Landlord Legal Expenses Insurance

Policy Scheme ref: FLILLEI/05/26

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TENANT REFERENCING – IMPORTANT POLICY CONDITIONS

Guidance Notes
To be covered by this policy, the following referencing checks must be carried out and copies of the documents must be retained and provided to us in the event of a claim. Words in bold are defined terms detailed on page 6

LANDLORDS LEGAL EXPENSES INSURANCE POLICY - TENANT REFERENCING REQUIREMENTS

Prior to the start of the tenancy agreement, the tenant must pay a **security deposit** equal to, or more than 4 weeks rent, paid to **you** in cleared funds or covered under a valid deposit indemnity insurance policy and **you** must obtain the following for **your tenant(s)**:

For tenants who have been in residence in the property for less than three years:

✓ Credit check obtained from a licensed credit referencing company, e.g. Experian, Equifax, Transunion, showing:
a) no settled court judgements and/or decrees in the past three years; nor any outstanding court judgements and/or decrees.
b) and the reference shows an acceptable credit score or risk.

✓ For **tenants** who are responsible for paying some of the rent the following documents must be obtained and they must show they meet **affordability**:

- If a **tenant** is employed, a reference from the **tenant's** employer (not wage slips) confirming their salary is 30 times their share of the monthly rent or more.
- If a **tenant** is Self-Employed, the last completed year's tax returns confirming their taxable earnings are over 30 times their share of the monthly rent, along with confirmation from their accountant declaring the **tenant**'s current and expected taxable earnings are to be greater than 30 times their share of the monthly rent.
- If a **tenant** relies on other sources of income, a statement from their income provider(s) detailing the sum paid.

The Income specified in these documents must meet the **affordability** requirements.

✓ A satisfactory reference from the tenant's last landlord, (if the tenant has not rented before, evidence must be obtained to confirm their living arrangements/circumstances).

If any of above cannot be provided for **your tenant**, a **guarantor** must meet the same check and income requirements but have an income of at least 35 times their share of the monthly rent they are guaranteeing.

On the making of any claim **you** must be in a position to forward copies of the **tenant reference** documents to **us**.

Important please note: Wage slips, banking records or similarly sourced information will not be accepted instead of the income documents/references detailed above.

If **you** are unable to obtain all the information required in the **tenant reference** requirements, or any information **you** have casts doubts on the tenant's integrity or financial standing, or their likelihood to meet the terms of the **tenancy agreement**, **you** must obtain **our** approval prior to commencement of the letting or, where they are already resident, prior to taking out this insurance.

The above requirements are not necessary for Tenants who have been in residence in the property for more than three years when:

✓ **Your tenant** has resided at **your property** for 3 years or more and has:

- no previous history of breaches of the tenancy agreement with **you** other than, rent arrears cleared within 5 working days of the due date, which **you** can evidence via **rental records**.
- never had an issue that would give rise to a claim under this policy.

We will however, require full accurate **rental records** to support this in the event of a claim.

Introduction to your Landlords Legal Expenses Insurance Policy

Introduction

This policy document details the contract of insurance between **you** (the **insured**) and **us** (Financial & Legal Insurance Company Limited). **We** rely upon:

- The information **you** provided or which has been provided on **your** behalf when **you** took out insurance with **us**, and
- Any other information given by **you** or on **your** behalf in the formation and throughout the duration of the contract.

You must read this policy and **schedule** together. Please check these documents carefully to make sure they give **you** the cover **you** want.

We agree to insure **you** under the terms, **condition(s)** and exceptions contained in this policy or in any **endorsement** applying to this policy. The insurance provided by the policy covers legal expenses arising from certain events that may occur within England, Scotland, Wales and Northern Ireland during any **period of insurance** for which **you** have paid, or agreed to pay the premium.

Nobody other than **you** and **us** (Financial & Legal Insurance Company Limited), has any rights that they can enforce under this contract of insurance and it cannot be assigned to any other party.

Unless some other law is agreed in writing, this policy is governed by English law. If there is a dispute, it will only be dealt with in the courts of England or of the country within the United Kingdom in which **your** main residence is situated.

The terms and **condition(s)** of this policy and all other information concerning this insurance are communicated to **you** in the English language and **we** undertake to communicate in this language for the duration of the policy.

Guidance Notes

The guidance notes that are included throughout the policy are to help you understand this insurance. They do not form part of the contract of insurance between you and us. They should be read together with the full text of your policy.

The parties involved in your Insurance

This Landlords Legal Expenses Insurance policy has been arranged by Lexelle Limited, with Financial & Legal Insurance Company Limited.

