

Rent Guarantee

Rent Guarantee Policy Wording

IMPORTANT NOTICE REGARDING THE OPERATION OF THIS POLICY. FAILURE TO COMPLY WITH THESE TERMS COULD MEAN THAT WE DECLINE TO PAY YOUR CLAIM.

- You must have obtained and be able to produce a satisfactory Tenant Reference as defined within the policy for cover to be operate.
- All potential claims must initially be reported to Our Claims Helpline Service:

Claims Line: 0161 762 4200

- This is a policy where You must notify Us during the period of insurance and within 30 days of any circumstances which may give rise to any claim under this policy.
- If You can convince Us that there are sensible prospects of being successful in Your claim and that it is reasonable for Professional Fees to be paid We will:-
 - take over the claim on Your behalf.
 - appoint a specialist of Our choice to act on Your behalf.
- We may limit the Professional Fees that We will pay under the policy where:
 1. We consider it is unlikely a reasonable settlement of Your claim will be obtained, or
 2. the potential settlement amount of Your claim is disproportionate compared with the time and expense incurred in pursuing or defending Your claim.
 3. We consider that it is unlikely that You will recover the sums due and or awarded to You.

Where it may cost Us more to handle a claim than the amount in dispute We may at Our option pay to You the amount in dispute which will then constitute the end of the claim under this policy.

- If Legal Proceedings have been agreed by Us, You may at this stage decide to nominate and use Your own solicitor or indeed, You may wish to continue to use Our own specialists. If You decide to nominate Your own solicitor We must agree this in advance and You will be responsible for any Professional Fees in excess of those which Our own specialists would normally charge Us (details are available upon request).
- At conclusion of Your claim if You are awarded any costs (not Your damages), these must be paid to Us.
- If Rent is overdue You must contact the Tenant within 7 days to establish the reason for the default.
- If the Rent is not paid within a further 7 days the Tenant must be contacted again. If the Tenant cannot be contacted, and it is lawful to do so You must serve notice of a requirement to undertake an inspection and visit the Property in accordance with Your obligations within the Tenancy Agreement.

Please note that if You engage the services of anyone prior to making contact with this Helpline and incur any costs without our prior written approval these costs will not be covered by this insurance.

If upon receipt of this policy You are unhappy with any of the requirements as stated above please advise Your insurance adviser immediately who subject to there being no claims on this policy will arrange a full refund of premium.

Important Policy Information

All potential claims must initially be reported to the Claims Helpline Service

The claims telephone number is 0161 762 4200.

This is a 'Claims Made' policy. It only covers claims notified to Us within 30 days of any circumstance which may give rise to any claim. You must have obtained and be able to produce a satisfactory Tenant Reference on each Tenant prior to granting a Tenancy. Failure to do so could lead Us to decline a claim for indemnity arising from such circumstances.

Policy Definitions

The words or expressions detailed below have the following meaning wherever they appear in this policy.

Agent

The Agent appointed by the Coverholder to transact this insurance with You.

Authorised Professional

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 or an Insured Person's interests.

Deposit

The sum paid by the Tenant to You or the managing agent under the terms of the Tenancy Agreement for the purpose of providing You with an indemnity or partial indemnity against losses arising from the Tenant's breach of any of the terms of the Tenancy Agreement.

Event

The initial event, act or omission which sets off a natural and continuous sequence of events that subsequently gives rise to a claim for indemnity against Us.

Excess

The first amount of each and every claim as detailed on the Schedule.

Guarantor

The individual or organisation shown in the Tenancy Agreement and the Schedule that has received a written Tenant Reference and provided a financial guarantee of the Tenant's performance of their obligations under the Tenancy Agreement.

Insured Person

The Policyholder who rents the Property to the Tenant and is named in the Tenancy Agreement.

Insurers

UK Underwriting Limited on behalf of:-

Fortis Insurance Limited, Registered in England No.354568. Registered Office: Fortis House, Tollgate, Eastleigh, Hampshire, SO53 3YA.

