



**RENT4SURE**  
PROTECTING YOUR BUSINESS

## Policy Wording

**Legal Expenses and Rent  
Protection for Residential  
Landlords**

# LEGAL EXPENSES & RENT PROTECTION FOR RESIDENTIAL LANDLORDS INSURANCE POLICY WORDING

This insurance covers an Insured Incident occurring during the Period of Insurance.

The Insured has submitted a written proposal and declaration or renewal declaration to the Insurer and it is agreed this shall form the basis for the issue of this Policy.

The Insurer agrees in consideration of the premium to indemnify the Insured to the extent and in the manner provided within this Policy in connection with activities within the scope and extent of the Insured's business activity of a letting agent.

Unless expressly stated nothing in this Policy will create rights pursuant to the Contracts (Rights of Third Parties) Act 1999.

In the event that a claim is made and Rent is paid, there will be no cover for any further Insured Incidents and this insurance will be cancelled automatically. This means that, in relation to Rent payments only, this is a 'one claim' policy.

## DEFINITIONS

### Acts of Parliament

All Acts of Parliament referred to in this Policy shall include any subsequent amendments, re-enactments or regulations and equivalent legislation enforceable within the Territorial Limits.

### Appointed Representative

A solicitor, barrister or other appropriately qualified person appointed to act for the Insured. The Appointed Representative must agree to act in accordance with the terms of this Policy.

### Arc Legal

Arc Legal Assistance Limited who administers this policy and manages claims on behalf of the Insurer.

### Deposit

The sum of money collected from the Tenant and held by the Insured or his agent in accordance with Section 213 of the Housing Act 2004 (and any amending legislation) in respect of a Tenancy Agreement to which it applies as an indemnity for losses incurred by the Insured arising from the Tenant failing to perform his obligations set out in the Tenancy Agreement, not to be less than one months' Rent.

### Excess

The amount specified in the Rent Guarantee Certificate that the Insured must pay in respect of Legal Expenses and/or Rent in respect of an Insured Incident before the Insurer shall be liable to make any payment as set out in the Rent Guarantee Certificate.

### Guarantor

The individual or organisation shown in the Tenancy Agreement that has been subject to a Tenant Reference and provided a financial guarantee of the Tenant's performance of his obligations under the Tenancy Agreement.

### Increased Excess

The amount specified below that the Insured must pay in respect of Legal Expenses in respect of an Insured Incident before the Insurer shall be liable to make any payment if the Insured instructs an alternative Appointed Representative to the one chosen by Arc Legal.

- Section 1 - £1,000 in respect of an Insured Incident
- Section 2 – Not applicable

### Insured

The landlord of the Property defined in the Rent Guarantee Certificate and the Tenancy Agreement who has entered into a Tenancy Agreement with the Tenant in respect of the Property.

### Insured Incident

The incident or the first of a series of incidents which may lead to a claim under this insurance.

Only one Insured Incident shall be deemed to have arisen from all causes of action, incidents or events that are related by cause or time.

### **Insurer**

AmTrust Europe Limited.

### **Legal Expenses**

Any professional fees, expenses and other disbursements reasonably incurred by the Appointed Representative with the consent of Arc Legal; and

Any costs incurred by other parties insofar as the Insured is held liable in court or tribunal proceedings to pay such costs or becomes liable to pay such costs under a settlement made with another party with the consent of Arc Legal but excluding any costs which the Insured may be ordered to pay by a court of criminal jurisdiction or in adjudication proceedings.

### **Limits of Insurer's Liability**

The maximum liability of the Insurer under this Policy is limited to the amounts specified below:

- Section 1. £100,000 of Legal Expenses in respect of an Insured Incident
- Section 2. The 'Total Monthly Rent' shown in the Rent Protection Certificate. The maximum Rent payable per Insured Incident is £50,000 or the equivalent of 12 months Rent, whichever is the lesser amount.

Where the 'Total Monthly Rent' shown in the Rent Protection Certificate is less than the Rent, the amount of Rent claimed under the policy will be reduced in proportion to the underinsurance.