Financial & Legal Insurance Company Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. **You** can check this on the Financial Services Register by visiting https://register.fca.org.uk/. **Our** Financial Service Register number is 202915.

This is a "claims made" Insurance policy which means it covers claims that are reported to **us** during the **period of insurance**. In return for **you** paying the premium payable for this insurance, **we** will provide before the event legal expenses insurance on the terms set out below:

We have appointed Lexelle Limited to administer **your** insurance on **our** behalf, who are authorised and regulated by the Financial Conduct Authority, register number 312782.

Making a claim

If **you** need to make a claim, please contact the **administrator**:

Lexelle Limited
PO Box 4428
Sheffield
S9 9DD
Telephone: 0114 350 4107
Email: assist@lexelle.com

Your responsibility

You must take reasonable care to:

a) supply accurate and complete answers to all the questions **your** broker / agent may ask as part of **your** application for cover under the policy
b) make sure that all information supplied as part of **your** application for cover is true and correct
c) tell **your** broker / agent of any changes to the answers **you** have given as soon as possible.

You must take reasonable care to provide information that is accurate when **you** take out, make changes to and renew **your** policy. If any information **you** provide is not accurate and complete, this may mean **your** policy is invalid and that it does not operate in the event of a claim or **we** may not pay any claim in full.

If **you** become aware that information **you** have given **your** broker / agent is inaccurate or has changed, **you** must inform them as soon as possible.

Fraud

You must not act in a fraudulent way. If **you** or anyone acting for **you**:

- fails to reveal or hides a fact likely to influence whether **we** accept **your** proposal, **your** renewal, or any adjustment to **your** policy;
- fails to reveal or hides a fact likely to influence the cover **we** provide;
- makes a statement to **us** or anyone acting on **our** behalf, knowing the statement to be false;
- sends **us** or anyone acting on **our** behalf a document, knowing the document to be forged or false;
- makes a claim under the policy, knowing the claim to be false or fraudulent in any way;
- makes a claim for any loss or damage **you** caused deliberately or with **your** knowledge;
- makes any dishonest or exaggerated claim.

Then **we** will not pay any benefit under this policy or return any premium to **you** and **we** may cancel **your** policy immediately and backdate the cancellation to the date of the fraudulent claim. **We** may also take legal action against **you** and inform the appropriate authorities.

Governing Law

Unless some other law is agreed in writing, this policy is governed by English law. If there is a dispute, it will only be dealt with in the courts of England or of the country within the United Kingdom in which **your** main residence is situated.

Arbitration/Mediation

A dispute between **you** and **us** may arise, and in such circumstances **you** may, within 12 months of **our** decision, which is the basis of the dispute being first made to **you**, request the claim be referred to an arbitrator, who shall be either a solicitor or a barrister who **you** and **we/**the **administrator** agree on in writing. If an arbitrator cannot be agreed then an arbitrator will be appointed by the authorised body identified in the current arbitration legislation. The decision of the arbitration shall be final and binding on both parties and the cost of the arbitrator will be borne by the unsuccessful party. The cost of the arbitrator will not be covered by any indemnity provided by this policy for either party. This arbitration condition does not affect **your** rights to take separate legal action.

If a disputed claim is not referred to arbitration within 12 months from the date of **our** decision, which is the basis of this dispute being first put to **you,** this option will not be available to **you**.
The arbitration condition does not affect **your** rights to take separate legal action.

Definition of terms used (displayed in bold font in this policy)

Guidance notes

The words or phrases shown below have the same meaning wherever they appear in this policy in bold.

Administrator – Lexelle Limited.

Affordability – The tenants annual gross salary/wages (profit for the self-employed) or other documented income must be in excess of 30 times the monthly rent. For Guarantors their confirmed annual documented income must be in excess of 35 times the monthly rent.

Costs – up to the limit of cover:
Unrecovered **professional fees** which **you** are liable to pay to **your professional adviser**; and **professional fees you** are ordered to pay or have agreed to pay (with **our** permission in writing).

Date of occurrence
Means the date of the event that leads to a claim; if there is more than one event arising at different times, the **date of occurrence** is the date of the first event.

Free legal advice - Initial verbal legal advice provided over the telephone. No correspondence will be entered into when using this service.

Guarantor - A parent or grandparent of the **tenant** who is a permanent resident in the UK, who owns their own property within the UK. They must provide, under a contract/guarantor's agreement, a financial guarantee for the **tenant (s)** under the **tenancy agreement**. The **guarantor** must have been referenced and met the requirements of the **tenant reference.**

Home of multiple occupation, (HMO) – Where the **property** is:

- not self-contained, or
- let is via a single **tenancy agreement** where there are more than 3 **tenants** forming more than 1 family unit, or
- let via more than one **tenancy agreement**, or
- registered as a licensed or unlicensed HMO.

