

# POLICY WORDING



## LEGAL EXPENSES & RENT GUARANTEE INSURANCE

TENANT REFERENCING IS A  
REQUIREMENT OF THIS POLICY

## **LEGAL EXPENSES & RENT GUARANTEE INSURANCE**

This insurance is underwritten by Inter Partner Assistance S.A., a wholly owned subsidiary of the **AXA Assistance Group**, and administered by **Arc Legal Assistance Limited**.

Insurance Certificates are processed and issued by **RENTGUARD** a trading name of RGA GROUP Ltd **authorised and regulated by the Financial Services Authority**. This can be checked on the FSA website at [www.fsa.gov.uk/register](http://www.fsa.gov.uk/register) or by contacting them on 0845 606 1234.

We adhere to the Codes of Practice of the Association of British Insurers (ABI), and the Insurance Ombudsman scheme. Your personal details and information provided are also covered by the Data Protection Act.

In the event of a valid Claim under this Insurance Certificate, Arc will appoint Solicitors, or their agents, to handle the Insured's case. The Insured is not covered for any other legal adviser's fees unless court proceedings are issued.

**Claims must be submitted by sending a correctly completed claim form with all required documentation to Arc within 45 days of the Insured Event. Failure to submit the claim within this time will invalidate the insurance. Claim forms can be obtained by contacting the Claims Line on 0870 350 1737**

## Definitions

**Wherever the following words and phrases appear in the Policy they will always have these meanings**

### Adviser

Arc's panel solicitors or their agents appointed by Arc to act for the Insured

### Advisers' Costs

Reasonable legal fees incurred by the Adviser up to the hourly rate shown in the Arc fee scale ruling at the time the Adviser is instructed and disbursements essential to the Insured's case. Legal costs shall be assessed on the standard basis and third party's costs shall be covered if awarded against the Insured and paid on the standard basis of assessment.

### Arc

Arc Legal Assistance Limited who administer this insurance on behalf of IPA, located at Lodge House, Lodge Lane, Langham, Colchester, CO4 5NE.

### Claim

A claim under this Insurance Certificate for Advisers' Costs in Proceedings and / or Rent following an Insured Event which occurs during the Period of Insurance and within the Territorial Limits.

### Contents

Furniture, carpets, curtains, blinds and all other property belonging to You or for which You are responsible

### Deposit

The sum of money collected from the Tenant which must be an amount equal to at least one months Rent shown in the original Tenancy 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 Tenant failing to perform his obligations set out in the Tenancy Agreement

### Dilapidations Inventory

A full and detailed inventory of the Insured's contents and their condition within the Insured Property which has been signed by the Tenant.

### Excess

The amount that the Insured is liable to pay before any Claim payment is made under this Insurance Certificate.

### Guarantor

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

### Insured

The Landlord shown in the Insurance Schedule and on the Tenancy Agreement who the paid the premium and been declared to Arc by RENTGUARD. If the Insured dies, his personal representatives will be covered to pursue cases covered by this insurance on behalf of the Insured that arose prior to the Insured's death.

### Insured Event

An incident or the first of a series of incidents where the Tenant fails to perform his obligations set out in the Tenancy Agreement relating to the rightful occupation of the Insured Property. Only one Insured Event shall be deemed to have arisen from all causes of action, incidents or events that are related by cause or time under the Tenancy Agreement.

### Insured Property

The property shown in the Insurance Schedule and the Tenancy Agreement.

### IPA

Inter Partner Assistance SA, who are the insurance arm of AXA Assistance and part of the worldwide AXA Group, located at The Quadrangle, 106-118 Station Road, Redhill, Surrey RH1 1PR.

### Limit of Indemnity

The maximum payable in respect of an Insured Event.

### Period of Insurance

The period shown on the Insurance Schedule.

### Proceedings

The pursuit of civil legal cases for damages or injunctions against the Tenant or Guarantor for repossession of the Insured Property within the Territorial Limits arising from an Insured Event.

### Rent

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

### RENTGUARD

RENTGUARD Ltd has arranged this insurance on behalf of IPA, and are located at Grove House, 551, London Road, Isleworth, Middlesex, TW7 4DS.

