

Policy Document

Rent and Legal Protection – Annual (RPA)

Please read this Policy carefully to familiarise yourself with the terms and conditions. If you are unsure about anything in this document please contact whoever you purchased your Policy from

What is Rent Protection?

Rent Protection is a cost-effective insurance product that will help protect you should you need to pursue or defend your legal rights. Legal issues can be complex and sometimes difficult to resolve, but with Rent Protection you will have peace of mind knowing that we are with you every step of the way, by removing the financial burden that stressful legal situations can bring. Rent Protection is designed to help in a number of situations including:

- assistance with the eviction of squatters from your property.
- defence of prosecutions brought against you.
- help to repossess your property.
- help to recover unpaid rent due from your tenants.
- pursuing a claim against another party following damage to your property.
- accommodation costs up to £50 per day whilst you are trying to regain possession of your property up to a maximum of £1500 in total.
- the payment of rent up to a maximum of 12 months until you obtain vacant possession.

Our claims staff, and those appointed on your behalf, will be available to answer your questions, by telephone or e-mail, to provide you the reassurance you need at what can be a very difficult time.

When a claim does occur, we will appoint a solicitor, or another professional with the expertise in the area of law that matches your problem; this being a key component to providing maximum impact at outset.

Who is ARAG?

ARAG plc is part of the ARAG Group, one of the world leaders in legal insurance. ARAG is actively assisting customers in Europe and the USA, generating a premium income of over €1.3 billion. Services relating to the law embrace the historical and strategic core of the company making it today the natural choice for millions of people.

Claims Procedure

If you need to report a claim:

1. Under no circumstances should you instruct your own lawyer as we will not pay the costs incurred and it could invalidate your cover.
2. Please telephone 0117 917 1698 where we can either take the details over the telephone, or you can request a claims form for completion. Alternatively, you can find further details at www.arag.co.uk/newclaims.
3. Providing we accept a claim, we will arrange for a solicitor to quickly contact you with a view to progressing the case.

What happens if I change my mind after taking out the Policy?

The Policy provides you with a 14 day reflection period in which to decide whether you wish to continue. Cancellation is fully explained in condition 9 of the Policy wording.

What happens if the insurer cannot meet its liabilities?

Brit Insurance Limited is covered by the Financial Services Compensation Scheme ("FSCS"). You may be entitled to compensation up to £2,000 for the first part of the claim, and 90% of the rest in the unlikely event that the Insurer cannot meet its obligations. Further information about compensation scheme arrangements is available from the FSCS.

About us and your insurer

ARAG plc is authorised and regulated by the Financial Services Authority (firm reference no. 452369) and is authorised to administer this insurance on behalf of Brit Insurance Limited.

What happens if I have a complaint?

We are committed to providing a first class service at all times. If, however, a complaint arises, then this should be addressed in the first instance to: The Managing Director ARAG plc, Froomsgate House, Rupert Street, Bristol BS1 2QJ who will arrange to have **your** case reviewed at the appropriate level.

If the matter is not concluded to your satisfaction, you may refer it to Brit Insurance Limited. If a complaint remains unresolved you may refer it to the Financial Ombudsman Service. They can be contacted at Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London, E14 9SR. telephone: 0845 080 1800. E-mail: enquiries@financial-ombudsman.org.uk

YOUR POLICY COVER

This policy is evidence of the contract between **you** and the **Insurer**.

Following an Insured Event the **Insurer** will pay **your Legal Costs & Expenses** up to the **Limit of Indemnity**, including the cost of appeals provided that:

- 1) **You** have paid the insurance premium
- 2) the Insured Event occurs within the **Territorial Limit**
- 3) the claim
 - always has **Reasonable Prospects of Success**
 - is reported to **us**
 - during the **Period of Insurance**
 - within 45 days of **you** first becoming aware of circumstances which could give rise to a claim under this policy
- 4) **you** always agree to use the **Appointed Advisor** nominated by **us** in any claim
 - falling under the jurisdiction of the **Small Claims Court**, and/or
 - prior to the issue of proceedings
- 5) any proceedings or hearing are dealt with by a court, tribunal or any other body that **we** agree to, in the **Territorial Limit**