For a **HMO** one policy must be purchased per **tenant**.

Insured/you/your - the person(s) named as insured in the **schedule**.

Insured event(s) -

1. An incident or the first of a series of incidents where the **tenant(s)** fails to perform their obligations set out in the **tenancy agreement** relating to their rightful occupation of the insured **property.**

2. **You** discover that someone is living in **your property** without **your** permission**.**

Limit of cover - the amount stated in the p**olicy schedule** being the maximum sum **we** will pay for all claims under this policy arising from one or more **insured events** occurring at the same time, in the same place or from the same cause.

Sections 1 and 2: £50,000;
Section 3: £3,000 (not provided where the **property** is a **HMO**).

Period of insurance - the period for which **we** have agreed to cover **you** and for which **you** have paid the premium as detailed on the **schedule**.

Professional adviser - A solicitor, counsel, claims handler or mediator, or other appropriately qualified person appointed and approved by **us** under the terms and conditions of this policy to represent **your** interests.

Professional fees - Legal fees and costs reasonably and properly incurred by the **professional adviser**, with **our** prior written authority including costs incurred by another party for which **you** are made liable by Court Order, or may pay with **our** consent in pursuit of a civil claim in the **territorial limits** arising from an **insured event**. **Professional fees** will include VAT where it cannot be recovered. This includes disbursements as long as these are in respect of services supplied by a third party, that the services are distinct and separate from the services supplied by the **professional adviser** and that **our** prior permission has been obtained before incurring any disbursement cost in excess of £100 including VAT.

Property - the let property identified in the **tenancy agreement** of a **standard tenancy** or a **HMO.** If there is more than one **property**, the policy limits and exclusions apply separately to each **property** in the same way as if each had been insured by a separate policy.

Reasonable prospects of success – in **our** opinion:

a) it is more probable than not, i.e. a greater than 50% chance, that **your** claim will succeed assuming it is determined at a final hearing and **you** will be able to obtain the compensation or result **you** are seeking; and

b) **your** interests cannot be better achieved by other means.

Rental records – Records detailing when rent is due the amount paid and the date it was paid by the **tenant(s).**

Schedule - The document which shows **your** details and this insurance and is attached to and forms part of this policy.

Security deposit – the deposit, equal to, or more than 4 weeks rent, paid to **you** in cleared funds or covered under a valid deposit indemnity insurance policy.

Standard professional fees - The level of **professional fees** that would normally be incurred by **Us** in using a nominated **professional advisor** of **our** choice, which currently is set at an hourly rate of £100+ VAT.

Standard Tenancy – the letting of a self-contained, private dwelling, used solely for domestic purposes to a single household.

Tenant - The individual(s) of legal age, entitled to the tenancy of the **property**, other than children and adults of the family unit residing in the **property** who are not responsible for paying any of the rent.

Tenancy agreement - A valid residential tenancy agreement in writing made between **you** and the **tenant** to let **your property** where the rent, per calendar month, does not exceed £2,500 for a **standard tenancy,** or £1,000 for a **HMO**. In Northern Ireland the agreement to let **your** property is not a Protected Tenancy, Statutory Tenancy or Protected Shorthold. Any tenancy must not be for any commercial premises or use including sub-letting.

Tenant reference: -
The checks/evidence as stated on page 3, TENANT REFERENCING – IMPORTANT POLICY CONDITONS, of this policy must have been undertaken for each **tenant** and any **guarantor** within 45 days of the start of the original or subsequent **tenancy agreement**, or prior to the inception of the policy if the **tenant** is already resident in the **property**.

Territorial limits - The United Kingdom (meaning England, Scotland, Wales and Northern Ireland).

Unoccupied - not lived in by **you** or a person authorised by **you**.

We / Us / Our / Insurers - Financial & Legal Insurance Company Limited.

Insurance provided – the cover we offer

The sections **you** are covered for under this insurance are shown on **your schedule**. Cover is subject to any endorsement(s) shown on **your schedule**.

The general exceptions and general terms and conditions of this insurance policy apply to all sections of policy cover.

24/7 Free legal advice service

Guidance notes

This section of your policy provides a 24/7 free legal advice service over the telephone, this service is only available for legal issues falling under the jurisdiction of the courts of England, Scotland, Wales & Northern Ireland.

