



LEGAL INDEMNITY POLICY OF TITLE INSURANCE FOR RESIDENTIAL PROPERTY COVERAGE FOR KNOWN RISK

ENGLAND & WALES (FORM KR E&W 07/05)

SCHEDULE

Online File Number	nnnnnnnn
Policy Number	KR (E&W) - xxxxxxxxxxxx
Policy Amount	£nn,nnn.nn
Policy Date	dd MMM yyyy
Premium	£14.10
IPT	£0.85
Total Amount Due	£14.95

Insured	Insured's Name and the Insured's successors in title, including purchasers, lessees and mortgagees.
Insured Use	The continued use of the Land as a residential unit as developed at Policy Date.
Land	House No, Street Name, Town, England.
Known Risk	<p>Chancel Repair (Successor)</p> <p>A claim by a third party enforcing the benefit of a potential chancel repair liability which is enforceable against the Land.</p> <p>First Title provides cover for this Known Risk on the basis that all the assumptions mentioned below are agreed:</p> <ul style="list-style-type: none">• The Land is an existing residential dwelling with ancillary land.• There is no liability for chancel repairs on the registered title as at Policy Date or on any unregistered title and in relation to the latter you will have a clear index map search as at Policy Date.• Prior to Policy Date no payments or demands for chancel repairs have been paid or received by the owners of the Land.• No full chancel repair search has been made against the Land requiring the same to be disclosed to Land Registry upon application for registration as an overriding interest.• There has been no approach to the church or parochial authorities regarding the liability.• The Land is located in England or Wales.
Additional Exclusions	Claims relating to the repair of any other part of the church.

Additional Conditions

The Insured shall notify First Title in writing within 14 days of receipt of any notice of application received from Land Registry in relation to the registration of a chancel repair liability.

Lenders non invalidation clause

Notwithstanding anything contained herein to the contrary the interest of any mortgagee or chargee shall not be prejudiced by any act or default of any party (not being such mortgagee or chargee) which might otherwise invalidate or reduce the indemnity provided by the policy.

Period of Insurance

In perpetuity

Signed on behalf of

FIRST TITLE INSURANCE plc

by

A handwritten signature in black ink, appearing to be a stylized 'D' or 'R' followed by a flourish.

DISCLOSURE REQUIREMENT

Before entering into a contract of insurance a person purchasing and/or expecting to benefit from the insurance is obliged to disclose to First Title any matter which they know, or could reasonably be expected to believe, to be relevant to First Title's decision to accept the risk to be insured and, if so, on what terms, whether or not First Title has specifically requested such information. First Title will rely for these purposes on all matters disclosed to it by any such person.

**ACTUAL LOSS (CHANCEL REPAIR LIABILITY) ENDORSEMENT
ENGLAND & WALES (FORM E&W 07/05)**

Online File Number	nnnnnnnn
Policy Number	KR (E&W) - xxxxxxxxxxxx
Policy Date	dd MMM yyyy

1. This endorsement modifies First Title's liability under the policy for the chancel repair liability risk by amending the definition of Actual Loss as defined in paragraph 1.1 of the policy:
 - 1.1 "*Actual Loss*" means the aggregate amount of:
 - 1.1.1 contributions demanded under the terms of a Chancel Repair Liability;
 - 1.1.2 the difference between the market value of the Land before and after an Order is made; and
 - 1.1.3 all sums that the Insured is legally liable to pay pursuant to or as a result of an Order or Settlement.
2. For the purpose of the coverage provided under this endorsement only the definitions set out in the policy are amended to add the following:
 - 1.12 "*Chancel Repair Liability*" means an enforceable liability attaching to the Land that requires a contribution by the Insured towards the cost of repair to a parish church chancel.
 - 1.13 "*Settlement*" means a final settlement in relation to a demand for contribution under the Chancel Repair Liability entered into by First Title on behalf of the Insured.
3. This endorsement does not affect any other risk(s) covered by this policy.

Signed on behalf of

FIRST TITLE INSURANCE plc

by



DISCLOSURE REQUIREMENT

Before entering into a contract of insurance a person purchasing and/or expecting to benefit from the insurance is obliged to disclose to First Title any matter which they know, or could reasonably be expected to believe, to be relevant to First Title's decision to accept the risk to be insured and, if so, on what terms, whether or not First Title has specifically requested such information. First Title will rely for these purposes on all matters disclosed to it by any such person.

1. DEFINITIONS

This policy is not complete without the policy schedule. Words and phrases in this policy (including the policy schedule) have the specific meanings given to them in the policy schedule and in this paragraph 1, wherever they appear capitalised.