Prestige Insurance Management Ltd, UK Underwriting Limited and Fortis Insurance Limited are authorised and regulated by the Financial Services Authority. This can be checked on the FSA's register by visiting the FSA's website at www.fsa.gov.uk/register or by contacting them on 0845 606 1234.

Legal Proceedings

When formal Legal Proceedings are issued against an opponent in a Court of Law.

Limit of Indemnity

The sums specified in the Schedule being the maximum We will pay including Insured Events related by time or cause.

Period of Insurance

The Period of Insurance shown in the Schedule.

Policyholder, You, Your

The person or company who has paid the premium and is named in the Schedule as the Policyholder.

Professional Fees

Legal fees and costs reasonably and properly incurred by the Authorised Professional, 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.

Property

The property or properties' details of which are lodged with the Coverholder and which are occupied for residential purposes only.

Rent

The monthly amount payable by the Tenant to the Insured Person as set out in the Tenancy Agreement and shown in the Schedule.

Rent Arrears

Money owed to You by an accepted Tenant under a Tenancy Agreement (less the deposit or the balance of the deposit following sight of accounted receipts relating to dilapidations caused to the property by the Tenant/s).

Schedule

The document which shows details of You and this insurance and is attached to and forms part of this policy.

Definitions (cont'd)

Rent

The monthly amount payable by the Tenant to the Insured Person as set out in the Tenancy Agreement and shown in the Schedule.

Standard Professional Fees

The level of Professional Fees that would normally be incurred by Us in using a nominated Authorised Professional of Our choice.

Tenancy Agreement

1. 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
2. Any other residential tenancy.

Tenant Reference

1. A credit check against the Tenant and any Guarantor obtained from a licenced credit referencing company showing:
 - a. no County Court Judgements in the past three years
 - b. no outstanding County Court Judgements
 - c. the Tenant's or Guarantor's financial ability to meet the rent commitment
 - d. that it is reasonable in the circumstances following receipt of the outcome of the credit check to grant a Tenancy Agreement to the Tenant
2. Copies of two forms of identification, one of which must contain a photograph.

Territorial Limits

The countries specified in the Schedule.

Tenant

The individual(s) or company entitled to the tenancy of the Property.

Time of Occurrence

The countries specified in the Schedule.

Territorial Limits

Civil Cases - when the Event occurred or commenced whichever is the earlier.

Criminal Cases - when You or an Insured Person commenced or is alleged to have commenced to violate the criminal law in question.

We, Us, Our

The Insurers and/or Legal Insurance Management Limited, the Coverholder.

Cover

You have paid the premium, supplied information and a declaration which shall be the basis of this contract and be incorporated in this policy.

We will indemnify You, and where requested by You, any other Insured Person up to the Limit of Indemnity subject to the terms, conditions and exclusions of this policy, against Professional Fees arising from an Insured Event within the Territorial Limits where You notify Us during the period of insurance and within 30 days of the Time of Occurrence of the Event.

Section 1 - Insured Events

(Section 1A)

Breach of Tenancy Agreement

What is Covered?	What is Excluded?
A breach by the Tenant of any of his obligations under the Tenancy Agreement.	

(Section 1B)

Pursuit of Tenancy Arrears

What is Covered?	What is Excluded?
The pursuit of Rent Arrears which commenced during the Period of Insurance.	Excluding Professional Fees incurred in connection with:- 1. interest on rent or service charges payable by the Tenant. 2. any rent payable after You shall have recovered full and vacant possession.

(Section 1C)

Eviction

What is Covered?	What is Excluded?
The eviction of anyone in the Property without Your permission.	

(Section 1D)

Legal Defence

What is Covered?	What is Excluded?
The defence of civil or criminal proceedings in respect of any act or omission or alleged act or omission by You arising out of Your ownership or management of the Property.	