Service Provision

The helpline only provides **free legal advice** for **your** personal legal issues, it is not intended to replace the services of a solicitor, but rather to assist **you** to identify the legal issues at hand, consider **your** legal rights and what courses of action are available to **you** and whether **you** need to consult a solicitor. The **free legal advice** helpline will provide general advice only and cannot assist with complex legal matters which may require the review of documentation or specific legislation.

General advice may be limited to signposting and referring the caller to other appropriate agencies, or recommending a specialist solicitor for further assistance, which may include considering policy cover under this insurance.

To use the 24/7 **free legal advice** helpline**, you** must have **your** policy number and name of the organisation who sold **you** this insurance and also quote the master certificate number FLILLEI/05/26 and call **Tel: 0114 550 6718.**

Please note that in some cases, depending on the type of advice required and time of call, a call back may need to be arranged.

Using the helpline service, does not constitute report of a claim which must not be delayed whilst using the **free legal advice** helpline. Please refer to the “Making a claim” section described above, delays in making a claim may reduce or prevent **you** from receiving assistance under the policy.

You must not rely on the **free legal advice** instead of reporting a claim.

We/the **administrator** cannot be held responsible if any of the Helpline Services become unavailable for reasons outside of our control.

The **free legal advice** cannot assist with matters that would fall outside of the following jurisdictions: England, Scotland, Wales or Northern Ireland.

Section 1. Pursuit

Guidance notes

This section of your policy provides cover for legal costs to negotiate your legal rights after an incident of physical damage to your let property or in trying to regain possession of your property (including recovery of any owed rent) following a breach of tenancy or to evict anyone that has not got your permission to reside there (e.g. squatters).

What is insured?

The **administrator** will negotiate for **your** legal rights:

a) after an incident of physical damage to **your property.** The amount in dispute must be more than the security deposit or £1,000, whichever is the greater.

b) in trying to get possession of **your property** that **you** have let under a **tenancy agreement,** due to a breach of the tenancy agreement**.**

c) in trying to get possession of **your property** that **you** have let under a **tenancy agreement,** where **you** can evidence **you** need to do so to:
- undertake renovations;
- sell the **property**;
- use the insured **property** as **your** own home.

d) to evict anyone (including squatters) in **your property** who has not got **your** permission to be there.
e) to recover any rent **your tenant** owes **you** for **your property** up to vacant possession.

You must give the **tenant** correct notices telling them that **you** want possession of **your property** and the eviction or any other claim must have **reasonable prospects of success** and be proportionate.

What is not insured?

Claims for **property** damage sustained to shared/communal spaces within a **HMO.**

Section 2. Legal Defence

Guidance notes
This section of your policy provides cover for legal assistance should an incident arise from you letting your property that leads to you being prosecuted in a criminal court.

What is insured?

The **administrator** will defend **your** legal rights if an incident arising from **you** letting **your property** leads to **you** being prosecuted in a criminal court

What is not insured?

a) Claims relating to alleged breaches of HMO regulations.
b) Failure to comply with requirements of, or terms set, under the Renters Rights Act.

Section 3. Hotel Expenses

Guidance notes
This section of your policy provides cover for Hotel Expenses where no alternative accommodation is available whilst trying to regain possession of your let property.

What is insured?

Where **you** are needing to evict **your tenant** from **your property** so you can live in it, and **we** have accepted **your** claim and paying the **professional fees** to do this, if **you** have no other alternative accommodation, **we** will reimburse up to £100 per day up to the maximum of £3,000 for **your** hotel expenses.

What is not insured?
Any claim where the dispute relates to a **HMO**.