### Tenancy Agreement

A Tenancy Agreement between the Insured and the Tenant in relation to the Insured Property which is: -

- (a) an Assured Shorthold Tenancy Agreement as defined within the Housing Act 1988 (as amended), or
- (b) a Company Residential Tenancy (Company Let) created after 28th February 1997 where the Tenant is a public limited company (plc) or limited company (Ltd) and the Insured Property is let purely for residential purposes, or
- (c) a written common law residential tenancy agreement created after 28th February 1997 between individuals where the Rent is in excess of £25,000 per annum.

The initial Tenancy Agreement must be for a fixed term of no more than 12 months which is: -

- (a) appropriate for the tenancy; and
- (b) signed and independently witnessed by the Landlord, the Tenant(s) and if recommended as part of the Tenant Reference, the guarantor; and
- (c) free from any unreasonably restrictive covenants

### Tenant

The occupier of the Insured Property named in the Tenancy Agreement as the Tenant who has received a Tenant Reference and is shown in the Insurance Schedule.

### Tenant Reference

A credit check against the Tenant and any Guarantor obtained from a licensed credit referencing company showing no County Court Judgements, together with copies of two forms of identification, one of which must contain a photograph, and a written employers' reference on company letter headed paper confirming the tenant's permanent and current employment and that their salary is at least a multiple of 2.5 of the Tenant's Rent. If all of the above are not available or in the case of student and DSS tenants, a full Tenant Reference showing a Pass on the Tenant and Guarantor must be obtained from an RGA approved Tenant Referencing Company. Details of these companies are available by contacting 0208 587 1060.

### Territorial Limits

England, Scotland & Wales.

## Cover

The Insured is only covered for the specific Section of Cover shown as operative in the Insurance Schedule.

### Section 1

---

The Insured is covered for Advisers' Costs in Proceedings up to the Limit of Indemnity if an Insured Event occurs during the Period of Insurance and the amount in dispute exceeds £250 including VAT.

### Section 2

---

The Insured 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 occurs and the Insured is, where appropriate, pursuing Proceedings under this Insurance Certificate.

A full month's Rent must be in arrears after deduction of the Excess.

Rent is only payable during the period of the Tenancy Agreement or until vacant possession has been gained, whichever happens sooner. For the purposes of this clause the Tenancy Agreement shall be deemed to continue until vacant possession if the only reason it has been brought to an end earlier than originally intended is as a result of the Tenant's breach of the Tenancy Agreement.

The Claim must be made during the Period of Insurance.

## Limit of indemnity

### Section 1

---

Up to £10,000 of Advisers' Costs per Claim.

### Section 2

---

The monthly Rent shown in the Tenancy Agreement and the Insurance Schedule up to a maximum of £2500 per month. The maximum Rent payable per Claim is £10,000 or the equivalent of six month's Rent, whichever is the lesser amount.

## Excess

### Section 1

---

No excess

### Section 2

---

An amount equal to one month's Rent,

## Exclusions specific to the performance of the Tenancy Agreement

### 1 An insured event: -

---

- Which is not reported to RENTGUARD, IPA or Arc within 45 days of it occurring.
- Within the first 90 days of the Period of Insurance where the Tenancy Agreement commenced before the Period of Insurance.
- Where the Insured fails to provide evidence relating to a Tenant Reference.
- Arising from or connected to the Insured's performance of his obligations under the Tenancy Agreement.
- Arising from dilapidations unless the missing or damaged items were contained within the Dilapidations Inventory.
- Where the amount in dispute is less than £250 including VAT.
- Falling within the jurisdiction of the Rent Assessment Committee, the Lands Tribunal or the Leasehold Valuation Tribunal.
- Relating to the payment or non payment of service charges as defined within the Landlord and Tenant Act 1985 (as amended).

### 2 A claim: -

---

- Where there are insufficient prospects of success in the Proceedings due to the terms of the Tenancy Agreement being unenforceable.
- Arising from a dispute between the Insured and his agent or mortgage lender

## Conditions relating to the Tenancy Agreement

### 1. The Insured Property

- The Insured property must be residential and remain solely for residential use.

### 2. The Tenant

- The Tenant must be aged 18 years or over.