Section 1 – General Exclusions

This insurance does not cover:-

1. Professional Fees incurred:-

- a. in respect of any Event where the cause of action commenced prior to the commencement of the insurance.
 - b. where the Insured Person should reasonably have realised when purchasing this insurance that a claim under this insurance might occur.
 - c. before Our written acceptance of a claim.
 - d. before Our approval or beyond those for which We have given Our approval.
 - e. where You fail to give proper instructions in due time to Us or to the Authorised Professional.
 - f. where You are responsible for anything which in Our reasonable opinion prejudices Your case.
 - g. if You withdraw instructions from the Authorised Professional or withdraw from the legal proceedings or the Authorised Professional refuses to continue to act for You.
 - h. where You decide that You no longer wish to pursue Your claim as a result of disinclination. All costs incurred up until this stage will become Your responsibility.
 - i. in respect of the amount in excess of Our Standard Professional Fees where You have elected to use an Authorised Professional of Your own choice.
2. claims which are conducted by You in a manner different from the advice or proper instructions of Us or those of the Authorised Professional.
3. appeals unless You notify Us in writing of Your wish to appeal at least six working days before the deadline for giving notice of appeal expires and We consider the appeal to have a reasonable chance of success.
4. Legal proceedings outside the United Kingdom and proceedings in constitutional international or supranational courts or tribunals including the European Court of Justice and the Commission and Court of Human Rights.
5. any Professional Fees incurred arising out of rent registration or reviews, purchasing the freehold of the Property, rent tribunals, land tribunals or rate tribunals unless defending action brought against You by the Tenant.
6. any Professional Fees relating to Your alleged dishonesty, criminal act, or violent behaviour.
7. Professional Fees arising directly or indirectly from computer software except operating systems and packaged software that have not been tailored by the supplier to Your own requirements.
8. a dispute which relates to any compensation or amount payable under a contract of insurance.
9. an Event which You notify to Us more than 30 days after it occurred or ought to reasonably have come to Your knowledge.
10. the defence of dilapidation claims which fall to be determined by way of the Small Claims Procedure in the County Court with respect to property situated in England, Wales or Northern Ireland or in Scotland the small claims procedure in the Sheriff Court.
11. where the amount in dispute is less than £250 including VAT.

Section 2 - Rent Arrears Indemnity

What is Covered?	What is Excluded?
<p>The Insured Person is covered for Rent Arrears owed by the Tenant under the Tenancy Agreement during the Period of Insurance and up to the Limit of Indemnity, where an Insured Event under Section 1 occurs and the Insured Person is, where appropriate, pursuing Proceedings under this policy.</p> <p>Cover is subject to:-</p> <ol style="list-style-type: none">1. a full month's Rent being in arrears after deduction of the Excess.2. the Rent Arrears indemnity only being payable during the period of the Tenancy Agreement or until vacant possession has been gained, whichever occurs sooner.3. the claim being made during the Period of Insurance.4. Rent Arrears indemnity being paid at the rate of 1/30th of the Rent for each continuous day in arrears.	

Section 2 - General Exclusions

This insurance does not cover Rent Arrears indemnity claims:-

1. in respect of any Event where the Time of Occurrence commenced prior to the commencement of the insurance.
2. where the Insured Person should reasonably have realised when purchasing this insurance that a claim under this insurance might occur.
3. from an Event which You notify to Us more than 30 days after it occurred or ought to reasonably have come to Your knowledge.
4. unless the Insured Person and their agent act promptly to gain vacant possession of the Insured Property and recover Rent Arrears.
5. Rent Arrears indemnity claims where the Property is not occupied for residential only purposes.