WHAT IS NOT COVERED

A. Any compensation, liability, penalty or taxes.

B. EXCLUDED CLAIMS:

a) Where the **tenant reference** requirements have not been adhered to;
b) Where the monthly rent due under a **standard tenancy** is greater than £2,500 or £1,000 per **HMO tenancy agreement**;
c) That is assessed as not having **reasonable prospects of success**;
d) Where the **property** has not, or it is alleged not to have been, adequately maintained;
e) Claims, other than under Section 1 (c) where the property does not meet Energy efficiency standard (EPC rating) requirements for a rented property;
f) Any **claim**, including rent arrears, relating to an increase in rent that may, or is being disputed by the **tenant**;
g) Where the value or amount in dispute is disproportionate to the time and legal costs involved in its pursuit and/or where a reasonable, uninsured person would not pursue the matter;
h) Any **claim** brought about by **you** failing to meet **your** obligations under the Housing Act 2004, the Renters Rights Act, HMO regulations including those brought by the council/local authority, including replacements, or equivalent legislation in Scotland, Wales and Northern Ireland;
i) Where the **tenants** or **guarantors** do not meet **affordability** requirements or the **tenant reference** requirements;
j) Reported to **us** after the **period of insurance** expires;
k) Where **your** delay in reporting a claim has prejudiced **our** position;
l) Arising where the **date of occurrence** was outside the **period of insurance**;
m) Where the **tenancy agreement** started before the start of **your** first **period of insurance** with **us,** any **claim** where when the **date of occurrence** is within the first 90 days of cover; this does not apply where this specific policy has renewed.
n) Arising from any event which happens outside the **territorial limits**;
o) ahere before the start of the **period of insurance** in **our** opinion the **insured** was aware, or should have been aware, that a claim was likely to be made;
p) Relating to registering rents, buying the freehold of **your property** or any matter which relates to rent tribunals, land tribunals or rent assessment committees;
q) Relating to anyone including any government, public or local authority legally taking **your property** from **you**;
r) Relating to any works by or under the order of any government, public or local authority;
s) Relating to the settlement payable under an insurance policy;
t) That is false or fraudulent.
u) Any rent/tenancy agreement with a company, business or charity;
v) Any commercial tenancy including sub-letting;
w) Any renting on behalf of or to a local council or other body in relation to their social housing and or care obligations or business interest:
x) Where the **tenancy agreement** started before the start of **your** first **period of insurance** with **us,** any **claim** where when the **date of occurrence** is within the first 90 days of cover; this does not apply where this specific policy has renewed.

C. ANY CLAIM CONCERNING OR ARISING FROM:

a) Anything to do with building, rebuilding, converting or extending all or part of a building;
b) Town and country planning laws and regulations;
c) Subsidence, land heave, landslip, mining or quarrying;
d) An alleged dishonest or malicious act by **you**;
e) A dispute between **you** and **us** about this legal expenses cover;
f) Any application for judicial review;

D. ANY CLAIM DIRECTLY OR INDIRECTLY CAUSED BY OR CONTRIBUTED TO OR ARISING FROM:

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a) Any direct or indirect consequence of war, civil war, invasion, acts of foreign enemies (whether war be declared or not), rebellion, revolution, insurrection, military or usurped power, or confiscation, nationalisation, requisition, destruction of or damage to property by or under the order of any government, local or public authority.

b) Any direct or indirect consequence of terrorism as defined by the Terrorism Act 2000 and any amending or substituting legislation.

c) Any direct or indirect consequence of:
   i. Irradiation, or contamination by nuclear material; or
   ii. The radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter; or
   iii. Any device or weapon which employs atomic or nuclear fission or fusion or other comparable reaction or radioactive force or matter.

d) Any consequence, howsoever caused, including but not limited to Computer Virus in Electronic Data being lost, destroyed, distorted, altered, or otherwise corrupted.

   For the purposes of this policy, Electronic Data shall mean facts, concepts and information stored to form useable data for communications, interpretations, or processing by electronic or electromechanical data processing or other electronically controlled hardware, software and other coded instructions for the processing and manipulation of data, or the direction and manipulation of such hardware.

   For the purposes of this policy, Computer Virus shall mean a set of corrupting, harmful, or otherwise unauthorised instructions or code, whether these have been introduced maliciously or otherwise, and multiply themselves through a computer system or network of whatsoever nature.

E. EXCLUDED COSTS:

Any costs:

a) Incurred prior to written confirmation from **us** or the **administrator** that the claim has been accepted or **professional fees** beyond those for which the **administrator** have given **our** prior approval in accordance with the terms and conditions of this policy;
b) **You** pay or agree to pay before the **administrator** have accepted **your** claim in writing and **your** solicitor confirms in writing that they will co-operate with **you** to keep to the terms of this legal expenses cover;
c) For more than the **administrator** have agreed;
d) Where **you** have entered into a conditional fee agreement without obtaining **our** permission in writing first;
e) Where **we** have agreed someone other than **our** nominated **professional adviser** may act for **you**, **we** will not pay any sums in excess of what **we** would have paid to a **professional adviser** that **we** would have appointed to undertake the same work, which is currently set at £100+ VAT per hour.