### 3. The start of the Tenancy Agreement

- The Insured or his agent must not allow the Tenant into possession of the Insured Property until: -
  - a) the Tenancy Agreement has been signed by all parties
  - b) a Tenant Reference has been obtained
  - c) all necessary statutory pre-grant notices to the Tenant have been issued
  - d) the first months Rent and the Deposit have been received in cash or cleared funds
  - e) the Dilapidations Inventory has been signed by the Tenant.

### 4. During the Tenancy Agreement

- The Insured or his agent must: -
  - a) keep full and up to date rental records
  - b) not allow the Tenancy Agreement to be transferred to any other individual or organisation.

## Conditions specific to Section 2. Rent Protection

1. Rent will be paid in accordance with the above and monthly in arrears at a rate of 1/30th for each continuous day that it is in arrears.
2. One full month's Rent must be in arrears after deduction of the Excess.
3. If the Tenant is claiming Housing Benefit, Rent will not be paid until the outcome of the Housing Benefit claim is known. If the Tenant's Housing Benefit claim is rejected, Rent will be paid under the Insurance Certificate backdated to the date that the Insured could first Claim. There is no cover under the Insurance Certificate for any shortfall between the amount paid to the Tenant as Housing Benefit and the Rent.
4. If the Deposit is more than the Excess, the cover under the Insurance Certificate 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 the Insured.

## General Exclusions

### 1. There is no cover where:-

- The Insured Event began to occur or had occurred before the Insured purchased or renewed this insurance.
- The Insured should reasonably have realised when purchasing or renewing this insurance that a claim under this insurance might occur.
- The Insured fails to give proper and prompt information or evidence to RENTGUARD, IPA or Arc.
- The Insured's act, omission or delay prejudices RENTGUARD, Arc or IPA'S position in connection with the Proceedings or prolongs the length of the Rent Claim.
- The Insured acts without or contrary to the advice or agreement of IPA or the Adviser.
- The Insured has breached a Condition of this Certificate of Insurance.
- Advisers' Costs have not been agreed in advance or are above those for which RENTGUARD or IPA has given its prior written approval.

### 2. There is no cover for any claim arising from: -

- Works undertaken or to be undertaken by or under the order of any government or public or local authority including compulsory purchase.
- Subsidence, mining or quarrying activities.
- War, riot, radioactive contamination, nuclear accident and similar risks.
- Planning law including Town and Country Planning.
- The construction of or structural alteration to buildings.
- Defamation or malicious falsehood. Divorce, matrimonial matters or proceedings including ancillary relief, parental responsibility and contact, or affiliation.
- An application for Judicial Review.
- A novel point of law.

### 3. There is no cover: -

- For Advisers' Costs incurred in avoidable correspondence or which are recoverable from a court, tribunal or other party.
- For damages, interest, fines or costs awarded in criminal courts or any other penalties.
- Where the Insured has other legal costs insurance cover.
- For claims made by or against RENTGUARD, IPA, a Tenant Reference company or Arc.
- For appeals without the prior written consent of Arc or IPA.
- For disputes in relation to the sale, purchase or adverse possession of the Insured Property.
- Prior to the issue of court proceedings, for the costs of any legal representative other than those of the Adviser unless expressly agreed by Arc or IPA. Such agreement is entirely at Arc or IPA's discretion.
- Where the Claim is false, fraudulent or arises from a criminal act or omission of the insured.
- If the Insured or his agent gave any false or misleading information when he 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.

### 4. Contracts (Rights of Third Parties) Act 1999

- A person who is not a party to this contract has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this contract but this does not affect any right or remedy of a third party which exists or is available other than by virtue of this Act.

## General Conditions

### 1. Cancellation

- The Insured may cancel this insurance at any time by writing to and providing fourteen days written notice to RENTGUARD.
- RENTGUARD, IPA or Arc may cancel the insurance by giving fourteen days notice in writing to the Insured, or refund of premium shall be made.

