under this policy.

11. AGREEMENT:

We are not bound by any agreement that **you** or **your professional adviser** make without **our** prior approval or permission

12. WAIVER:

If **we** waive(s) any right or breach of any term of this policy, this will not waive any other right or later breach

13. TRANSFERRING YOUR RIGHTS:

You cannot transfer your rights under this policy. A person, partnership (whether limited or not) or company who is not a party to this policy has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

Cancellation

Guidance notes

Please note that any refund from us during the cooling off period may be subject to a further cancellation charge levied by the firm that arranged your insurance with us and/or the administrator. Any charges levied by them will be in accordance with the terms and conditions agreed between you and them at the time you arranged this insurance.

If **you** decide that for any reason, this policy does not meet **your** insurance needs then please return it to **your** broker / agent within 14 days from the day of purchase or the day on which **you** receive **your** policy documentation, whichever is the later. On the condition that no claims have been made or are pending, **your** broker / agent will then refund **your** premium in full.

If **you** wish to cancel **your** policy after 14 days, **you** will be entitled to a pro- rata return of premium.

We shall not be bound to accept renewal of any insurance and may at any time cancel any insurance document by giving 14 days' notice in writing where there is a valid reason for doing so. A cancellation letter will be sent to **you** at **your** last known address. Valid reasons may include but are not limited to:

- a) Where **we**/the **administrator** reasonably suspect fraud
- b) Non-payment of premium
- c) Threatening and abusive behaviour
- d) Non-compliance with policy terms and conditions
- e) **You** have not taken reasonable care to provide accurate and complete answers to the questions **your** broker / **your** agent asked.

If **we** cancel the policy and/or any additional covers **you** will receive a refund of any premiums **you** have paid for the cancelled cover, less a proportionate deduction for the time **we** have provided cover.

Where **our** investigations provide evidence of fraud or misrepresentation, **we** may cancel the policy immediately and backdate the cancellation to the date of the fraud or the date when **you** provided **your** administrator / **your** agent with incomplete or inaccurate information. This may result in **your** policy being cancelled from the date **you** originally took it out and **we** will be entitled to keep the premium.

If **your** policy is cancelled because of fraud or misrepresentation, this may affect **your** eligibility for insurance with **us**, as well as other insurers, in the future.

This policy is not transferable.

Making Yourself Heard/Complaints

It is the intention to give **you** the best possible service but if **you** do have any questions or concerns about this insurance or the handling of a claim **you** should follow the Complaints Procedure below:

COMPLAINTS RELATING TO THE SALE OF THE POLICY

Please contact **your** agent who arranged the Insurance on **your** behalf.

COMPLAINTS RELATING TO CLAIMS

If **you** do have any questions, concerns or complaint about the handling of a claim **you** should contact the Claims Manager at Lexelle Ltd. The contact details are: Claims Manager, Lexelle Ltd, P.O. Box 4428, Sheffield, S9 9DD.

Tel 0114 249 3300 Fax 0114 249 3323

Email: assist@lexelle.com

In all correspondence please state that **your** insurance is provided by Financial & Legal Insurance Company Limited and quote scheme reference: **FLILLERG / 02 / 2022**

If it is not possible to reach an agreement, **You** have the right to make an appeal to the Financial Ombudsman Service. This also applies if **You** are insured in a business capacity and have an annual turnover of £6.5million or less and fewer than 50 employees or an annual balance sheet below £5million. You may contact the Financial Ombudsman Service at:

The Financial Ombudsman Service,
Exchange Tower,
London,
E14 9SR.
Tel: 0300 123 9 123
Email: complaint.info@financial-ombudsman.org.uk

The above complaints procedure is in addition to **your** statutory rights as a consumer. For further information about **your** statutory rights contact **your** local Citizens Advice Bureau.

If **you** have purchased the insurance policy online, **you** may also raise **your** complaint via the EU Online Dispute Resolution Portal at <http://ec.europa.eu/consumers/odr/>. This will forward **your** complaint to the correct Alternative Dispute Resolution scheme. For insurance complaints in the UK this is the Financial Ombudsman Service. However, this may be a slower route for handling **your** complaint than if **you** contact the Financial Ombudsman Service directly.

Important information about your insurance with us

Financial & Legal Insurance Company Limited Privacy Notice

We are Financial & Legal Insurance Company Limited, referred to as “we/us/our” in this notice. Our data controller registration number issued by the Information Commissioner’s Officer is **Z561011X**.

This privacy notice is relevant to anyone who uses **our** services, including policyholders, prospective policyholders, and any other individuals insured under a policy. **We** refer to these individuals as “you/your” in this notice.

We are dedicated to being transparent about what **we** do with the information that **we** collect about **you**. **We** process **your** personal data in accordance with the relevant data protection legislation.

Why do we process your data?

The provision of **your** personal data is necessary for **us** to administer **your** insurance policy and meet **our** contractual requirements under the policy. **You** do not have to provide **us** with your personal data, but **we** may not be able to proceed appropriately or handle any claims if **you** decide not to do so.

What information do we collect about you?

Where **you** have purchased an insurance policy through one of **our** agents, **you** will be aware of the information that **you** gave to them when taking out the insurance. The agent will pass **your** information to **us** so that **we** can administer **your** insurance policy. For specific types of insurance policies, for example when offering **you** a travel insurance policy, **we** may process some special categories of **your** personal data, such as information about **your** health.

We have a legitimate interest to collect this data as **we** are required to use this information as part of **your** insurance quotation or insurance policy with **us**. **We** may also process the data where it is necessary for a legal obligation, or as part of the establishment or defence of a legal claim.

Financial & Legal Insurance Company Limited’s full privacy notice

This notice explains the most important aspects of how **we** use **your** data. You can get more information about this by viewing **our** full privacy notice online at <http://financialandlegal.co.uk> or request a copy by emailing **us** at info@financial&legal.co.uk. Alternatively, **you** can write to **us** at: Data Protection, Financial & Legal Insurance Company Limited, Cheadle Royal Business Park, No 1 Lakeside, Cheadle, SK8 3GW.

Financial Services Compensation Scheme

Financial & Legal Insurance Company Limited is covered by the Financial Services Compensation Scheme (FSCS). **You** may be entitled to compensation from the scheme, if Financial & Legal Insurance Company Limited cannot meet their obligations. This depends on the type of business and the circumstances of the claim. Most insurance contracts are covered for 90% of the claim with no upper limit. **You** can get more information about compensation scheme arrangements from the FSCS or visit www.fscs.org.uk.

You may also contact the FSCS on their Freephone number: 0800 678 1100 or 020 7741 4100 or **you** can write to: Financial Services Compensation Scheme, P O Box 300, Mitcheldean, GL17 1DY