

POLICY SCHEDULE

Property Purchase Expenses Insurance



ARAG Policy Reference:

Date of Issue:

Insured

Policy Number 100 - 003 - 00000

Property to be purchased:

Property Purchase Expenses Insurance

Cost of Cover:

Premium: £56.51 IPT at 6%: £ 3.39 **Total Premium: £ 59.90**

Limits of Indemnity:

- i) £600 for disbursements per claim
- ii) £100 for solicitor's fees
- iii) £500 for mortgage arrangement fees / lender fees
- iv) £750 for survey fees

Issued by ARAG plc authorised under a binding authority agreement to administer this insurance on behalf of the Insurer, Brit Syndicate 2987 at Lloyd's. Registered in England & Wales. Registration No. 2585818. ARAG plc is authorised and regulated by the Financial Conduct Authority, Registration No: 452369.

ARAG plc Registered Office: 9 Whiteladies Road, Clifton, Bristol, BS8 1NN. www.arag.co.uk



Property Purchase Expenses Insurance (Buyer Protect)

POLICY DOCUMENT

This is an insurance document relating to **your** Property Purchase Expenses Insurance (PPEI) which covers **you/or your solicitor's** expenses (when conducted by a **solicitor**), following an aborted house purchase. Please read it carefully and in full to familiarise **yourself** with the terms and conditions, as well as the claims procedure. If **you** are unsure about anything in this document please contact enquiries@arag.co.uk. This policy is evidence of the contract between **you** and the **insurer**.

Who is ARAG?

ARAG plc is a legal expenses and assistance insurance provider, operating nationwide from our headquarters in Bristol. ARAG plc is part of ARAG SE recognised as a global leader, generating an annual premium income of over €1.5 billion.

We understand the varied and many legal systems that exist and are expert in advancing the concept of legal insurance by offering innovative products and services.

Our mission from the very beginning has always been to enable every citizen to be able to assert their legal rights. Our pioneering spirit has made us successful in an international market environment.

Our ethos is to work in partnership with our clients, listening to your expectations.

Claims procedure

If **you** need to make a claim **you** must notify **us** as soon as possible.

1. **You** can request a claim form between 9am and 5pm Monday to Friday (except bank holidays) by telephoning **0117 917 1698**.
2. **We** will issue **you** with a written acknowledgement within one working day of receiving **your** claim form.
3. Within five working days of receiving all the information needed to assess the availability of cover under the policy, **we** will write to **you** either confirming **you** are covered or if the claim is not covered, explaining in full why and whether **we** can assist in another way.

YOUR POLICY COVER

Following an Insured Event the **insurer** will reimburse **you** up to the **limits of indemnity** provided that the purchase of the **property** is not subject to a **contract race**, auction or **sealed bid** (unless **you** are the successful applicant of the **sealed bid**).

INSURED EVENTS COVERED

1. The **property** is withdrawn from sale by the **vendor** due to reasons beyond **your** control and **you** cannot proceed with the purchase.
2. The **vendor** receives and accepts an offer from a third party, which is a minimum of £1,000 greater than the offer they previously accepted from **you** and **you** are not prepared to increase their offer.
3. A survey / valuation is carried out and the **property** needs rectification work to be carried out, the cost of which exceeds 5% of the sum **you** offered and **you** decide not to proceed.
4. A survey / valuation is carried out and the **property** has been underpinned or shows signs of subsidence and **you** decide not to proceed.
5. A search highlights problems with the **property** or its location, or other evidence highlights the **property** is:
 - a) the subject of a compulsory purchase order;
 - b) in a flood plain;
 - c) on contaminated land;
 - d) over a mining area.These are confirmed by **your solicitor**.
6. A search identifies a defect in the title which cannot be rectified and **you** decide not to proceed.
7. The **vendor** is not legally entitled to sell the **property** or to transfer an interest in the **property** to **you**.
8. **You** or **your** joint purchaser:
 - a) die and the survivor is unable or unwilling to continue with the purchase; or
 - b) contract a critical illness or sustain a serious injury and **you** or **your** joint purchaser are unable or unwilling to continue with the purchase; or
 - c) are given notice of **redundancy** and **you** or **your** joint purchaser are unable or unwilling to continue with the purchase; or
 - d) is given notification of **relocation** and **you** or **your** joint purchaser are unable or unwilling to continue with the purchase.
9. The initial mortgage lenders valuation of the **property** is less than 90% of the sum **you** have offered for the **property** and which has been accepted and **you** decide not to proceed.
10. The mortgage lender insists upon a second survey report such as a damp and timber or electrical survey being carried out on the **property** prior to the releasing of funds and the cost of such additional rectification work exceeds 10% of the sum **you** have offered and which has been accepted, and **you** decide not to proceed.
11. The mortgage lender applies a retention on the loan for the **property** and this figure exceeds 5% of the sum **you** have offered for the **property** and which has been accepted and **you** decide not to proceed.
12. The **property** sustains damage during the **period of insurance** where the total cost of rectification work exceeds 5% of the **property** value and **you** decide not to proceed.
13. The **property** **you** are looking to purchase has Japanese Knotweed within the 30 metres of where the legal boundary of the **property** lies and **you** decide not to proceed.