General Policy Exclusions

This insurance does not cover:-

1. any Professional Fees, expenses or Rent Arrears that can be recovered under any other insurance except beyond the amount which would be payable under such insurance had this policy not been effected.
2. damages, fines or other penalties You are ordered to pay by a Court tribunal or arbitrator.
3. claims arising from an Event arising from Your deliberate act, omission or misrepresentation.
4. claims arising from:-
 - a. ionising, radiations or contamination by radioactivity from irradiated nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.
 - b. any radioactive toxic explosive or other hazardous properties of any nuclear assembly or component thereof.
 - c. war terrorism or any like or any associated risk.
 - d. seepage pollution or contamination of any kind.
 - e. pressure waves caused by aircraft or other aerial devices.
5. any dispute relating to written or verbal remarks which damage Your reputation.
6. a dispute with Us not dealt with under the Arbitration Condition.
7. any dispute relating to patents, copyrights, trade or service marks, registered designs, passing off, intellectual property, trade secrets or confidential information.
8. an application for judicial review.
9. an Event arising out of a Tenancy Agreement which does not fall within the definition of Tenancy Agreement in this policy.
10. the Tenant's compensation payable by You following an Order of the Court or the terms of any settlement approved in writing by Us.
11. the Tenancy Agreement having been granted without first obtaining the requisite consent or licence.
12. damage or loss of fixtures and fittings, furniture or equipment not referred to in an existing inventory signed by the Tenant prior to or at the commencement of the Tenancy Agreement or which relates to a claim of less than £1,000.00.
13. payment or non payment of service charges.
14. subsidence, mining, actual or proposed works by public or local authority.
15. an Event which occurs within the first 90 days of the Period of Insurance where the Tenancy Agreement commenced before the Tenant Reference unless the Insured Person had continuous legal expenses and rent guarantee insurance with another insurer in respect of the same Tenancy Agreement and the same Tenant and there had been no claims reported under that insurance.
16. claims where the Tenancy Agreement commenced more than 31 days after the date of the Tenant Reference.
17. claims where You fail to provide evidence relating to a Tenant Reference.
18. disputes between the Insured Person and their agent or mortgage lender.
19. disputes where the Tenant is not aged 18 years or over.
20. claims if the Insured Person or their agent has allowed the Tenant into possession of the Insured Property prior to:-
 - a. the Tenancy Agreement having been signed by all parties.
 - b. a Tenant Reference having been obtained.
 - c. all necessary statutory pre-grant notices to the Tenant having been issued.
 - d. the first months Rent and the Deposit having been received in cash or cleared funds.
 - e. The Dilapidations Inventory having been signed by the Tenant.
21. any claim where the Insured Person or their agent gave any false or misleading information when they applied for the Tenant Reference or for this insurance cover or where the Tenant received a Tenant Reference subject to a Guarantor and the Guarantor was not correctly assigned to the Tenancy Agreement.
22. any Professional Fees incurred in defending or pursuing new areas of law or test cases.

Alteration of Risk

You shall notify Us immediately of any alteration in risk which materially affects this insurance.

Observance

Our liability to make any payment under this policy will be conditional on You complying with the terms and conditions of this insurance.

Claims

You must tell Us in writing within 30 days about any matter, which could result in a claim being made under this policy, and must obtain in writing Our consent to incur Professional Fees.

We will give such consent if You can satisfy Us that there are sufficient prospects of success in pursuing or defending Your claim and that it is reasonable for Professional Fees to be paid and You have paid the Excess.

We may require You at Your expense to obtain the opinion of an expert or counsel on the merits of a claim or legal proceedings. If We subsequently agree to accept the claim, the costs of such opinion will be covered.

Where You have accepted a Deposit from a Tenant You must await the outcome of the relevant deposit arbitration scheme before a claim will be considered for acceptance under the policy.

If after receiving a claim or during the course of a claim We decide that:-

1. Your prospects of success are insufficient;
2. it would be better for You to take a different course of action;
3. We cannot agree to the claim.

We will write to You giving Our reasons and We will not then be bound to pay any further Professional Fees for this claim.