INSURED EVENTS

A - LEGAL EXPENSES

1. A dispute relating to the **Property** which **you** own or is **your** responsibility following:
 - a) an event which causes or could cause physical damage
 - b) a public or private nuisance or a trespass provided that **you** are responsible for the first £250 of each and every claim
2. A dispute relating to **you** trying to repossess the **Property** that **you** have let under either:
 - (i) an assured shorthold tenancy; or
 - (ii) a shorthold tenancy; or
 - (iii) an assured tenancy

As defined by the Housing Act 1988 as amended by the Housing Act 1996 or the Household (Scotland) Act 1988

Providing **you**

- a) give the tenant the correct notices for the repossession of **your Property**; and
 - b) try to get repossession under:
 - Schedule 2, Part 1 (grounds 1 to 8) of the Housing Act 1988 as amended by the Housing Act 1996; or
 - Schedule 5, Part 1 (grounds 1 to 8) of the Housing Act (Scotland) 1988
3. A dispute relating to **you** trying to repossess the **Property** that **you** have let to a limited company or business partnership
 4. A dispute relating to **you** trying to repossess the **Property** **you** have let where **you** are the landlord or agent of the landlord

5. A dispute relating to **you** trying to recover any rent owed to **you** by **your** tenant or ex-tenant
6. A prosecution relating to the letting of the **Property** brought against **you** in a court of criminal jurisdiction
7. **Your** hotel expenses incurred whilst **you** are trying to regain possession of the **Property** up to £50 per day up to a maximum of £1500 in total providing that possession is sought for the sole purpose of **you** living at **your Property**.

B - RENT INDEMNITY

Following a claim **we** have accepted under Insured Event A above the rent owed to **you** on the **Property** for a maximum of 12 months or until vacant possession has been granted whichever happens soonest subject to such arrears having commenced during the **Period of Insurance** and during the tenant's occupation of the **Property**.

Provided that

- 1) once **you** have recovered vacant possession cover will cease until such time as the **Property** is in a suitable condition to be let, at which stage, provided the **Property** is available for letting, the maximum rent payable shall be 75% of the monthly rent for a maximum further period of 2 months
- 2) once vacant possession has been obtained and the **Property** is available to let **you** must agree to rent the **Property** where **you** receive an offer equal to or greater than 85% of the preceding rent **you** received
- 3) **you** are responsible for the first calendar month's rent
- 4) **you** submit **your** claim to **us** within 45 days of the rent falling into arrears the most the **Insurer** will pay is subject to a maximum limit of £5,000 per month.

Prior to submitting **your** claim to **us we** recommend that **you** follow the pre-claims notification process as outlined by Let Insurance Services.

Conditions applicable to INSURED EVENTS A & B

You must

1. have signed a tenancy agreement with each tenant before you allow occupation of the **Property**
2. obtain a satisfactory credit reference from a licensed referencing service prior to granting the tenancy. **You** should not grant the tenancy if **you** are in any doubt of the integrity or the financial standing of the tenant
3. not enter into a tenancy agreement where a person has been requested to stand surety for the tenant unless that person has been referenced in accordance 2. above and that person has entered into a legally enforceable agreement in **your** favour.
4. ensure that all relevant and necessary statutory pre-grant notices are served in the correct form on the tenant prior to granting the tenancy
5. make all relevant and necessary searches to reveal County Court judgments in the last five years against the proposed tenant prior to granting tenancy
6. obtain one month's rent as a deposit and comply with statutory regulation relating to such deposits before allowing a tenant to occupy the **Property**
7. prepare, prior to the granting of the tenancy, a detailed inventory of the contents and condition of the **Property**

8. ensure that all statutory requirements are complied with regarding the issue and service of notices of intention to take proceedings
9. keep up-to-date rental records
10. ensure that where a tenant makes a payment of arrears, such payment is received on the express understanding that it is being taken on account of the longest outstanding sum of arrears that are due and is received without any prejudice to any termination notice and/or proceedings