THE ABILITY FOR YOU TO RECLAIM FROM US WILL END WHEN:

1. 12 months from the **start date**.
2. **You** make a claim on this policy.
3. **You** exchange contracts on the **property**.

WHAT IS NOT COVERED BY THIS POLICY

You are not covered for **costs & expenses**:

1. Incurred before the **start date** of the policy.
2. If **you** withdraw from the purchase of the **property** for reasons other than those covered by this policy (such as change of mind to purchase).
3. If **you** are aware, prior to the **start date**, of any circumstances, including any adverse survey of the **property**, which could lead to a claim being made under this policy.
4. If **you** deliberately and knowingly cause a delay or use unreasonable behaviour that results in the failed purchase.
5. Where **you** can be reimbursed by **your** employer.
6. Where **you** are able to obtain a refund from the lender or **solicitor**.
7. Where, in the case of **redundancy**:
 - a) **You** are **self-employed**.
 - b) **You** are a company director or partner of the company giving notice of **redundancy**.
 - c) The **redundancy** is voluntary.

POLICY CONDITIONS

Where the **insurer's** risk is affected by **your** failure to keep to these conditions the **insurer** can cancel **your** policy, refuse a claim or withdraw from an ongoing claim. The **insurer** also reserves the right to claim back **costs & expenses** from **you** if this happens.

1. Claims notification

You must tell **us** immediately after **you** first become aware of any cause, event or circumstances which could give rise to a claim under this policy.

2. Arbitration

If any dispute between **you** and **us** arises from this policy, **you** can make a complaint to **us** as described on the back page of this policy and **we** will try to resolve the matter. If **we** are unable to satisfy **your** concerns and the matter can be dealt with by the Financial Ombudsman Service **you** can ask them to arbitrate over the complaint.

If the dispute cannot be dealt with by the Financial Ombudsman Service, it can be referred for independent arbitration to a qualified person agreed upon by both parties. The loser of the dispute shall be liable to pay the costs incurred.

If **we** fail to agree on a suitable person to arbitrate the matter **we** will ask the President of the relevant Law Society to nominate. The arbitration shall be subject to the Arbitration Acts and the arbitrator's decision shall be binding on the parties.

3. Other insurance

The **insurer** will not pay more than their fair share (rateable proportion) for any claim covered by another policy or any claim that would have been covered by any other policy if this policy did not exist.

4. Fraudulent claims

If **you** make any claim which is fraudulent or false, the policy shall become void and all benefit under it will be lost.

5. Subrogation

If **you** claim under this insurance **we** may take over **your** rights of action against any third party for **our** own benefit, before or after **we** have paid **your** claim, to recover any costs or payments **we** may make.

6. Recovery of Costs & Expenses

If **we** make a payment to **you** under the terms of this insurance and subsequently **you** successfully purchase the **property**, **we** may request from **you** full reimbursement of any monies paid by **us**.