### 2. Claims

- The Insured must notify claims as soon as reasonably possible within 45 days of the Insured Incident and complete the claim form. This must be returned promptly with all relevant information.
- If Rent is overdue the Tenant must be contacted within 7 days to establish the reason for the default. If the Rent is not paid within a further seven days the Tenant must be contacted again. If the Tenant cannot be contacted, and it is lawful to do so, the Insured or his agent must serve notice of a requirement to undertake an inspection in accordance with the Insured's obligations within the Tenancy Agreement and visit the Insured Property. The Insured or his agent should seek legal advice if he is unsure that such an inspection is lawful.
- The Insured and his agent must act promptly to gain vacant possession of the Insured Property and recover Rent arrears.
- In the event of a Claim the Insured or his agent must prepare a detailed schedule of dilapidations as soon as reasonably possible after the Tenant has vacated the Insured Property.
- The Insured and/or his agent will attend any court hearing in relation to an Insured Event if requested to do so by Arc or the Adviser. Failure to attend will result in all cover under this Insurance Certificate being withdrawn with immediate effect and no further Claim payments being made.
- Arc may investigate the claim and take over and conduct the Proceedings in the Insured's name. Subject to the Insured's consent which shall not be unreasonably withheld, Arc may reach a settlement of the Proceedings.
- The Insured must supply at his own expense all of the information which Arc reasonably requires to decide whether a claim may be accepted. If Court Proceedings are required and the Insured wishes to nominate an alternative legal representative to act for him he may do so. The Adviser must: -
  - a) confirm in writing that he will enable the Insured to comply with his obligations under this insurance
  - b) agree with Arc the rate at which his costs will be calculated. If no agreement is reached the Law Society will be asked to nominate an Adviser and this nomination shall be binding.
- The Adviser will: -
  - a) provide a detailed view of the Insured's prospects of success including the prospects of

enforcing any judgement obtained

- b) keep Arc fully advised of all developments and provide such information as Arc may require
  - c) keep Arc regularly advised of Advisers' Costs incurred
  - d) advise Arc of any offers to settle and payments in to court. If contrary to Arc's advice such offers or payments are not accepted there shall be no further cover for Advisers' Costs unless Arc agrees in its absolute discretion to allow the case to proceed.
  - e) submit bills for assessment or certification by the appropriate body if requested by Arc
  - f) attempt recovery of costs from third parties
- In the event of a dispute arising as to Advisers' Costs, Arc may require the Insured to change Adviser.
  - IPA shall only be liable for costs for work expressly authorised by Arc in writing and undertaken while there are reasonable prospects of success.
  - The Insured shall supply all information requested by the Adviser and Arc.
  - The Insured is liable for any Advisers' Costs if he withdraws from the Proceedings without Arc's prior consent. Any costs already paid by Arc will be reimbursed by the Insured.
  - Arc, on behalf of IPA has the right under subrogation to pursue Proceedings against the Tenant to recover Advisers' Costs and Rent.

### 3. Disputes

- Any dispute between the Insured and RENTGUARD, IPA shall 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.

### 4. Renewals

- Neither RENTGUARD, Arc or IPA is bound to give notice when this policy becomes due for renewal.

### 5. Reasonable Prospects

- At any time Arc, on behalf of IPA, may form the view that the Insured does not have a reasonable prospect of success in the action he is proposing to take or is taking. If so, Arc may decline support or any further support. In forming this view Arc may take into account: -
  - a) the amount of money at stake.
  - b) the fact that a reasonable person without this insurance would not wish to pursue the matter.
  - c) the prospects of being able to enforce a judgement.
  - d) the fact that the Insured's interests could be better achieved in another way.
  - e) The prospects of recovery.

### 6. English Law

- This contract is governed by English Law.

## Claims

Claims must be notified to the Claims Line within 45 days of the Insured Event. Failure to notify the claim within this time will invalidate the insurance cover.

If Rent is overdue the Tenant and any Guarantor must be contacted within 7 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 can not be contacted, and it is lawful to do so, the Insured or his agent must serve notice of a requirement to undertake an inspection in accordance with the Insured's obligations within the Tenancy Agreement and then visit the Insured Property. The Insured or his agent should seek legal advice if he is unsure that such an inspection is lawful.

## Rent

Rent is paid one month in arrears within 21 days from the end of the monthly period due and equal to 1/30th of each continuous day the Tenant is in arrears. Rent will be paid equal to the monthly arrears up to a maximum of £2500 per month for up to six months or £10,000, whichever is the lesser amount. Rent will only be paid whilst the arrears occur during the Period of Insurance, the period of the Tenancy Agreement, and whilst the Tenant remains in the Insured Property.