General policy terms and conditions

Guidance notes

These terms and conditions explain your responsibilities under this contract of insurance

These general terms and conditions apply to the whole of the insurance

1. CONDUCT:

You shall:

a) Not allow a **tenant** into possession other than on the basis of an already completed **tenancy agreement** duly signed by all parties;
b) Ensure that any relevant statutory pre-grant notices are served in the correct form on the **tenant** prior to the grant of the tenancy;
c) Prior to the grant of any tenancy make all relevant and necessary searches to reveal county court judgements in the last three years against the proposed **tenant** by name;
d) Prior to the grant of any tenancy **you** must obtain a minimum of a **tenant reference.** If any information **you** have casts doubts on the **tenant's** integrity or financial standing, or their likelihood to meet the terms of the **tenancy agreement**, **you** must obtain **our** approval prior to commencement of the letting or where they are already resident, prior to taking out this insurance.

e) When making any claim **you** must forward the **tenant reference** documentation to **us**. Failure to provide **tenant reference** documents will likely result in **your claim** being declined:
f) Where cover relates to a **HMO,** one policy must be purchased per **tenant** being covered by this insurance:
g) **You** shall not allow any tenant into occupation until their first month's rent and the **security deposit** have been received;
h) Ensure you comply with all rules and regulations for being a landlord;
i) Ensure that **you** comply with the requirements of any statutory tenancy deposit scheme;
j) Ensure that all statutory requirements are complied with regarding the issue and service of notices of intention to take proceedings;
k) Ensure that all pre-agent notices and pre-proceeding notices are served personally with the person serving the notice if possible retaining a copy of the notice duly signed and dated by way of receipt by the recipient(s) of the notice;
l) Prepare prior to the grant of the tenancy a detailed inventory allowing space for comments to be made as to the condition of the items in the inventory on check in and comments to be made later on check out of **your property**;
m) Conduct and record regular inspections of the **property** (by reference to such inventory) at no less intervals than every six months and retain a report, including photographs showing the condition of the property (this may be required in the event of a claim);
n) As soon as possible after a **tenant** has checked out or has otherwise vacated **your property**, prepare a detailed Schedule of dilapidations;
o) Keep clear up-to-date **rental records** detailing when rent is due, when all payments are made by the **tenant(s)**;
p) Where a **tenant** who is in arrears makes payment of rent, it must be taken for the longest outstanding arrears that are due, and that the payment received without prejudice to any notice or proceedings that may be taken;
q) Ensure that any claims are accompanied by **our** fully completed claims form and submitted to **us** within 90 days of the rent falling into arrears;
r) Contact the **tenant(s)** and any **guarantor** within 5 days of any rent falling into arrears;
s) Send a letter threatening legal action to bot the **tenant(s)** and any **guarantor** within 35 days of rent falling into arrears.

2. PREMIUM:

The policyholder named in the **schedule** must have paid the relevant premium and have been declared to **us** as having done so.

3. APPOINTMENT OF PROFESSIONAL ADVISER:

At any time before the **administrator** agree that legal proceedings need to be issued, the **administrator** will choose a **professional adviser** to act for **you**.

If Legal Proceedings have been agreed by **us**, **you** may nominate **your** own **professional adviser** whose name and address **you** must submit to **us**. In selecting **your professional adviser you** shall have regard to the common law duty to minimise the cost for **your** claim. Any dispute arising from this shall be referred to arbitration in accordance with the policy conditions.

When **you** have elected to use **your** own nominated **professional adviser you** will be responsible for any **professional fees** in excess of **our standard professional fees**.

If **you** discontinue **your** instructions to **your professional adviser** without **our** prior written permission, **our** cover will stop at once and **we** may recover any **costs** already paid back, from **you**.

4. CONDUCT OF YOUR CLAIM:

You must immediately tell **your professional adviser** to:

a) provide **us**, as soon as possible, with:

- their views on the merits of **your** claim; and
- their hourly rate and estimate of total costs of pursuing or defending **your** claim; and
- any information, document or file (including **your professional adviser's** files) relating to **your** claim, whether or not privileged, that **we**/the **administrator** may ask for.

b) Keep **us** fully updated during **your** claim;

- On the progress of **your** claim, including any offers to settle; and
- Of any change in their views on the merits of **your** claim; and
- Of any change to their estimate of costs.

The **administrator** will set spending limits for **your professional adviser's** fees and payments during **your** claim. If a limit is exceeded without **our** prior written permission, **we** will not pay for any fees and payments above the relevant spending limit. These limits will not affect **our** rights under General Policy Terms and Condition 11.

5. CO-OPERATION WITH US AND YOUR PROFESSIONAL ADVISER:

You will co-operate with:

a) **us** at all times and reply promptly to any correspondence about **your** claim; and

b) **your professional adviser** and **you** must follow their advice.