7. Cancellation

a) **You** may cancel the policy:

- i) within 14 days of the **start date**; or
- ii) at any other time by giving **us** at least 21 days written notice.

b) Where there is a valid reason for doing so, the **insurer** has the right to cancel the policy at any time by giving at least 21 days written notice to **you**.

We will set out the reason for cancellation in writing. Valid reasons may include but are not limited to:

- i) where the party claiming under this policy fails to cooperate with or provide information to **us** in a way that materially affects **our** ability to process a claim, or **our** ability to defend the **insurer's** interests;
- ii) where **you** use threatening or abusive behaviour or language, or intimidation or bullying of **our** staff or suppliers;
- iii) where **we** reasonably suspect fraud.

8. Acts of Parliament, Statutory Instruments, Civil Procedure Rules & Jurisdiction

All legal instruments and rules referred to within the policy shall include any subsequent amendment or replacement legislation. This policy will be governed by English law.

9. Data Protection Act 1998

It is agreed by **you** that any information provided to **us** and / or the **insurer** regarding **you** will be processed by **us** and / or the **insurer**, in compliance with the provisions of the Data Protection Act 1998, for the purpose of providing insurance and handling claims, if any, which may involve passing information to other parties. For our mutual protection and **our** training

purposes, calls may be recorded.

10. Contracts (Rights of Third Parties) Act 1999

A person who is not party to this contract has no right to enforce the terms and conditions of this policy under the Contracts (Rights of Third Parties) Act 1999.

MEANING OF WORDS & TERMS

Certain words and terms contained in this policy have been defined as they have the same meaning wherever they appear.

Contract Race

Where the **vendor** has received two or more offers for the **property** with the intention of selling to the party that is ready to exchange contracts first.

Conveyancing

The legal process conducted by **your solicitor** whereby the ownership of the **property** is transferred from the **vendor** to **you**.

Conveyancing Fees

The amount charged by **your solicitor** as their fees and related **disbursements** for the **conveyancing** of the **property**.

Costs & Expenses

Conveyancing fees, mortgage arrangement fees / lender fees and **survey fees** reasonably and properly incurred by **you**.

Disbursements

The following costs reasonably and properly incurred by **you** (for example includes):

- HM Land Registry fees
- Official copy entries and filed plan
- Search packs
- Chancel repair check
- Other less common disbursements or third party costs
- Local search indemnity insurance
- Other indemnity insurance
- Leasehold : Landlord's notice fee
- "Leasehold Pack" or "Management Company Information"
- Ground Rent / Service Charge.

Insurer

Brit Syndicate 2987 at Lloyd's (written under unique market reference B0356KA233D12A000 or replacement thereof).

Limits of Indemnity

The maximum **costs & expenses** the **insurer** will pay relating to the purchase of the **property** that **you** have incurred up to the following:

- i) £600 to reimburse in respect of **disbursements**.
- ii) £100 for **solicitor's** fees.
- iii) £500 for **mortgage arrangement fees / lender fees**.
- iv) £750 for **survey fees**.

Mortgage Arrangement Fees / Lenders Fees

A non-refundable administrative charge paid by **you** to the mortgage lender to cover administration fees incurred in setting up a mortgage.

Property

A property that has been built or converted for private use only and is subject to local council tax (at any rate) and is a permanently constructed domestic dwelling situated within the **territorial limits** that **you** have made an offer to purchase and that offer has been accepted by the **vendor** or their representative. The **insurer** will not reimburse lost costs in relation to the purchase of mobile homes, caravans or any other type of non-permanent dwelling.

Redundancy

Where **you** are unable to **work** due to being made redundant as defined in Section 139 of the Employment Rights Act 1996. To qualify for this cover **you** must have been in full time employment for a minimum of six months prior to the **start date** and not be aware of any impending **redundancy** at the **start date** of this policy.

Relocation

Where **you** are advised that they are to be permanently relocated to an alternative place of work which is greater than fifty miles from the **property**.