WHAT IS NOT INSURED BY THIS POLICY

You are not covered for any claim arising from or relating to:-

1. **Legal Costs & Expenses** incurred before **we** accept a claim
2. any actual or alleged act, omission or dispute occurring prior to, or existing at the inception of the policy, and which the **you** knew or ought reasonably to have known could give rise to a claim under this policy
3. a dispute with a tenant which occurs in the first 90 days of the **Period of Insurance** where the tenancy agreement existed before the start of this policy.
4. an allegation or prosecution against the **you** involving:
 - assault, violence or dishonesty;
 - malicious falsehood;
 - the manufacture, dealing in or use of alcohol, illegal drugs, indecent or obscene materials;
 - illegal immigration;
 - offences under Part 7 of the Proceeds of Crime Act 2002 (money laundering offences)
5. a dispute with another member of **your** family
6. an Insured Event arising from a deliberate or reckless act by **you**
7. fines, penalties or compensation awarded against **you**
8. a judicial review
9. patents, copyright, trade marks, passing-off, trade or service marks, registered designs, secrecy and confidential information
10. a dispute with **us** or the **Insurer** not dealt with under Condition 6
11. defamation
12. a) ionising radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel
 b) radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof
 c) war, invasion, act of foreign enemy hostilities (whether war is declared or not), civil war, rebellion, revolution, insurrection or military or usurped power.
 d) pressure waves from aircrafts or other aerial devices travelling at sonic or supersonic speed
 e) any terrorist action (regardless of any other cause or event contributing concurrently or in any other sequence to the liability) or any action taken in controlling, preventing or suppressing terrorist action. If the **Insurer** alleges that by reason of this exclusion any liability or loss is not covered by this policy, the burden of proving the contrary shall be upon **you**
13. a group litigation order

CONDITIONS WHICH APPLY TO THE WHOLE POLICY

Failure to keep to any of these conditions may lead the **Insurer** to cancel **your** policy, refuse a claim or withdraw from an ongoing claim. The **Insurer** also reserves the right to recover **Legal Costs & Expenses** from **you** should this occur

1. Your Responsibilities

You must

- a) observe and keep to the terms of the policy
- b) not do anything that hinders **us** or the **Appointed Advisor**
- c) tell **us** immediately after **you** first become aware of any cause, event or circumstances which could give rise to a claim under this policy
- d) tell **us** immediately of anything that may materially alter **our** assessment of the claim
- e) cooperate fully with the **Appointed Advisor** and **us**, give the **Appointed Advisor** any instructions **we** require, and keep them updated with progress of the claim
- f) provide **us** with everything **we** need to help **us** handle the claim
- g) take reasonable steps to recover **Legal Costs & Expenses** that the **Insurer** pays and pay to the **Insurer** all costs that are recovered should these be paid to **you**
- h) tell the **Appointed Advisor** to have the **Legal Costs & Expenses** assessed or audited if **we** require
- i) minimise any **Legal Costs & Expenses** and try to prevent anything happening that may cause a claim
- j) allow the **Insurer** at any time to take over and conduct in **your** name any claim, proceedings or investigation

2. The Appointed Advisor

- a) In certain circumstances as set out in 2 c) below **you** may choose an **Appointed Advisor**. In all other cases no such right exists and **we** shall choose the **Appointed Advisor**.
- b) Where **you** wish to exercise the right to choose, **you** should write to **us** with **your** nominated representative's name and address. **Your** chosen **Appointed Advisor** must agree to act under **our** standard terms of business and cooperate with **us** at all times. **We** may refuse to accept **your** nomination in exceptional circumstances. If we disagree over the appointment of an **Appointed Advisor** then **we** will agree for another suitably qualified person to decide the matter.
- c) If **we** agree to start legal proceedings and the court or tribunal requires any representative to be legally qualified, or there is a conflict of interest, **you** may choose a suitably qualified **Appointed Advisor**. **Your** right to choose never applies to **Small Claims Court** claims unless there is conflict of interest.
- d) If the **Appointed Advisor** refuses to continue acting for **you** with good reason, **you** dismiss the **Appointed Advisor** without good reason, or **you** withdraw from the claim without **our** written agreement, cover will end immediately unless **we** agree to appoint another **Appointed Advisor**.

3. Our Consent

We must give **our** written consent to **you** to incur any **Legal Costs & Expenses**. The **Insurer** does not accept any liability for **Legal Costs & Expenses** incurred without **our** written consent.

4. Settlement

- a) The **Insurer** has the right to settle the claim by paying the value of **your** claim
- b) **You** must not negotiate, settle the claim or agree to pay any **Legal Costs & Expenses** incurred without **our** written agreement
- c) If **you** refuse to settle the claim following
 - (i) a reasonable offer, or
 - (ii) advice to do so from the **Appointed Advisor**the **Insurer** may refuse to pay further **Legal Costs & Expenses**

5. Counsel's Opinion

We may require **you** to obtain and pay for an opinion from counsel regarding the merits or value of the claim. If the opinion supports **you** then the **Insurer** will pay for the opinion.

