

RENT GUARANTEE PROTECTOR POLICY WORDING

DEFINITIONS

The words listed below have specific meaning when they appear in this **Policy** document in bold:

Agent

Prestige Insurance.

Claims Administrators

AmTrust Europe Legal Limited.

Insured

The person(s) or company specified in the **Schedule**.

Insured Event

An incident or event relating to the rightful occupation or ownership of the **Insured Property** which results in a breach of the **Tenancy** agreement by the **Tenant** and which leads to a claim being made under the **Policy**.

Insured Property

The property specified in the **Schedule**.

Landlord

The person or company who enters into a **Tenancy** agreement with the **Tenant**.

Limit of Indemnity

The maximum sum payable by **Us** under the **Policy** for all **Professional Costs** and payment of **Monthly Benefit** in respect of an **Insured Event**. No more than twelve months **Rent** will be paid in any **Term** less any excess.

Monthly Benefit

The sum of money paid each month by **Us** to the **Insured** in the event of a successful claim and is equivalent to the **Rent** no more than a maximum of £1,500 per month.

Period of Insurance

The period for which the **Insured** has paid and **We** have accepted the relevant **Premium** commencing on the start date and ending when cover under the **Policy** terminates.

Policy

This **Policy** of Rent Guarantee Insurance.

Premium

The **Premium** amount paid by the **Insured** to **Us** for the Rent Guarantee Insurance.

Proceedings

Civil or arbitration proceedings or appeals arising there from.

Professional Adviser

The solicitor or accountant or other appropriately qualified person, firm or company appointed by **Us** under the terms of this **Policy** to act for the **Insured**.

Professional Costs

In respect of an **Insured Event** unrecovered fees, costs and disbursements reasonably, properly and necessarily incurred by the **Professional Adviser** and the costs (on the standard



basis) of any **Proceedings** incurred by a third party for which the **Insured** may be made liable by order of court or by agreement.

Prospect of Success

Reasonable prospects considered as a 51% or better chance of success.

Rent

The sum payable under the **Tenancy** as shown in the **Schedule**.

Replacement Tenant

The occupier of the **Insured Property** by virtue of an assignment by the **Tenant** of the **Tenancy** agreement.

Schedule

The document issued to the **Insured** which specifies details of the **Insured's** cover under the **Policy**.

Start Date

The date the **Tenants Tenancy** agreement commences as specified on the **Schedule**.

Tenancy

- (i) An Assured Shorthold **Tenancy** as defined in the Housing Act 1988 (as amended);
- (ii) A Company Residential **Tenancy** (Company Let) created after 28th February 1997, where a residential property is let to a public limited company (Plc) or limited company (Ltd) purely for residential purposes or;
- (iii) A written common law residential **Tenancy** agreement created after 28th February 1997 between individuals where the **Rent** is in excess of £25,000 per annum.

Tenant

The occupier of the **Insured Property** by virtue of a **Tenancy** agreement.

Term

A period of 12 months commencing from the **Start Date**.

Underwriter

AmTrust Europe Limited

We/Us/Our

The **Claims Administrators** and/or the **Underwriters**.

You, Your

The **Insured** person or people named in the **Schedule**.

Any reference herein to masculine gender shall imply the feminine and reference to singular shall imply the plural, and vice versa unless the context requires otherwise. Any reference herein to a person shall imply any individual, firm unincorporated association or body corporate.

WHAT IS COVERED

We will provide assistance to recover an undisputed debt for **Rent** that is unpaid by **Your Tenant** and seek to gain vacant possession of the **Insured Property** where appropriate, subject to the **Policy's** terms and conditions.



1. ELIGIBILITY

For a **Landlord** to be eligible for cover:

- (i) the proposed **Insured Property** must be and must remain entirely for residential use;
- (ii) the **Tenant** must be aged 18 years of age or over;
- (iii) the **Landlord** or the managing agent acting on their behalf must ensure that the following procedures are adhered to. They must:
 - (a) not allow a **Tenant** in possession of the **Insured Property** other than on the basis of an already completed written twelve month **Tenancy** agreement duly signed by all parties;
 - (b) ensure that all necessary statutory pre-grant notices are served personally in the correct form on the **Tenant** prior to the granting of the **Tenancy**;
 - (c) prior to the granting of any **Tenancy** the **Landlord** must obtain a satisfactory credit reference via a reputable credit reference agency and written reference for the **Tenant**.
 - (d) not allow any **Tenant** into occupation until the first month's **Rent** and dilapidation's deposit payment has been paid in cash or payment has been cleared in the **Landlord's** or managing agent's bank account.