## Legal costs

This insurance only covers legal fees incurred by Arc's panel solicitors or their agents appointed by Arc until court proceedings are issued. If court proceedings are issued, the Insured may nominate another solicitor to act for him.

## Claims line (Reporting a claim)

The Insured or his agent should telephone 0870 350 1737 and quote "RENTGUARD". A claim form will be sent out by e-mail, fax or post within 24-hours. The claim form is required to be completed and returned to Arc along with supporting documentation within forty five days of the insured event.

The claims line operates from 09:00 to 17:30 Monday to Friday (exc. Bank Holidays).

## What happens next?

The Claim will be assessed and if accepted and deemed appropriate, an Enquiry Agent will visit the Tenant and any Guarantor. If the Enquiry Agent is unable to reach an agreement with the Tenant to remedy his failure to perform his obligations under the Tenancy Agreement, Arc's panel solicitors or their agents will be appointed to act for the Insured in the Claim.

Any Rent arrears covered under the insurance will generally be paid within 21 days from the end of the month they became due. The Insured or his agent will be required to complete a continuation claim form before each Rent Claim payment is made.

The Insured or his agent must give all information requested by Arc or the Adviser within five days of receiving the request for that information.

The Insured or his agent must attend any court hearing if requested by the Adviser.

This Claims procedure should be read in conjunction with the main terms and conditions of the Insurance Certificate.

## Customer care & complaints procedure

Our aim is to get it right, first time, every time. If we make a mistake, we will try to put it right promptly. We will always confirm to you, within five working days, that we have received your complaint, and do our best to sort out the problem within four weeks. If we cannot, we will let you know when you can expect the answer.

If you are unhappy with any aspect of the service provided by RENTGUARD, please contact the Underwriting Director, RENTGUARD, Grove House, 551 London Road, Isleworth, Middlesex TW7 4DS.

If you are still unhappy with any aspect of the service provided by RENTGUARD, Arc Legal Assistance, Arc's panel solicitors or any other Adviser or agent appointed to act for you under this insurance, please contact the General Manager at Inter Partner Assistance S.A., The Quadrangle, 106-118 Station Road, Redhill, Surrey, RH1 1PX.

If we have not sorted out your problem within eight weeks and you remain dissatisfied you may then approach the Financial Ombudsman Service, South Quay Plaza, 183 Marsh Wall, London, E14 9SR.

**TENANT REFERENCING** - It is a requirement of this policy that the policy holder presents the following information in the event of a claim.

**EITHER (For Professional Lets ONLY)**

- 2 forms of identification from the tenant, one containing a clear photograph.
- Written confirmation of employment and salary sufficient to meet the tenant's rental liability after normal living costs.
- A credit check, clear of CCJ's, at the start of the tenancy.

**OR (For Professional, Student and/or DSS Lets)**

- A full tenant reference from an approved referencing company.

If you require further information or advice about tenant referencing, please contact Rentguard Tenant Referencing on 0844 412 2020

**RENTGUARD LTD** is a leading provider of insurance products and services to the commercial and residential lettings market, and provides this policy on behalf of Inter Partner Assistance SA, a wholly owned division of AXA Assistance SA and part of the worldwide AXA Group of companies. AXA is a world leader in wealth management and financial protection operating in over 50 countries and serving more than 50 million customers worldwide.

**With our expertise and commitment to customer services and consistent, quality care, you can rely on RENTGUARD insurance for lasting security.**

## **ASK ABOUT ADDITIONAL RENTGUARD PRODUCTS & SERVICES**

BUILDINGS & CONTENTS INSURANCE FOR LANDLORDS

COMMERCIAL PROPERTY INSURANCE

TENANT CONTENTS INSURANCE

OWNER OCCUPIER INSURANCE



**RENTGUARD**

Grove House, 551 London Road, Isleworth, Middlesex TW7 4DS Tel: 0208 587 1060 Fax: 0208 587 1061

A trading name of RGA GROUP Ltd

**Authorised and regulated by the Financial Services Authority.**

Registered in England no. 4302819

Dec 2008 edition