### **Period of Insurance**

As specified in the Rent Guarantee Certificate.

### **Professional Duty**

Duty owed by the Insured in respect of which the Insured has or is required to have in force professional indemnity insurance or an equivalent insurance providing indemnity in the event of a negligent act error or omission.

### **Property**

The residential property specified in the Tenancy Agreement and Rent Guarantee Certificate.

### **Rent**

The amount payable by the Tenant to the Insured as set out in the Tenancy Agreement as rent.

### **Rent Guarantee Certificate**

The policy schedule attaching to this policy.

### **Tenant**

The occupier of the Property named in the Tenancy Agreement as the Tenant.

### **Tenant Reference**

Checks carried out before the commencement of the Tenancy Agreement with Rent4Sure Limited which resulted in a Score of 529 or more for the Tenant or their Guarantor, or as otherwise agreed by Arc Legal.

### **Tenancy Agreement**

An agreement between the Insured and the Tenant in relation to the Property which is an Assured Shorthold Tenancy Agreement as defined within the Housing Act 1988 (as amended) or its equivalent outside of England and Wales but within the Territorial Limits, or

a Company Residential Tenancy (Company Let) created after 28<sup>th</sup> February 1997 where the Tenant is a public limited company (plc) or limited company (Ltd) or its equivalent outside of England and Wales but within the Territorial Limits and the Property is let purely for residential purposes of the Tenant's employees and their family.

### **Territorial Limits**

United Kingdom of Great Britain and Northern Ireland.

## **SECTIONS OF COVER**

The Sections of Cover applicable are as specified in the Rent Guarantee Certificate. The Insurer will only indemnify the Insured for Insured Incidents subject to the Limit of Insurers Liability for an Insured Incident where the dispute and legal proceedings are or would be within the Territorial Limits and the Insured Incident occurs during the Period of Insurance.

It is a condition under this Section that:

1. the initial Tenancy Agreement is for a fixed term of no more than 12 months unless the Tenancy Agreement allows the insured to terminate the Tenancy Agreement after the initial 12 month period, and;
2. the Property is for and remains solely for residential use and;

3. the Tenant is aged 18 years or over and;
4. the Tenancy Agreement requires the Rent to be paid in advance;
5. the Insured did not allow the Tenant in to possession of the Property before:
  - the Tenancy Agreement was signed by all parties and;
  - a Tenant Reference was obtained and;
  - all necessary statutory pre-grant notices to the Tenant were effectively issued and;
  - the first months' Rent and the Deposit were received in cash or cleared funds (excluding credit card payments unless cleared over 120 days before the start of the Tenancy) by the Insured and;
6. during the Tenancy Agreement the Insured must:
  - have kept full and up to date rental records and;
  - not have allowed the Tenancy Agreement to be transferred to any other individual or organisation.

## SECTION 1 – EVICTION

The Insurer agrees to indemnify the Insured against Legal Expenses incurred in evicting the Tenant from the Property for a breach by the Tenant of the terms of the Tenancy Agreement.

Provided that:

1. All statutory and contractual notices are compliant, have been effectively served on the Tenant and;
2. Where the eviction is for the non payment of Rent the Insured must make all reasonable efforts to collect the Rent including, if Rent is overdue, the Tenant and any Guarantor being contacted within seven days to establish the reason for the arrears. If the Rent is not paid within a further seven days the Tenant and any Guarantor must be contacted again. If the Tenant cannot be contacted, and it is lawful to do so, the Insured, must serve notice of a requirement to undertake an inspection in accordance with their obligations within the Tenancy Agreement and visit the Property. The Insured should seek legal advice if he is unsure that such an inspection is lawful

### Exclusions to Section 1

The Insurer shall not be liable to indemnify the Insured in respect of an Insured Incident:

1. arising from or connected to pursuit of the Tenant or the Guarantor for unpaid Rent or damages for unauthorised possession
2. arising from or connected to the Insured's performance of his obligation under the Tenancy Agreement
3. relating to the payment or non payment of a service charge
4. notified more than 45 days after the first breach of the Tenancy Agreement by the Tenant
5. where any Rent arrears arose within the first 3 complete monthly rental periods in the Period of Insurance if the Tenancy Agreement commenced before the Period of Insurance (unless evidence of continuous equivalent insurance immediately prior to the period is provided).