Self-employed

Means **you** are:

- i) Actively working for financial gain in a business or profession, alone or in association with others, and paying Class 2 National Insurance Benefit Contributions, or
- ii) A non-salaried partner in a partnership, or
- iii) A director of (or someone who has a shareholding in) a private limited company with an issued and fully paid share capital of less than £1,000.

Solicitor

Means either:

- i) a professional lawyer or firm of lawyers, registered and authorised by the Law Society of England & Wales to practice; or
- ii) a Licensed Conveyancer.

Start Date

Means from 7 days prior to instructing a **solicitor**.

Survey Fees

The amount paid by **you** to a qualified surveyor or mortgage lender to carry out a Homebuyers Report, Valuation, or any specialist survey or Structural Survey of the **property**.

Territorial Limits

England & Wales.

Vendor

The party from whom **you** are buying the **property**.

We / Us / Our

<p>Period of Insurance The period which must commence within three days prior to the start date and finishes when one of the criteria in the section “THE ABILITY FOR YOU TO RECLAIM FROM US WILL END WHEN” has been met.</p>	<p>ARAG plc who are authorised under a binding authority agreement to administer this insurance on behalf of the insurer, Brit Syndicate 2987 at Lloyd's.</p> <p>You / Your The purchaser(s) and / or solicitor to whom a policy has been issued.</p>
--	--

KEY FACTS SUMMARY

This is a summary of cover. For the full terms and conditions of the policy please read the policy wording which starts from page 2 onwards.






Significant Features & Benefits	Significant Exclusions or Limitations	Where found
The insurer will reimburse your costs & expenses up to the limit of indemnity where the purchase of the property has failed due to any of the following occurring during the period of insurance.	The purchase of the property is not subject to a contract race, auction or sealed bids (unless you are the successful applicant of the sealed bid).	YOUR POLICY COVER
	<p>You are not covered for costs & expenses:</p> <ul style="list-style-type: none"> • Incurred before the start date of the policy. • If you withdraw from the purchase of the property for reasons other than those covered by this policy. • If you are aware, prior to the start date, of any circumstances, including any adverse survey of the property, which could lead to a claim being made under this policy. • If you deliberately and knowingly cause a delay or use unreasonable behaviour that results in the failed purchase. • Where they can be reimbursed by your employer. • Where you are able to obtain a refund from the lender or solicitor. • Where, in the case of redundancy: <ul style="list-style-type: none"> – you are self-employed – you are a company director or partner of the company giving notice of redundancy – the redundancy is voluntary. 	WHAT IS NOT COVERED BY THIS POLICY 1. 2. 3. 4. 5. 6. 7. a) b) c)
1. The property is withdrawn from sale by the vendor due to reasons beyond your control and you cannot proceed with the purchase.		INSURED EVENTS COVERED 1.
2. The vendor accepts an offer from a third party.	The offer is: <ul style="list-style-type: none"> • a minimum of £1,000 • greater than an offer previously accepted, and you are not prepared to increase the offer. 	INSURED EVENTS COVERED 2.
3. A survey reveals that the property needs rectification work.	The cost exceeds 5% of the sum offered.	INSURED EVENTS COVERED 3.
4. A survey reveals the property has been underpinned or shows signs of subsidence.		INSURED EVENTS COVERED 4.
5. A search highlights problems with the property or its location, or other		INSURED EVENTS COVERED 5.