1.1 "Actual Loss" means any and all of:

1.1.1 the difference between the Fair Value of the Land immediately before the date of an Order or Settlement and the Market Value of the Land immediately after the date of an Order or Settlement;

1.1.2 all sums that the Insured is legally liable to pay pursuant to or as a result of an Order;

1.1.3 all sums that the Insured is legally liable to pay pursuant to a Settlement;

1.2 "Authorised Expenses" means any costs, legal fees and expenses incurred by First Title, or by the Insured with First Title's prior written consent, to defend, minimise, mitigate or defeat a Claim, or to reduce or eradicate a Known Risk or the effect or potential effect of a Known Risk, or to negotiate a Settlement.

1.3 "Claim" means any act by a third party in relation to the Known Risk.

1.4 "Fair Value" means, on the assumption that there is no Known Risk, the estimated amount for which the Land should exchange on the date of valuation between a willing seller and a willing buyer in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably prudently and without compulsion.

1.5 "First Title" means First Title Insurance plc.

1.6 "Insured" means the insured persons named in the policy schedule.

1.7 "Known Risk" means the risk(s) described in paragraph 4 of the policy schedule relating to the Land as they exist at Policy Date.

1.8 "Land" means the land described in paragraph 3 of the policy schedule and structures on the land which at law are taken to be part of the land.

1.9 "Market Value" means the estimated amount for which the Land should exchange on the date of valuation between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably prudently and without compulsion.

1.10 "Order" means a final order of a court of competent jurisdiction affecting the Land (or any part of it) made in respect of the Known Risk.

1.11 "Settlement" means a settlement of a Claim entered into by First Title on behalf of the Insured.

2. FIRST TITLE'S INDEMNITY

2.1 First Title will indemnify the Insured against any Actual Loss above the Excess (if applicable) up to a maximum of the Policy Amount.

2.2 First Title will in addition pay Authorised Expenses at its own cost.

2.3 In the event that the Insured notifies First Title of a Claim or a circumstance that may give rise to a Claim, First Title may take any action (including starting legal proceedings in its own or the Insured's name) in order to:

- 2.3.1 reduce or eradicate the Known Risk;
- 2.3.2 defend, minimise, mitigate or defeat the Claim; and/or
- 2.3.3 pay or settle the Claim.

2.4 First Title's maximum liability under this policy, in respect of Actual Loss, whether to one or any number of Insureds:

- 2.4.1 will not exceed the Policy Amount (as increased by paragraph 3).
- 2.4.2 will be reduced by the aggregate of any previous payments of Actual Loss under the policy.

2.5 Notwithstanding anything contained herein to the contrary the interest of any mortgagee or chargee shall not be prejudiced by any act or default of any party (not being such mortgagee or chargee) which might otherwise invalidate or reduce the indemnity provided by the policy.

3. INFLATION PROTECTION

The Policy Amount insured by this policy will increase to reflect an actual increase in the Market Value of the Land by up to a maximum of 200% of the Policy Amount.

4. EXCLUSIONS

First Title will not be liable under the policy in respect of any loss arising from or relating to:

- 4.1 actual or alleged environmental contaminants, hazardous waste, personal injury or property damage;
- 4.2 any fraudulent act or omission by the Insured;
- 4.3 any act or omission carried out by the Insured, in breach of the terms of this policy or without First Title's prior written consent, that creates a Claim or exacerbates loss, including loss arising because the Insured communicates the existence or terms of this policy to anyone (other than a potential purchaser, lessee or mortgagee or their advisers) without First Title's prior written permission;
- 4.4 any circumstances or allegations that are known to the Insured but not to First Title on or prior to the Policy Date;
- 4.5 any actual or alleged use of the Land that is not within the Insured Use;
- 4.6 any additional matters listed in paragraph 5 of the policy schedule; or
- 4.7 any claim by reason of the operation of bankruptcy, insolvency or similar creditor's rights laws.
- 4.8 any additional exclusions listed in the schedule.

5. THE INSURED'S OBLIGATIONS AND POLICY CONDITIONS

- 5.1 It is a condition precedent to First Title's liability under this policy that the Insured shall pay the premium with 14 days of the Policy Date.
- 5.2 It is a condition precedent to First Title's liability under this policy in respect of a Claim that the Insured notifies First Title as soon as possible, but always within 30 days, after the Insured becomes aware of such Claim or any circumstance which might give rise to such Claim, by

writing to: Claims Department, First Title Insurance plc, London International Press Centre, 76 Shoe Lane, London EC4A 3JB or by any other method notified by First Title to the Insured from time to time. Such notice shall be effective on the date received by First Title.