## SECTION 2 – RENT

Until the Insured obtains vacant possession of the Property, the Insurer agrees to indemnify the Insured against:

1. the Rent the Tenant is due to pay the Insured under the Tenancy Agreement which the Insured has not received and/or
2. compensation for the unauthorised possession of the Property by the Tenant after the expiry of the Tenancy Agreement (at an amount equivalent to the Rent payable under the Tenancy Agreement).

Provided that a claim has been made and accepted by Arc Legal under Section 1 of this Policy to evict the Tenant in respect of the Rent arrears or compensation claimed

## Exclusions to Section 2

The Insurer shall not be liable to indemnify the Insured in respect of an Insured Incident:

1. where a Tenant required a Guarantor to obtain the appropriate Tenant Reference and the Guarantor was not correctly assigned to the Tenancy Agreement, and/or
2. where the total amount of Rent owed is less than £250.

## GENERAL EXCLUSIONS

The Insurer shall not be liable to indemnify the Insured in respect of:

1. any dispute, legal proceedings made, brought or commenced outside the Territorial Limits;
2. Legal Expenses which have not been agreed in advance or above those for which Arc Legal has given its prior written approval;
3. any Insured Incident relating to or arising from any cause, event or circumstance which began to occur or had occurred before this policy was purchased and which has or which the Insured knew or ought reasonably to have known may give rise to a dispute, legal proceedings by or against the Insured;
4. Damages, interest or fines awarded in a civil or criminal court or Tribunal;
5. any dispute or legal proceedings in respect of which the Insured is, or but for the existence of this Policy would be, entitled to a grant of legal aid or indemnity under any other insurance policy including another legal expenses insurance policy;
6. any Insured Incident where the Insured's act, omission or delay prejudices the Insured's or the Insurer's position in connection with the legal proceedings or prolongs the amount of Rent payable under this insurance;
7. any dispute or legal proceedings with Government or Local Authority departments concerning the imposition of statutory charges;
8. disputes or legal proceedings between Insured as specified in the Rent Guarantee Certificate or any endorsement thereto, or with any parent or subsidiary company or partner;
9. legal proceedings made by or against the Insurer, Arc Legal, the Appointed Representative or the Insured;
10. any dispute falling within the jurisdiction of the Rent Assessment Committee, the Lands Tribunal or the Leasehold Valuation Tribunal or their equivalent outside of England and Wales but within the Territorial Limits;
11. any dispute or legal proceedings where the Insured is in breach of Section 213 of the Housing Act 2004 (and any amending legislation) in relation to the Deposit;
12. legal proceedings relating to an application for Judicial Review;
13. appeals without the prior written consent of Arc Legal;
14. an Insured Incident arising from seepage, pollution or contamination of any kind;
15. any legal proceedings where a reasonable estimate of the Appointed Representatives costs is more than the amount in dispute
16. any claim which is false or fraudulent

## GENERAL CONDITIONS

### 1. Disputes

Any dispute between the Insured and the Insurer may, where both parties agree, be referred to an arbitrator who will be either a solicitor or a barrister. If the parties cannot agree on their choice of arbitrator the Law Society may be asked to make a nomination. The arbitration will be binding and carried out under the Arbitration Act. The costs of the arbitration will be at the discretion of the arbitrator.

### 2. Alteration of Risk

The Insured must notify Arc Legal immediately of any alteration in risk that materially affects this insurance.

### 3. Due Observance

The Insured must act with due diligence and at all times act and comply with all the terms, conditions and provisos under this Policy.

