

## **LANDLORDS' LEGAL SOLUTIONS POLICY WORDING**

### **What is Landlords' Legal Solutions?**

Landlords' Legal Solutions is a product that provides legal services and insurance. It will provide cover for the legal costs if you are involved in certain legal disputes as well as indemnity for loss of rent. The legal costs that are covered, the costs we will pay, the services provided and exclusions are explained in the summary, and the terms and conditions of the policy wording. The policy is administered by ARAG plc and underwritten by Brit Insurance Limited.

Landlords' Legal Solutions also provides to 24 hour, 365 day legal helpline, and a document service for the downloading of legal documents relating to motoring? issues.

### **If a claim needs to be made, what happens?**

The true value of your policy with ARAG lies with the service we provide you. If you are unfortunate enough to have a legal or tax problem we will be ready and waiting to help you in any way we can as quickly as possible.

### **Legal & Tax Advice**

In the event of a legal or tax problem we would strongly recommend that you initially take advantage of our confidential 24 hour legal and tax advice service which we provide to you as part of this policy; the only cost to you is a standard rate call. The advice covers any personal legal or tax matter and you can use this service as often as you like. Your query will be dealt with by a suitably qualified specialist experienced in handling a range of legal and tax related matters.

You can get advice by telephoning 0870 787 6859.

Use of this service does not constitute reporting of a claim.

### **How to make a claim**

In the event that you then need to make a claim you should notify us as soon as possible. Under no circumstances should you instruct your own lawyer as we will not pay the costs incurred and it could invalidate your cover.

You can report your claim by telephoning 0117 917 1698 or on line at [www.arag.co.uk/newclaims](http://www.arag.co.uk/newclaims). Please have your policy schedule to hand

**What happens next?**

We will issue you with a written acknowledgement within one working day of receiving the claim. Within 5 working days of receiving the information needed to assess the availability of cover under the policy, we will write to you either:

- appointing a suitably qualified representative who will promptly progress the claim for you; or
- if the claim is not covered, explaining in full why and whether we can assist in another way.

**What happens if the Insurer cannot meet its liabilities**

The Insurer is covered by the Financial Services Compensation Scheme (“FSCS”). You may be entitled to compensation from the scheme in the unlikely event that the insurer cannot meet its obligations. This depends on the type of business and the circumstances of the claim. Further information about compensation scheme arrangements is available from the FSCS.

## **THIS IS YOUR INSURANCE POLICY**

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

Following an Insured Event the **Insurer** will pay the **Insured's Legal Costs & Expenses** (and Rent Indemnity under Insured Event 2) 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**
    - immediately after **you** first become aware of circumstances which could to 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

### INSURED EVENT 1 - LEGAL COSTS & 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 **your 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 **your Property** that **you** have let to a limited company or business partnership
  
  4. A dispute relating to **you** trying to repossess **your Property** **you** have let where **you** are 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 **your Property** brought against **you** in a court of criminal jurisdiction
  
  7. **Your** hotel expenses incurred whilst **you** are trying to regain possession of **your Property** up to a maximum of £75 per day for a maximum of 30 days providing that possession is sought for the sole purpose of **you** living at **your Property**.

## **INSURED EVENT 2 - RENT INDEMNITY**

Following a claim **we** have accepted under Insured Event 2 rent owed to **you** up until vacant possession of **your Property** that **you** have let under either:

- (i) an assured shorthold tenancy; or
- (ii) a shorthold tenancy; or
- (iii) an assured tenancy

Provided that

1. such arrears occur during the tenant's occupation of the **Property**
2. **you** are responsible for the first calendar month's rent
3. **you** send a letter threatening legal action within 45 days of the rent falling into arrears
4. **you** submit **your** claim to **us** within 90 days of the rent falling into arrears

The most we will pay in respect of Rent Indemnity is 12 monthly payments.

### **Conditions applicable to Insured Event 2**

**You** must

1. have signed a tenancy agreement with each tenant before you allow occupation of **your Property**
2. ensure that all relevant and necessary statutory pre-grant notices are served in the correct form on the tenant prior to granting the tenancy
3. make all relevant and necessary searches to reveal County Court judgments in the last five years against the proposed tenant prior to granting tenancy
4. not grant a tenancy to a tenant who is bankrupt or has an unsatisfied County Court judgment or a Sheriff Court Decree
5. not let the **Property** as student accommodation
6. obtain three satisfactory references including one from the tenant's employer (unless retired), a financial reference and one other referee 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
7. obtain one month's rent as a deposit before allowing a tenant to occupy 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 all statutory and/or pre-proceeding notices are served personally, retaining a copy of the notice signed by the recipient of the notice by way of receipt
11. 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 started 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 the **your** family
6. an Insured Event arising from a deliberate or reckless act by **you**
7. fines, penalties or compensation
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 the **Insured**
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 the 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

### **Limit of Indemnity**

£50,000 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 as shown in **your** policy schedule.

### **Property**

The property declared to **us**

### **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

**COMPLAINTS**

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 complaint is not resolved to **your** satisfaction, then the matter may be referred to:

Customer Relations Officer  
Brit Insurance Limited  
55 Bishopsgate  
London EC2N 3AS

Telephone: 020 7984 8800

If a complaint remains unresolved, **you** may request that the Financial Ombudsman Service review the case provided that the complaint falls within its jurisdiction. The Financial Ombudsman Service can normally deal with complaints from private individuals and small businesses with an annual turnover of less than £1 million (for a group of companies, this means a group annual turnover of less than £1 million). The Financial Ombudsman Service can also help with complaints from charities with an annual income of less than £1 million, and from trusts with a net asset value of less than £1 million.

The address is:

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

Telephone: 0845 080 1800

[www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

The Financial Ombudsman Service's decision is binding upon the **Insurer**, but **you** are free to reject it without affecting **your** legal rights.

Save as provided above, in the event that any dispute as to the terms and effect of this policy remains unresolved then such dispute shall be referred for arbitration to an independent solicitor to be agreed jointly by the parties. In the event that an independent solicitor cannot be agreed upon, then an arbitrator will be appointed by the President for the time being of The Law Society of England & Wales. The arbitration shall be subject to the Arbitration Acts and the arbitrator's decision shall be binding on the parties.

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](http://www.fsa.gov.uk/register) or by contacting the FSA on 0845 606 1234.

ARAG plc and Brit Insurance Limited are covered by the Financial Ombudsman Service.