We may limit any Professional Fees that We will pay under the policy in the pursuit, continued pursuit or defence of any claim:-

1. if We consider it is unlikely a reasonable settlement will be obtained or
2. where the likely settlement amount is disproportionate to the time and expense necessary to achieve a settlement.
3. We consider that it is unlikely that You will recover the sums due and or awarded to You.

Alternatively We may at Our option pay to You the amount in dispute which shall be deemed to represent full and final settlement under this policy.

In the event that You make a claim under this policy which You subsequently discontinue due to Your own disinclination to proceed, any legal costs incurred to date will become Your own responsibility and will be required to be repaid to the Insurer.

UK Underwriting Ltd are an Insurer's agent and in the matters of a claim act on behalf of the Insurer.

Representation

We will take over and conduct in Your name the prosecution, pursuit, defence or settlement of any claim. The Authorised Professional nominated and appointed by Us will act on Your behalf and You must accept Our nomination.

If Legal Proceedings have been agreed by Us, You may nominate Your own Authorised Professional whose name and address You must submit to Us. In selecting Your Authorised Professional 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 Authorised Professional You will be responsible for any Professional Fees in excess of Our Standard Professional Fees.

Conduct of Claim

1. You shall at all times co-operate with Us and give to Us and the Authorised Professional evidence, documents and information of all material developments and shall attend upon the Authorised Professional when so requested at Your own expense.
2. We shall have direct access at all times to and shall be entitled to obtain from the Authorised Professional any information, form, report, copy of documents, advice computation, account or correspondence relating to the matter whether or not privileged, and You shall give any instructions to the Authorised Professional which may be required for this purpose. You or Your Authorised Professional shall notify Us immediately in writing of any offer or payment into Court made with a view to settlement.
3. We will not be bound by any promise or undertaking given by You to the Authorised Professional or by either of You to any witness, expert or agent or other person without Our agreement.

References

You must obtain a satisfactory Tenant Reference prior to granting a Tenancy or in respect of student and DSS tenants obtain an acceptance in writing from a Legal Insurance Management approved Tenant Referencing Company.

Rent Arrears

1. If the Tenant is claiming Housing Benefit, We will not pay Rent until the outcome of the Housing Benefit claim is known. If the Tenant's Housing Benefit claim is rejected, We will pay Rent backdated to the date that You could first claim. There is no cover for any shortfall between the amount paid to the Tenant as Housing Benefit and the Rent.
2. If the Deposit is more than the Excess, We will pay Rent Arrears after deduction of the balance of the deposit. If the balance of the Deposit is subsequently required to meet the cost of dilapidations, this will be paid to You.
3. If Rent is overdue You must contact the Tenant within 7 days to establish the reason for the default.
4. If the Rent is not paid within a further 7 days the Tenant must be contacted again. If the Tenant cannot be contacted, and it is lawful to do so, You must serve notice of a requirement to undertake an inspection and visit the Property in accordance with Your obligations within the Tenancy Agreement. You should contact the Claims Helpline if You are unsure that such an inspection is lawful.

Arbitration

If there is a dispute between You and Us, which is not solved by the policy, either side may refer it to the arbitration of an independent arbitrator who will be either a solicitor or barrister, to be agreed by the two sides. If no agreement can be reached the Law Society shall name an arbitrator. The arbitrator's decision will be final and binding on both sides. The arbitration will be governed by the rules set out in the Arbitration Acts then in force.

Fraud

We have the right to refuse to pay a claim or to avoid this insurance in its entirety if You make a claim which is in any respect false or fraudulent, or You gave false or misleading information when applying for either this insurance or the Tenant Reference.

Data Protection Act 1998

The data supplied by You will only be used for the purposes of processing Your policy of insurance, including underwriting, administration and handling any claim which may arise. The data supplied will not be passed to any other parties other than those which we have mentioned herein.