2. TERMS OF COVER

For cover to continue under the **Policy**, the **Insured** or the managing agent acting on their behalf must keep clear up-to-date rental records.

3. MONTHLY BENEFIT

- (i) **Monthly Benefit** will be paid in respect of arrears of **Rent** owed on an **Insured Property** by the **Tenant** to the **Insured** for up to twelve months or until vacant possession has been gained, whichever happens soonest, subject to the following:
 - a) Such arrears occur during the **Tenancy** and the subsequent claim is made during the **Period of Insurance**.
 - b) Such arrears occur during the **Term** and the subsequent claim is made during the **Period of Insurance**.
 - c) A claim is immediately notified and **We** and/or the **Professional Adviser** decides that there is sufficient **Prospect of Success** to gain vacant possession of the **Insured Property** and/or recover unpaid **Rent**.
 - d) Action is taken promptly to gain vacant possession of the **Insured Property** and/or recover unpaid **Rent**, unless the only reason for not taking action is that **We** and/or the **Professional Adviser** advises that the expected costs incurred will be more than any money recovered.
 - e) **We** have the right at any time under subrogation to pursue **Proceedings** against the **Tenant**.
 - f) Where the **Insured** becomes aware of an existing or potential claim under the **Policy** and the **Insured** has notified **Us** immediately and in any event no more than 30 days after the **Insured Event**.



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- (ii) Benefit will be paid as stipulated in 3(i) above at a rate of 1/30th of the **Monthly Benefit** for each continuous day that **Rent** is in arrears. The **Monthly Benefit** will be paid monthly in arrears and will only be paid if the terms and conditions of the **Policy** are met. Once twelve month's **Rent** has been paid to the **Insured** less any excess, this **Policy** shall terminate and all cover will cease.

4. LIMIT OF COVER

We shall not be liable for more than:

- (i) Twelve months arrears of **Rent** in total or
- (ii) A maximum **Monthly Benefit** of £1,500.

5. EXCLUSIONS

- (i) Benefit will not be paid in respect of:-
- a) the **Policy** excess as an amount equal to the first month's unpaid **Rent**;
 - b) **Rent** once the **Period of Insurance** or **Term** has expired or once vacant possession is obtained, whichever is the sooner;
 - c) any period for which the **Insured Property** is not available for re-letting once vacant possession is obtained;
 - d) any period for which the **Insured Property** is advertised for sale or is the subject of a contract of sale or;
 - e) any interest on **Rent** arrears.
- (ii) Where Housing Benefit is to be claimed, any **Monthly Benefit** under the **Policy** will not be paid until a decision is given by the Benefits Office. If the Benefits Office decline to pay Housing Benefit then the **Monthly Benefit** will be backdated to the date the **Insured** could first claim. If the **Insured** is in receipt of Housing Benefit then any shortfall between the **Monthly Benefit** and the Housing Benefit will not be covered by the **Policy**. **Our** liability is only in respect of the full **Monthly Benefit** if all conditions for its receipt are met by the **Insured**.

6. ALTERATION IN RISK

The **Insured** shall notify **Us** as soon as they become aware of any alteration in risk (including but not limited to change of **Tenant**) which may materially affect the **Policy**. The **Insured** may be required to pay an additional **Premium**.

7. CLAIMS PROCEDURE

If **You** wish to make a claim **You** must contact the **Claims Administrators** at:

AmTrust Europe Legal Limited
4th Floor
Grange House
John Dalton Street
Manchester



M2 6FW
Tel: 0844 815 8529

- (i) Where the **Insured** becomes aware of an existing or potential claim under the **Policy** the **Insured** shall notify the **Claims Administrators** immediately and in any event no more than 30 days after the **Insured Event**.
- (ii) The **Insured** must comply with any advice given as to the future conduct of the dispute.
- (iii) **We** will send the **Insured** a claim form which the **Insured** must complete giving a full and truthful report of the facts of the claim and return it to **Us**.
- (iv) The **Insured** must supply documentary evidence as requested by **Us** in the event that a claim is made (this will include but will not be limited to a copy of the satisfactory credit reference, written reference, tenancy agreement and rental records).