### 4. English Law

This contract is governed by English Law.

### 5. Data Protection Act 1998

The details of the Insured, the Insured's insurance cover and claims will be held by Arc Legal and or the Insurer for underwriting, processing, claims handling and fraud prevention subject to the provisions of the Data Protection Act 1998.

### 6. Cancellation

It is an overriding condition of this insurance that in the event that a claim is made and Rent is paid, there will be no cover for any further Insured Incidents, and this insurance policy will be cancelled automatically. For the avoidance of doubt, the Insured Incident for which the claim was originally made will continue to be covered subject to all policy terms and conditions.

The Insured may cancel this insurance at any time by writing to the Insured's insurance adviser providing 14 days written notice. If the Insured exercises this right within 14 days of taking out this insurance, the Insured will receive a refund of premium provided the Insured has not already made a claim against the insurance.

The Insurer or Arc Legal may cancel the insurance by giving 14 days' notice in writing to the Insured at the address shown on the schedule, or alternative address provided by the Insured. No refund of premium shall be made.

This insurance is provided to the Insured on the basis that the Insured acts in good faith. If the Insured admits to knowingly or recklessly allowing fraud to occur or the Insured is alleged to have knowingly or recklessly allowed fraud to occur and the Insured cannot provide a reasonable defence to the allegation then the Insurer or Arc Legal may cancel all policies which are supplied to the Insured on 30 days written notice and it will be the Insured's responsibility to find an alternative insurance provider.

## CLAIMS CONDITIONS

### 1. Notification of Claims

Claims must be reported to Arc Legal within 45 days of the first breach by a Tenant of the terms of the Tenancy Agreement which is the Insured Incident. Notification will only be deemed to have been made upon receipt by Arc Legal of a fully completed claim form accompanied with all requested supporting documentation. Failure to notify the claim within this time will invalidate the insurance.

### 2. Arc Legal Consent

The Insurer shall only be liable for costs for work expressly authorised by Arc Legal in writing and undertaken while there are reasonable prospects of success.

If at any time Arc Legal on behalf of the Insurer forms the view that the Insured does not have a reasonable prospect of success in the action they are proposing to take or are taking, Arc Legal may decline support or any further support.

The decision to grant consent or to withhold it will be taken on receipt of:

- a fully completed insurance claim form;
- all information which Arc Legal reasonably requests;
- a legal opinion from the Appointed Representative as to prospects of success;

With the agreement of the Insured, Arc Legal may provide assistance in settling disputes, the costs of which will be covered under this Policy subject to the payment of the Excess or Increased Excess within the Limits of Insurer's Liability.

Arc Legal at its discretion may require the Insured to obtain an opinion from Counsel at the Insured's expense as to the Insured's prospects of success, such opinion to have regard to the same issues that Arc Legal has in assessing the merits of any legal action. If based upon such opinion Arc Legal is satisfied in that there are prospects of success the Legal Expenses incurred in obtaining that opinion will be paid by the Insurer within the Limits of the Insurer's Liability.

### 3. Instruction and Choice of Appointed Representative and Counsel

If court proceedings are required, the Insured is free to nominate an Appointed Representative to act in any legal proceedings to which Arc Legal has consented subject to the Increased Excess. The name and address of the Appointed Representative the Insured wishes to appoint must be notified in writing to Arc Legal. Arc Legal will accept such nomination provided the Appointed Representative:

- i.) Confirms in writing that they will enable the Insured to comply with their obligations under this insurance.
- ii.) Agrees with Arc Legal the rate at which his costs will be calculated.

In all other legal proceedings Arc Legal will appoint the Appointed Representative subject to the Excess, unless a conflict of interest arises when the Insured is free to choose an Appointed Representative to act in any Claim to which Arc Legal has consented.

If no agreement is reached the Law Society will be asked to nominate an Appointed Representative and this nomination shall be binding.

In selecting the Appointed Representative the Insured shall have regard to its duty to minimize the cost of any claim or legal proceedings.