6. INVESTIGATION AND ALTERNATIVE SETTLEMENT OF YOUR CLAIM:

We, the **administrator** or **our** agents, may investigate **your** claim. In **our** absolute discretion, **we** may pay **you** an amount equal to **our** estimate of the value of **your** legal claim, or that made against **you**, instead of providing cover for **your costs**. If **you** or any person acting on **your** behalf submits a claim or makes a request for payment, knowing, or where **you** should have known it to be false, fraudulent or exaggerated, then this policy will become void, no premium will be refundable and **we** shall be entitled to recover any monies previously paid to **you**. **We**/the **administrator** may also share this information with the appropriate law enforcement authorities.

7. SETTLEMENT OFFERS RECEIVED:

You or **your professional adviser** must immediately write to tell **us** of any offer made to settle **your** claim including offers relating to costs. **You** must not accept any offers without getting **our** permission first. **We**/the **administrator** will not withhold **our** consent in relation to an offer that a **professional adviser** would recommend to a private client who is paying their own fees.

If **you** do not accept an offer **we**/the **administrator** or **your professional adviser** consider to be fair**, we** will not pay any further **costs**.

8. WITHDRAWING AND DISCONTINUING:

If **you** withdraw from or discontinue (stop) **your** claim without getting **our** permission in writing first then **we** will not pay **costs** and will be entitled to recover from **you** any fees and payments made or charged before the withdrawal or discontinuance. **We**/the **administrator** will not withhold **our** permission in relation to a withdrawal or discontinuance that a solicitor would recommend to a private client who is paying their own fees.

9. ASSESSMENT AND RECOVERY OF COSTS:

You must, if the **administrator** ask **you**, tell **your professional adviser** to send all of their files and any bill of costs for assessment by a court or certification by the appropriate professional body or auditing by cost consultants appointed by **us**.

You must:

a) take steps to recover **costs** awarded or agreed to be paid to **you**; and

b) immediately pay **us** costs recovered or tell **your professional adviser** to do so.

If **you** pay or agree to pay costs above the **limit of cover** to end **your** case, any costs awarded or agreed to be paid to **you** will be divided between **us** and **you** to reflect the proportion of costs that both **we** and **you** have paid or, but for the recovery of costs from **your** opponent(s), would be liable to pay. **You** will pay **us** or tell **your professional adviser** to pay to **us** the amount that is due to **us** immediately.

10. DISPUTES:

Either **you, we** or the **administrator** may refer any dispute to an arbitrator in accordance with the 'Arbitrator/Mediation' terms detailed on page 5 of this document.

11. AGREEMENT:

We are not bound by any agreement that **you** or **your professional adviser** make without **our** prior approval or permission.

12. WAIVER:

If **we** waive(s) any right or breach any term of this policy, this will not waive any other right or later breach.

13. TRANSFERRING YOUR RIGHTS:

You cannot transfer **your** rights under this policy. A person, partnership (whether limited or not) or company who is not a party to this policy has no rights under the Contracts (Rights of Third Parties) Act 1999 to enforce any of its terms.

Cancellation

Guidance notes
You or we may cancel this insurance at any time. We set out below the circumstances under which we may cancel your insurance and the amount of premium you may be refunded. There are some circumstances where no premium refund will be given e.g. you do not tell us the truth or we reasonably suspect fraud.

If **you** decide that for any reason, this policy does not meet **your** insurance needs then please return it to **your** broker / agent within 14 days from the day of purchase or the day on which **you** receive **your** policy documentation, whichever is the later. On the condition that no claims have been made or are pending, **your** broker / agent will then refund **your** premium in full.

If **you** wish to cancel after the 14 day cooling off period, please contact **your** broker / agent from whom **you** bought **your** policy, and providing that no claims have been made or are pending **you** will be entitled to a pro-rata return of premium.

We shall not be bound to accept renewal of any insurance and may at any time cancel any insurance document by giving 14 days' notice in writing where there is a valid reason for doing so. A cancellation letter will be sent to **you** at **your** last known address. Valid reasons may include but are not limited to:

a) Where **we/**the **administrator** reasonably suspect fraud;
b) Non-payment of premium;
c) Threatening and abusive behaviour;
d) Non-compliance with policy terms and conditions;
e) **You** have not taken reasonable care to provide accurate and complete answers to the questions **your** broker / **your** agent asked.

If **we** cancel the policy and/or any additional covers **you** will receive a refund of any premiums **you** have paid for the cancelled cover, less a proportionate deduction for the time **we** have provided cover.

Where **our** investigations provide evidence of fraud or misrepresentation, **we** may cancel the policy immediately and backdate the cancellation to the date of the fraud or the date when **you** provided **your administrator** / **your** agent with incomplete or inaccurate information. This may result in **your** policy being cancelled from the date **you** originally took it out and **we** will be entitled to keep the premium.