- 5.3** It is a condition precedent to First Title's liability under this policy in respect of a Claim that the Insured takes reasonable steps to safeguard its interest, and co-operates with First Title in respect of any action that First Title takes or wishes to take under this policy, including providing information, documents and access to staff.
- 5.4** Each Insured consents to First Title using its name in relation to any action it takes under the policy. By taking any action under the terms of this policy, First Title will not be taken to have affirmed, conceded any liability under, or waived any rights in relation to, the policy.
- 5.5** Each Insured agrees not to settle or offer to settle any Claim, incur any Authorised Expenses, communicate with a third party involved in a Claim, or otherwise assume any contractual obligation or admit any liability in respect to a Claim without First Title's prior written consent. First Title will not be liable for Actual Loss and will not pay Authorised Expenses arising from any settlement of a Claim, or assumed obligation or admission to which it has not consented in writing. Each Insured will not prejudice First Title's interests or its potential or actual rights of recovery, and will give First Title such information and co-operation as it may reasonably require.
- 5.6** The rights of any Insured under this policy shall not be prejudiced by any act or omission of any other Insured party.

6. DETERMINATION OF VALUE

- 6.1** In the event of a dispute between the Insured and First Title as to the Fair Value or Market Value of the Land as applicable to a claim under the policy, the issue will be referred to an independent expert to determine. This expert will be appointed jointly by the Insured and First Title, serve at First Title's expense and be required to provide his determination within 30 days of his appointment. Both parties agree to co-operate fully and promptly with any requirements of the expert. Should agreement as to the appointment of an expert not be agreed within 30 days of First Title or the Insured sending notice to the other nominating the appointment of an expert for this purpose, then either party can apply to the President of the Royal Institution of Chartered Surveyors who shall make an appointment. Any appointment under this clause shall be as an expert, not arbitrator. The finding of the expert shall be binding upon each party save for manifest error.
- 6.2** Where reference to such an expert has been made, neither party shall start or progress any legal proceedings relating to the issue that the expert has been asked to determine until the earlier of: the expert's decision being delivered to the Insured and First Title, and 30 days of the expert's appointment.

7. SUBROGATION

- 7.1** If First Title agrees to indemnify the Insured or defend a Claim, First Title will immediately be subrogated to any rights of recovery, contractual or otherwise, which the Insured may have. Each Insured must execute all documents required, and do everything necessary to secure and preserve such rights and to enable First Title to bring proceedings in the name of that Insured. Each Insured will not prejudice First Title's interests or its potential or actual rights of recovery, and will give First Title such information and co-operation as it may reasonably require.

8. GENERAL

- 8.1** This policy, the policy schedule and any endorsements to it given in writing by First Title will be the entire contract between the Insured and First Title.
- 8.2** In the event that any provision of this policy is held to be invalid or unenforceable, that provision may be severed from and will not be taken to have affected the remaining provisions.
- 8.3** If First Title grants the Insured any time or indulgence or if First Title does not enforce any provision of this policy or any of its rights under it, First Title will not be taken to have waived its right to enforce the provisions of this policy or its rights under it.
- 8.4** No variation of or endorsement to this policy will be of any effect unless it is made in writing and is signed by First Title. Any variation of, or endorsement to this policy will be subject to the terms and conditions of this policy and will not, unless specified by First Title in writing, modify the terms and conditions of this policy or alter the Policy Date or increase the Policy Amount.
- 8.5** If at the time any claim is made under this policy the Insured has the benefit of another valid contract of insurance covering the same loss, the Insured must submit a claim under that insurance policy before claiming from First Title and First Title will not pay more than its rateable proportion of Actual Loss. In all other respects First Title's rights and obligations under this policy will remain unaltered.
- 8.6** The Insured must obtain the prior written consent of First Title before discussing the existence or terms of this policy other than with a potential purchaser, lessee or mortgagee or their respective advisers.
- 8.7** All notices required to be served on or given to First Title under this policy must include a reference to the policy number and the property address and be delivered to: Claims Department, First Title Insurance plc, London International Press Centre, 76 Shoe Lane, London, EC4A 3JB, or to any other address notified by First Title to the Insured from time to time. Such notice shall be effective on the date received by First Title.
- 8.8** This policy will be governed by laws of England and Wales and the parties submit to the exclusive jurisdiction of the Courts of England and Wales.
- 8.9** A person who is not an Insured has no right to rely upon or enforce any term of this Agreement under the Contracts (Rights of Third Parties) Act 1999. No Insured may assign to any other person any right or cause of action in connection with the policy, without First Title's prior written consent.
- 9. CANCELLATION**
- 9.1** The Insured has the right to cancel this policy provided they are a "Consumer" within the definition of the Insurance New Conduct of Business Sourcebook (ICOBS) but only within the time limits set out in this clause. A "Consumer" is any natural person who is acting for purposes which are outside his trade or profession.
- 9.2** If the Insured wishes to cancel the Policy the Insured must inform First Title in any one of the following formats:
- 9.2.1** by post to First Title Insurance Plc, London International Press Centre, 76 Shoe Lane, London, EC4A 3JB;
- 9.2.2** by fax to First Title Insurance Plc on 0870 389 9980; or
- 9.2.3** by email to specialistproducts.team@firsttitle.eu.
- 9.3** The Insured must notify First Title of the Insured's decision to cancel the policy within 14 days

from the date the Insured receives this policy document.