In all cases the Appointed Representative shall be appointed in the name of and on behalf of the Insured.

If in the course of legal proceedings the Appointed Representative wishes to instruct Counsel or an expert, Counsel's or the expert's name and an explanation of the necessity for such instruction must be submitted to Arc Legal for consent to the proposed instruction which will not be unreasonably withheld.

#### **4. Disclosure**

It is a condition precedent to the Insurer's liability that:

- a) the Insured must supply at their own expense all of the information and relevant documentary evidence that the Appointed Representative and Arc Legal reasonably require including a complete and truthful account of the facts of the case. The Insured must attend any court hearing if requested to do so by Arc Legal or the Appointed Representative. Failure to attend will result in all cover being withdrawn with immediate effect and no further claim payments being made.
- b) Arc Legal is entitled to receive from the Appointed Representative and the Insured any information, document or advice in connection with any Insured Incident and the subject matter of any claim even if privileged. In addition the Insured must instruct the Appointed Representative to:
  - i. Provide a detailed view of the Insured's prospect of success including the prospects of enforcing any judgment obtained.
  - ii. Keep Arc Legal fully advised of all developments and provide such information as Arc Legal may require.
  - iii. Keep Arc Legal regularly advised of costs incurred.

The Insured shall supply all information requested by the Appointed Representative and Arc Legal.

Indemnity may be withdrawn if the Insured fails to co-operate at all or within a reasonable time with Arc Legal's or the Appointed Representative's requests.

#### **5. Payment of Legal Expenses and Professional Bills**

The Appointed Representative and/or the Insured must submit bills for assessment or certification by the appropriate body if requested by Arc Legal.

The Insured is responsible for payment of all Legal Expenses. The Insurer may settle these direct if requested by the Insured to do so.

The payment of some Legal Expenses or Rent does not imply that all Legal Expenses or Rent will be paid.

Rent will be paid monthly in arrears at a rate of 1/30<sup>th</sup> for each continuous day that it is in arrears.

#### **6. Offer of Settlement**

It is a condition precedent to the liability of the Insurer that the Insured must inform Arc Legal in writing as soon as an offer to settle the subject matter of the claim or legal proceedings is received and/or the Insured proposes to make an offer of settlement. In any settlement, the Insured must have regard to Legal Expenses incurred or likely to be incurred by the Insurer and the recovery thereof. No indemnity will be provided if the Insured enters into any agreement to settle without the prior written consent of Arc Legal (such consent not to be unreasonably withheld) and the Insurer shall be entitled to recover any Legal Expenses or Rent previously paid. If contrary to Arc Legal advice such offers or payments are not accepted there shall be no further cover for Legal Expenses unless Arc Legal agrees in their absolute discretion to allow the case to proceed.

The Insurer may at its absolute discretion decide to pay the Insured the amount of damages that the Insured is claiming or is being claimed against the Insured instead of indemnifying the Insured for Legal Expenses. Where the Insurer exercises this discretion the Insurer will cease to be liable for any further Legal Expenses.

### **7. Recovery of Costs**

Whenever the Insured is awarded costs or Rent, or under the terms of any settlement where costs or Rent are included, those costs or Rent are to be repaid to the Insurer. The Insured and their Appointed Representative must make every effort to make a full recovery of costs. Where a settlement purports to be a global or a without costs settlement or where costs are awarded but not recovered, the Insured agrees that a fair and reasonable proportion of that settlement will be deemed costs and due to the Insurer. Where such a settlement is paid in installments all costs or Rent due to the Insurer shall be paid first.

The Insurer shall also be entitled to any Deposit held by or in favour of the Insured to the extent that it has not been used to pay for the repair of any damage to the Property which is the Tenant's responsibility and for which the Tenant has not paid.

Arc Legal, on behalf of the Insurer has the right under subrogation to pursue legal proceedings against the Tenant or any Guarantor to recover Legal Expenses and Rent. The Insurer may appoint agents including Rent4Sure to pursue its subrogation rights.