If **your** policy is cancelled because of fraud or misrepresentation, this may affect **your** eligibility for insurance with **us**, as well as other insurers, in the future.

This policy is not transferable.

Making Yourself Heard/Complaints

It is the intention to give **you** the best possible service but if **you** do have any questions or concerns about this insurance or the handling of a claim **you** should follow the Complaints Procedure below:

COMPLAINTS RELATING TO THE SALE OF THE POLICY

Please contact **your** broker / agent who arranged the Insurance on **your** behalf.

COMPLAINTS RELATING TO CLAIMS

If **you** do have any questions, concerns or complaint about the handling of a claim **you** should contact the Claims Manager at Lexelle Ltd. The contact details are:

Claims Manager,
Lexelle Ltd,
P.O. Box 4428,
Sheffield,
S9 9DD.
Tel: 0114 350 4107
Email: assist@lexelle.com

In all correspondence please state that **your** insurance is provided by Financial & Legal Insurance Company Limited and quote scheme reference: **FLILLEI / 05 / 2026**

If it is not possible to reach an agreement, **You** have the right to make an appeal to the Financial Ombudsman Service. This also applies if **You** are insured in a business capacity and have an annual turnover of £6.5million or less and fewer than 50 employees or an annual balance sheet below £5million**. You** may contact the Financial Ombudsman Service at:

The Financial Ombudsman Service,
Exchange Tower,
London,
E14 9SR.
Tel: 0300 123 9 123
Email: complaint.info@financial-ombudsman.org.uk

The above complaints procedure is in addition to **your** statutory rights as a consumer. For further information about **your** statutory rights contact **your** local Citizens Advice Bureau.

If **you** have purchased the insurance policy online, **you** may also raise **your** complaint via the EU Online Dispute Resolution Portal at http://ec.europa.eu/consumers/odr/. This will forward **your** complaint to the correct Alternative Dispute Resolution scheme. For insurance complaints in the UK this is the Financial Ombudsman Service. However, this may be a slower route for handling **your** complaint than if **you** contact the Financial Ombudsman Service directly.

Important information about your insurance with us

Financial & Legal Insurance Company Limited Privacy Notice

We are Financial & Legal Insurance Company Limited, referred to as "we/us/our" in this notice. Our data controller registration number issued by the Information Commissioner's Officer is **Z561011X.**

This privacy notice is relevant to anyone who uses **our** services, including policyholders, prospective policyholders, and any other individuals insured under a policy. **We** refer to these individuals as "**you/your**" in this notice.

We are dedicated to being transparent about what **we** do with the information that **we** collect about **you**. **We** process **your** personal data in accordance with the relevant data protection legislation.

Why do we process your data?

The provision of **your** personal data is necessary for **us** to administer **your** insurance policy and meet **our** contractual requirements under the policy. **You** do not have to provide **us** with **your** personal data, but **we** may not be able to proceed appropriately or handle any claims if **you** decide not to do so.

What information do we collect about you?

Where **you** have purchased an insurance policy through one of **our** agents, **you** will be aware of the information that **you** gave to them when taking out the insurance. The agent will pass **your** information to **us** so that **we** can administer **your** insurance policy. For specific types of insurance policies, for example when offering **you** a travel insurance policy, **we** may process some special categories of **your** personal data, such as information about **your** health.

We have a legitimate interest to collect this data as **we** are required to use this information as part of **your** insurance quotation or insurance policy with **us**. **We** may also process the data where it is necessary for a legal obligation, or as part of the establishment or defence of a legal claim.

Financial & Legal Insurance Company Limited's full privacy notice

This notice explains the most important aspects of how **we** use **your** data. You can get more information about this by viewing **our** full privacy notice online at http://financialandlegal.co.uk or request a copy by emailing **us** at info@financialandlegal.co.uk. Alternatively, **you** can write to **us** at: Data Protection, Financial & Legal Insurance Company Limited, Cheadle Royal Business Park, 5400 Lakeside, Cheadle, SK8 3GQ.

Financial Services Compensation Scheme

Financial & Legal Insurance Company Limited is covered by the Financial Services Compensation Scheme (FSCS). **You** may be entitled to compensation from the scheme, if Financial & Legal Insurance Company Limited cannot meet their obligations. This depends on the type of business and the circumstances of the claim. Most insurance contracts are covered for 90% of the claim with no upper limit. **You** can get more information about compensation scheme arrangements from the FSCS or visit www.fscs.org.uk.

You may also contact the FSCS on their Freephone number: 0800 678 1100 or 020 7741 4100 or **you** can write to: Financial Services Compensation Scheme, P O Box 300, Mitcheldean, GL17 1DY.