- 9.4** Within 30 days of receiving notice of cancellation from the Insured, First Title will refund to the person who paid the premium (who may not be the insured named in the policy schedule) the premium paid on issue of the policy less any reasonable costs incurred by First Title in providing cover under the policy such costs being 80% plus Insurance Premium Tax of the policy premium.
- 9.5** If the Insured chooses not to cancel this policy under this notice within the time limits set out above, the Insured will be legally bound to the terms and conditions of the policy.
- 9.6** If the Insured has a mortgage, the Insured must have the lender's consent before the Insured exercises the right to cancel.

Complaints we cannot settle may be referred to the Financial Ombudsman Service.

First Title Insurance plc is authorised and regulated by the [Financial Services Authority](#).

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**POLICY SUMMARY FOR LEGAL INDEMNITY POLICY OF TITLE INSURANCE FOR
RESIDENTIAL PROPERTY COVERAGE FOR KNOWN RISK
(England & Wales - Form KR E&W 07/05)**



1. THIS SUMMARY

This summary outlines some important features of the insurance policy the Insured has been offered. It does not contain the whole terms and conditions, it is not part of the policy and it does not commit us to provide insurance on these or any other terms. It is important that the Insured reads the policy itself. The policy is attached.

2. THE INSURER

First Title Insurance plc provides title insurance products and is authorised and regulated by the Financial Services Authority.

3. TYPE OF INSURANCE

To cover the Insured for actual loss resulting from a defect in the title to the Insured's property or, in the case of environmental policies, resulting from a notice of intent to serve a Remediation Notice relating to the Insured's property in accordance with the Environmental Protection Act 1990.

4. THE INSURED'S OBLIGATIONS

The Insured paid a one-off premium for the Known risk coverage.

5. IS THE COVER GUARANTEED?

We will not be liable to the Insured if the Insured does not disclose any matters which we might reasonably have believed to be material in deciding whether or not to offer our insurance, or in respect of any of the matters set out in the section of the policy headed "Exclusions". Our liability to the Insured may also be reduced or avoided if the Insured does not observe other terms and conditions of the policy. The Schedule to the policy may contain additional exclusions and conditions and the Insured should check it carefully.

6. TERM OF THE POLICY

Coverage for the Known Risk(s), will, in the majority of cases (save for Local Authority Search) provide coverage for the Insured's successors in title, in perpetuity. All Leasehold risks are capped at twenty-five years. Environmental policies are capped at either 10 or 15 years depending on the policy chosen.

7. CANCELLATION RIGHTS

The Insured's right to cancel is set out in the policy.

8. CLAIMS

Claims under this policy should be notified to Legal & Claims Dept, First Title, on 0845 371 1781 or by e-mail to legal&claims@firsttitle.eu.

9. LAW

Any legal disputes in relation to the policy will be covered by the Law of England and Wales.

10. QUERIES AND COMPLAINTS

For further information or if the Insured wish to complain about any aspect of the service the Insured has received, please contact First Title Insurance at London International Press Centre, 13th Floor, 76 Shoe Lane, London EC4A 3JB. If the Insured's complaint is not dealt with to the Insured's satisfaction the Insured can complain to the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London E14 9SR. Telephone: 0845 0801800. There are some instances where the Financial Ombudsman Service cannot consider the Insured's complaint. Making a complaint will not prejudice the Insured's right to take legal proceedings.

11. COMPENSATION

Should First Title Insurance become unable at any time to meet claims against it the Insured's interests will be protected by the Financial Services Compensation Scheme. There are maximum levels of compensation the Insured can receive under the Scheme. The Insured will normally be covered for at least 90% of the payment due under the Insured's policy. For further information the Insured can contact the Scheme helpline on 020 7892 7300 or visit their website at www.fscs.org.uk.

12. OTHER INFORMATION

Please note this document provides a summary of the key features of the Legal Indemnity Policy of Title Insurance for Residential Property - coverage for known risk. It does not set out the full terms and conditions of the Known Risk Policy, these can be found in the policy document provided separately to the Insured. The policy is a legally binding contract between the Insured and First Title Insurance plc.

13. IF THE INSURED HAS ANY FURTHER QUESTIONS:

Contact First Title on the freephone telephone number 0808 100 6789 and speak to a member of the Title Insurance Team.

First Title Insurance plc is authorised and regulated by the [Financial Services Authority](http://www.fsa.gov.uk).

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