### **8. Minimizing Claims or Legal Proceedings**

The Insured must take all reasonable precautions to avoid and prevent claims, legal proceedings and disputes. The Insured must use every endeavour and take all reasonable measures to minimize the cost and effect of any claim.

### **9. Insolvency or Liquidation of the Insured**

If the Insured becomes insolvent or is placed in liquidation receivership, administration or bankruptcy or enters into a voluntary arrangement or deed of arrangement or if any application is made to the Court or meeting convened for any such purpose the Insurer has the right to immediately cease to provide indemnity for Legal Expenses and Rent, including for Insured Incidents that had already occurred, notwithstanding any previous consent Arc Legal may have granted.

## **COMPLAINTS**

Arc Legal's aim is to get it right, first time, every time. If they make a mistake, they will try to put it right promptly. If the Insured is unhappy with the service that has been provided they should contact Arc Legal at the address below. Arc Legal will always confirm to the Insured within five working days, that they have received the Insured's complaint. Within four weeks the Insured will receive either a final response or an explanation of why the complaint is not yet resolved plus an indication of when a final response will be provided. Within eight weeks the Insured will receive a final response or, if this is not possible, a reason for the delay plus an indication of when a final response will be provided. After eight weeks, if the Insured is not satisfied with the delay they may refer their complaint to the Financial Ombudsman Service. The Insured can also refer to the Financial Ombudsman Service if they cannot settle their complaint with Arc Legal.

Arc Legal contact details are:

Arc Legal Assistance Ltd  
PO Box 8921  
Colchester  
CO4 5YD  
Tel 01206 615 000  
Email [customerservice@arclegal.co.uk](mailto:customerservice@arclegal.co.uk)

Arc Legal Assistance Ltd are authorised and regulated by the Financial Conduct Authority. Arc Legal's Firm Reference Number is 305958.

The Financial Ombudsman Service contact details are:

Financial Ombudsman Service  
Exchange Tower  
London  
E14 9SR

Tel: 08000 234 567

Email : [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)

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

This procedure will not prejudice your rights to take legal proceedings.

## FINANCIAL SERVICES COMPENSATION SCHEME

Arc Legal is covered by the Financial Services Compensation Scheme. The Insured may be entitled to compensation from the scheme if Arc Legal or the Insurer are unable to meet their obligations. The Insured's entitlement to compensation will depend on the circumstances of the claim. Further information about compensation scheme arrangements is available at <http://www.fscs.org.uk/>

## HOW TO MAKE A CLAIM

To make a claim you need to log in to your Agent Suite. Please go to [www.rent4sure.co.uk](http://www.rent4sure.co.uk) and log in using your registered email address and password. If you have forgotten your password you can issue a new one by clicking on the link "forgotten password".

Once logged in to our system, you can make a claim. Simply navigate, using the side-bar, to the property on which the claim is to be made, then click on "Manage Rent Protection" button and follow the link "Make a Claim". The claims process is quick and simple – and you will be updated, through our site, once the claim has been submitted.

All claims must be submitted in full within 45 days of the first day of arrears, otherwise your claim may be declined.

## LEGAL HELPLINE

Use the 24 hour advisory service for telephone advice on any legal problem in connection with the Property.

Delays should be avoided at all cost, but taking the right action is essential. The legal helpline will ensure you get the timely information you need.

As soon as you require advice about a tenancy matter, likely to result in a claim under the policy, specialists Shoosmiths Solicitors will be on hand to advise on issues such as:

- Securing an abandoned property
- Proposed payment plans to clear any arrears
- What to do if a tenant surrenders the property; uses the property for illegal purposes; moves in an unauthorised occupant and stops paying the rent

The advice will be practical, down to earth and easy to deal with.

You'll find out what the law says, be given advice on what steps should be taken to protect your position and, if appropriate, on how to gain the earliest possible possession.

Simply telephone **0344 770 1044** and quote "**Rent4Sure**".

To maintain an accurate record telephones call may be recorded.