8. GENERAL CONDITIONS

- (i) If **Rent** is overdue the **Tenant** and guarantor must be contacted within 7 days to find out why it has not been paid. If **Rent** remains overdue, within a further 7 days the **Tenant** and guarantor must be contacted again.
- (ii) If the **Insured** does not keep to the terms of the **Policy**, they will not be entitled to any benefit under the **Policy**.
- (iii) If the **Insured** gave false or misleading information when they applied for insurance cover, and this information would have affected the **Our** decision to insure them, the cover will end. **We** will not pay any benefit and will refund a percentage of the **Premium**.
- (iv) The contract between the **Insured** and **Us** is made up of this **Policy**, the **Schedule**, any endorsement and any other information provided by the **Insured**.
- (v) **We** shall not be bound by any agreement to which **We** are not party.
- (vi) The rights under this **Policy** cannot be transferred to anyone other than the **Insured**.
- (vii) The **Policy** cannot be used to protect any person other than the **Insured**.
- (viii) The benefit cannot be paid to anyone else or in any way other than as described in this **Policy**.
- (ix) When cover under this **Policy** ends it will not have a cash value.
- (x) All notices and communications sent or received by **Us** will be considered to have been duly sent or received.
- (xi) This **Policy** shall be subject to English Law, unless specifically agreed to the contrary. All communication is to be conducted in English.

CANCELLATION

Written confirmation of the cancellation of the policy may be given at any time by **You** or by **Us**. **We** will give **You** a minimum of 14 days notice of cancellation to enable **You** to find alternative cover. If **You** do not exercise **Your** right to cancel within the cooling off period the **Policy Premium** becomes due, **You** may not be entitled to a refund of **Premium** and the **Policy** may run for its full term. **You** may cancel the policy by contacting **Your Agent**.



COOLING OFF PERIOD

Before **You** accept this policy **You** have 14 days to review **Your Policy** wording. If **You** are not totally happy with this **Policy** and **You** have not made a claim **You** can write to **Us** requesting that **Your** insurance is cancelled and that any monies paid be returned. **We** will then cancel **Your** insurance.

COMPLAINTS PROCEDURE

We hope that **You** will be very happy with the service provided. However, if **You** have any complaint **You** should write to:

The Compliance Manager
AmTrust Europe Legal Limited
4th Floor Grange House
John Dalton Street
Manchester
M2 6FW.

We will acknowledge **Your** complaint promptly in writing and **We** will do **Our** best to resolve the problem quickly, keeping **You** informed of progress and the measures being taken. In the unlikely event that **We** have not resolved **Your** complaint within eight weeks **We** will write again to explain the reasons and advise when **We** expect to be able to do so.

If the matter is not resolved to **Your** satisfaction please write to the **Underwriter**;

AmTrust Europe Limited, Market Square House, St James's Street, Nottingham, NG1 6FG. **We** will contact **You** within five days of receiving **Your** complaint to inform **You** of what action they are taking. **We** will try to resolve the problem and give **You** an answer within four weeks. If it will take **Us** longer than four weeks **We** will tell **You** when **You** can expect an answer.

In the event of a dispute being unresolved through the usual complaints procedure, the matter can be referred to the Financial Ombudsman Service at:

Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London, E14 9SR.

The complaints procedure does not affect any legal right **You** have to take action against **Us**.

Whole Agreement

The **Underwriter** is covered by the Financial Services Compensation Scheme (FSCS). **You** may be entitled to compensation from the scheme if the **Underwriter** cannot meet their obligations.

This depends upon the type of business and circumstances of the claim. Most insurance contracts are covered for 100% of the first £2,000 and 90% of the remainder of the claim. Further information is available from the Financial Services Authority or the FSCS. The FSCS can be visited on the internet at www.fscs.org.uk or contacted on 020 7892 7300.

This **Policy** is provided by: AmTrust Europe Limited Limited, Market Square House, St James's Street, Nottingham, NG1 6FG. Registered No. 1229676. FSA Registered No. 202189. Tel 0115 941 1022. Authorised and regulated by the Financial Services Authority.

You can check the above details on the Financial Services Authority Register by visiting the FSA website: www.fsa.gov.uk or by contacting the FSA on 0845 606 1234.



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Signed for and on behalf of AmTrust Europe Limited

K W WARDELL
Managing Director