evidence highlights the property is: a) the subject of a compulsory purchase order; b) in a flood plain; c) on contaminated land; d) over a mining area. These are confirmed by your solicitor.		
6. A search identifies a defective title which cannot be rectified.		INSURED EVENTS COVERED 6.
7. A vendor is not legally entitled to sell the property or transfer an interest in it.		INSURED EVENTS COVERED 7.
8. You: a) die and the survivor does not continue with the purchase, b) get a critical illness or serious injury, c) are given notice of redundancy, d) are given notice of relocation, and are unable or unwilling to continue with the purchase.		INSURED EVENTS COVERED 8.
9. The initial mortgage lenders property valuation is less than 90% of the sum offered.		INSURED EVENTS COVERED 9.
10. The mortgage lender insists upon a second survey report on the property prior to the releasing of funds.	The cost of such rectification work exceeds 10% of the sum offered and which has been accepted.	INSURED EVENTS COVERED 10.
11. The mortgage lender applies a retention on the loan for the property.	The figure exceeds 5% of the sum offered and has been accepted.	INSURED EVENTS COVERED 11.
12. The property sustains damage.	The total cost of rectification work exceeds 5% of its value.	INSURED EVENTS COVERED 12.
13. The property you are looking to purchase has Japanese Knotweed within the 30 metres of where the legal boundary of the property lies and you decide not to proceed.		INSURED EVENTS COVERED 13.
	Limits of Indemnity Up to the following: i) £600 to reimburse in respect of disbursements. ii) £100 for solicitor's fees. iii) £500 for mortgage arrangement fees / lender fees. iv) £750 for survey fees.	MEANING OF WORDS AND TERMS Limits of Indemnity
	Period of Insurance The period which must commence within three days prior to the start date and finishes when one of the criteria in the section " THE ABILITY FOR YOU TO RECLAIM FROM US WILL END WHEN " has been met, namely: 1. 12 months from the start date. 2. You make a claim on this policy. 3. You exchange contracts on the property.	MEANING OF WORDS AND TERMS Period of Insurance and THE ABILITY FOR YOU TO RECLAIM FROM US WILL END WHEN
	Start Date Means from 7 days prior to instructing a solicitor.	MEANING OF WORDS AND TERMS Start Date
	Territorial Limits England & Wales	MEANING OF WORDS AND TERMS Territorial Limits

COMPLAINTS




Step 1

ARAG is committed to providing a first class service at all times. However, if a complaint arises, this should be addressed to our Customer Relations Department who will arrange to have it reviewed at the appropriate level. We can be reached in the following ways:

-  0117 917 1561 (hours of operation are 9am-5pm, Mondays to Fridays excluding bank holidays. For our mutual protection and our training purposes, calls may be recorded).
-  customerrelations@arag.co.uk
-  ARAG plc, 9 Whiteladies Road, Clifton, Bristol, BS8 1NN




Step 2

Should you remain dissatisfied you may be entitled to pursue your complaint further with Lloyd's. They can be reached in the following ways:

-  0207 327 5693, Fax: 0207 327 5225
-  complaints@lloyds.com
-  Policyholder & Market Assistance, Market Services, Lloyd's, Fidentia House, Walter Burke Way, Chatham Maritime, Kent ME4 4RN

Step 3

If Lloyd's is not able to resolve the complaint to your satisfaction then you may refer it to the Financial Ombudsman Service (FOS) provided that it falls within their jurisdiction. They can be contacted at:

-  0800 023 4567 if calling from a landline or 0300 123 9123 if calling from a mobile
-  complaint.info@financial-ombudsman.org.uk
-  Financial Ombudsman Service, Exchange Tower, Harbour Exchange Square, London, E14 9SR

The FOS's decision is binding upon the insurer, but you are free to reject it without affecting your legal rights.

Signed by



Managing Director
ARAG plc

ARAG plc registered in England number 02585818. Registered address: 9 Whiteladies Road, Clifton, Bristol BS8 1NN. ARAG is authorised and regulated by the Financial Conduct Authority firm registration number 452369.

ARAG plc is authorised to administer this insurance on behalf of the insurer Brit Syndicate 2987 at Lloyd's (written under unique market reference B0356KA233D12A000 or replacement thereof). ARAG plc and Brit Syndicate 2987 at Lloyd's are covered by the Financial Ombudsman Service.

Brit Syndicates Limited, the managing agent for Brit Syndicate 2987 at Lloyd's, is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority. This can be checked by visiting the FCA website at www.fca.org.uk/register or by contacting the FCA on 0845 606 1234.

Brit Syndicate 2987 at Lloyd's is covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation of up to 90% of the cost of your claim, in the unlikely event that the insurer cannot meet its obligations. Further information about compensation scheme arrangements is available from the FSCS.

www.ARAG.co.uk

PPEI.DOCS.10-14BL

SAMPLE