6. Arbitration

If there is a dispute between **you** and **us** about the handling of a claim or the choice of an **Appointed Advisor**, the matter will be referred to a suitably qualified person agreed upon by both parties. The loser of the dispute shall be liable to pay the costs incurred. If we fail to agree on a suitably qualified person **we** will ask the President of the relevant Law Society to nominate.

7. Dual Insurance

The **Insurer** will not pay for any claim covered by another policy, or any claim that would have been covered by any other policy if this policy did not exist.

8. Fraudulent Claims

If **you** make any claim under the policy which is fraudulent or false, the policy shall become void and all benefit under it will be forfeited including the premium.

9. Cancellation

- a) **You** may cancel the policy within 14 days of the date of issue of this policy with a full refund of the **insurance premium** paid unless **you** have notified a claim which has been or is subsequently accepted under this policy in which case no return of premium shall be allowed.
- b) **You** may cancel this policy at any time by giving at least 21 days' written notice to **us**. The **Insurer** will refund part of the premium for the unexpired period unless **you** have notified a claim which has been or is subsequently accepted under this policy in which case no return of premium shall be allowed.
- c) The **Insurer** may cancel the policy at any time by giving at least 21 days' written notice to **you**. The **Insurer** will refund part of the premium for the unexpired period.

10. Acts of Parliament & Jurisdiction

All Acts of Parliament within the policy shall include any subsequent amendment or replacement legislation.

This policy will be governed by English Law.

11. Data Protection Act

It is agreed by **you** that any information provided to **us** &/or the **Insurer** regarding **you** will be processed by **us** &/or the **Insurer**, in compliance with the provisions of the Data Protection Act 1998, for the purpose of providing insurance and handling claims, if any, which may necessitate providing such information to third parties.

12. Contracts (Rights of Third Parties) Act 1999

A person who is not party to this contract has no right to enforce the terms and conditions of this policy under the Contracts (Rights of Third Parties) Act 1999.

MEANING OF WORDS & TERMS

Certain words and terms contained in this policy have been defined as they have the same meaning wherever they appear.

Appointed Advisor

The solicitor or other advisor appointed by **us** to act on **your** behalf

Insurer

Brit Insurance Limited

Legal Costs & Expenses

- a) Reasonable legal costs, fees and disbursements reasonably and proportionately incurred by the **Appointed Advisor** on the Standard Basis and agreed in advance by **us**
- b) Other side's costs incurred in civil claims where **you** have been ordered to pay them or pay them with **our** agreement
- c) Hotel expenses incurred in Insured Event A 7)
- d) Rent Indemnity under Insured Event B

Limit of Indemnity

£60,000 which is the maximum **Legal Costs & Expenses** payable by the **Insurer** in respect of all claims related by time or original cause.

Period of Insurance

The period stated in the Schedule.

Property

The property declared to **us** for which a premium has been paid.

Reasonable Prospects of Success

In civil and criminal claims, where **you** have a greater than 50% chance of successfully pursuing or defending the claim. If **you** are seeking damages or compensation, there must also be a greater than 50% chance of enforcing any judgment that might be obtained

In criminal prosecution claims where **you** plead guilty, where there is a greater than 50% chance of successfully mitigating **your** sentence or fine

In all claims involving an appeal, where **you** have a greater than 50% chance of being successful

Small Claims Court

A court in England & Wales that hears a claim falling under the small claims track in the County Court as defined by Section 26.6 (1) of the Civil Procedure Rules 1999

Territorial Limit

England, Scotland and Wales

We/Us/Our

ARAG plc who are authorised under a binding authority agreement to administer this insurance on behalf of the **Insurer**, Brit Insurance Limited.

You/Your

The person(s) named in the policy schedule

ARAG plc Registered in England number 02585818

Registered Office: Suite 12a, Froomsgate House, Rupert Street, Bristol BS1 2QJ

ARAG plc (registration number 452369) and Brit Insurance Limited (registration number 202898) are authorised and regulated by the Financial Services Authority and this can be checked by visiting the FSA website at www.fsa.gov.uk/register or by contacting the FSA on 0845 606 1234.

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