It is important that the data You have supplied is kept up to date. You should therefore notify us promptly of any changes. You are entitled upon the payment of an administration fee to inspect the personal data, which we are holding about You. If you wish to make such an inspection, you should contact Prestige Insurance Management Ltd, Insurance House, The Pavilions, Brige Hall Drive, Bury, BL9 7NX

We may respond to enquiries by the Police concerning Your policy in the normal course of their investigations. Where it is necessary to administer Your policy effectively or to protect Your interests We may disclose data You have supplied to other third parties such as solicitors, other insurers etc.

Contracts (Rights of Third Parties) Act 1999

Unless expressly stated nothing in this insurance contract will create rights pursuant to the Contracts (Rights of Third Parties) Act 1999 in favour of anyone other than the parties to the insurance contract.

Notices

Any letter or notice concerning this insurance will be properly issued if it is sent to the last known address of the person intended to receive it.

Reasonable Care

You must not breach any of the conditions of the Tenancy Agreement(s) or Legal Charge affecting the Property.

You must take all reasonable steps to prevent incidents that may give rise to a claim and to minimise the amount payable by Us. This includes ensuring that following receipt of the Tenant Reference, it is reasonable to grant a Tenancy Agreement to the Tenant. You must act promptly to gain vacant possession of the Property and recover Rent Arrears.

Adjustment of Provisional Premium

If the premium has been calculated on estimates You shall supply to Us within one month of the expiry of each Period of Insurance an accurate statement in the form required so that the premium for that period can be calculated and the difference paid by or allowed to You subject to Us retaining any minimum premium specified in the policy.

Should You fail to supply such a statement in the timescales required We shall be entitled to charge an additional premium in respect of that Period of Insurance.

Acts of Parliament

Any reference to Act of Parliament within this Policy shall include an amending or replacing Act and shall also include where applicable equivalent legislation in Scotland, Northern Ireland and under European Law where applied in the United Kingdom.

Deposit

You will inform Us in writing of the allocation of the deposit and no deductions may be made from the deposit without Our approval. The balance of the Deposit after such approved deductions will be applied to reduce Rent Arrears which You may be entitled to claim from Us under the terms of this Policy. Such monies may not be utilised to discharge Your liabilities in respect of the Excess under this policy.

Claims Helpline

The Legal Helpline provides advice on any legal problem affecting the Policyholder.

All potential claims must be reported initially to the Claims Helpline for advice and support.

Claims Helpline:- 0161 762 4200

We will not accept responsibility if the Helpline services fail for reasons beyond Our control.

Law

This policy shall be governed by and construed in accordance with the Law of England and Wales unless the Policyholder's habitual residence (in the case of an individual) or central administration and/or place of establishment is located in Scotland in which case the law of Scotland shall apply. In the event of the place of establishment being situated in the Channel Islands the relevant law governing the Channel Islands shall apply.

Complaints Procedure

In the event of a complaint arising under this insurance, You should in the first instance write to the Agent who arranged this insurance and if the matter still remains unresolved thereafter You should write to: -

The Managing Director
Prestige Insurance Management Ltd
Insurance House, The Pavilions
Bridge Hall Drive
Bury
BL9 7NX

Please ensure Your policy number is quoted in all correspondence to assist a quick and efficient response.

In the event You remain dissatisfied and wish to make a complaint, You can do so by contacting the following:-

Head of Claims
UK Underwriting Ltd
2 Gibraltar House
Bowcliffe Road
Leeds
LS10 1HB

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 but have a group annual turnover of less than £1 million, or are a charity with an annual income of less than £1 million, or are a trustee of a trust with a net asset value of less than £1 million.

You may contact the Financial Ombudsman Service at: -

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

Tel: 0845 080 1800

This does not affect Your statutory rights.

Compensation Scheme

Fortis Insurance Limited is covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme, if they cannot meet their obligations. This depends on the type of business and the circumstances of the claim. Most insurance contracts are covered for 100% of the first £2,000 and 90% of the remainder of the claim. You can get more information about compensation scheme arrangements from the FSCS or visit www.fscs.org.uk.