Palladium Insurance Ltd

No Search Inc Environmental - Buyer and Lender Policy – Draft Only

The Insurer

The Insurer is PALLADIUM INSURANCE LIMITED (a company incorporated in Guernsey) of Second Floor, Block A, Lefebvre Court Lefebvre Street St Peter Port Guernsey GY1 2JP.

The Need for the Policy

This Policy covers a property buyer and mortgage-lender against adverse matters disclosed by local land charge, local authority, water, drainage, mining searches and environmental search which have not been carried out before purchase. The following enquiries relating to the property have not been raised, either officially or personally, within 3 months before the start date. A search of the Local Land Charges Register on form LLC1 and or a search of the Local authority's records on form Con29R and or Con29O, a search of water and drainage records on form Con29DW, a search of the Coal Authority's records on form Con29M, a search of the Highways department of the appropriate borough, county or city council and or Cheshire Salt search, Cheshire Brine search or other search of the Cheshire Compensation Board's records and Environmental Search.

Statements of Fact

Indemnity is provided on the basis that the Vendor of the Property has answered "Yes" to the following questions:

1. Has the property been used throughout the past 12 months and will continue to be used as a single Residential dwelling?

2. Can you confirm that you are not aware of any current or past potentially contaminative use (e.g. petrol filling or railway station, quarry or landfill site) at or within 50 metres of the Property?

3. Can you confirm that you are not aware of actual rather than potential contamination at or near the Property?

4. Can you confirm that you are not aware of any local land charge, remediation notice, statement or declaration already recorded against the Property?

5. Can you confirm that you are aware that any building or conversion works completed at the Property within the past 12 months without a building completion certificate are not covered by this policy?

6. Can you confirm that responses to official or personal searches of the local authority, land charges, water and drainage and/or Coal Authority registers on forms LLC1, Con29R, Con29O, Con29DW and/or Con29M and/or a Highways Search Cheshire Salt Search and Environmental Search have not been obtained within the past 12 months?

7. Except for the searches described above, will all usual enquiries before contract be completed before contracts are exchanged?

8. Can you confirm that you are not aware of any information which would be disclosed by the searches described above which would adversely affect the use of the Property or its value?

Exclusions under this policy

The Insurer can refuse to pay a loss or reduce any payment for the loss because You confirmed a statement of fact to us which you knew or could reasonably have been expected to know was not true; and/or You make a claim knowing that it is false or fraudulent; You disclosed that this policy exists to another person who is not a potential purchaser of the property, their mortgage lender or the legal advisers of each.

Palladium Insurance Ltd

Key Benefits of the Policy

The Insurer will pay to or on behalf of the Insured any losses directly incurred due to the Insured Risk and/or In the event of any person(s) costs imposed on a property owner when land is identified as being contaminated, if an environmental search has not been carried out.
Losses are limited to but can include all or any of the following:

a) the cost of defending or prosecuting legal proceedings in a court or tribunal whether the proceedings are brought by the person making the claim or in the name of the Insured
b) damages, compensation and costs and expenses awarded against the Insured by a court or tribunal
c) reduction in market value of the Property, in accordance with the Insured Use, being the difference between the market value of the Property on the assumption that there is no Adverse Interest and to the extent that the Adverse Interest exists and is capable of being enforced, the values to be determined by a surveyor with reference to prices current at the date of an order by a court or tribunal, or where the Insurer otherwise accepts liability. The surveyor will be appointed jointly by the parties or, in absence of mutual agreement, by the President for the time being of the Royal Institution of Chartered Surveyors. The cost of the survey shall be incurred by the Insurer.
d) Loss sustained in the event of any claimant establishing or attempting to establish, on or after the Commencement Date, an Adverse Legal Right, which Loss arises solely from the Defect in Title existent at the Commencement Date.
e) any other costs incurred with the written agreement of the Insurer for the purpose of settling any claim.

Abandonment of the Property

The Insured will not be entitled to abandon the Property to the Underwriters.

Grounds of Invalidity

The Policy must not be disclosed without the prior written consent of the Insurer to anyone other than:

- your legal adviser
- your lender
- a purchaser from you

If you disclose the existence of the Policy to anybody else, the Policy may be invalidated.

In the Event of a Claim

You must:

- contact the Insurer immediately you become aware of anything which may cause a claim
- not agree to any actions or payments without the consent of the Insurer
- allow the Insurer to decide how to handle any claim
- cooperate with the Insurer and take any action it requests in relation to the claim
- provide any information which the Insurer requires

It is important that you contact the Insurer before taking action or otherwise responding to a claim.
If you do not, you may invalidate the Policy.

Cancellation Rights

The Policy may be cancelled by contacting the Insurer within 21 days of the Inception Date or the date when you receive a copy of the Policy (whichever is the later) PROVIDED THAT all interested parties (in particular a lender holding security over the Property) consent. Notice of the cancellation must be given in writing to the Insurer at the address below

POLICY TERMS

1. Definitions and Interpretation

1.1 The Policy Terms and the Policy Schedule form one contract

1.2 The definitions in the Policy Schedule apply to the Policy Terms

1.3 (Save where the context requires otherwise) the following expressions shall have the following meanings:

- 1.3.1 "a Claim to Set Aside" means a potential or actual claim by a third party in respect of the Insured Risk;
- 1.3.2 "a Lender" means a lender holding a charge or mortgage over the Property voluntarily granted;
- 1.3.3 "the Policy" means the policy of insurance contained in the Schedule and these Terms;
- 1.3.4 "the Valuation Date" means the date of a relevant Order of the Court or where the Insurer otherwise accepts liability for such expenditure
- 1.3.5 "Search" shall mean an official search comprising all or part of the following: Form LLC1 or other official forms which replace it, Forms Con29 (R) and/or (O) or other official forms which replace them, Form Con29 DW or other forms which replace it, Mining Searches of any type and Environmental Search.

1.4 (Save where the context requires otherwise) references to:

- 1.4.1 parties to the Policy include a lender holding a charge or mortgage on the property which remains to be paid
- 1.4.2 any gender includes every gender
- 1.4.3 the singular includes the plural and vice versa
- 1.4.4 words referring to individuals and persons include partnerships, companies and other artificial persons
- 1.4.5 any reference to an enactment includes references to that enactment as amended or replaced from time to time and to any subordinate legislation or bye-law made under that enactment

2. Primary Obligation of the Insurer

In consideration of the Premium (and subject to the terms and conditions of the Policy), the Insurer agrees to indemnify the Insured against the Insured Risk during the Policy Term

3. Primary Obligation of the Insured

3.1 The Insured agrees to comply with all of the terms and conditions of the Policy

3.2 If the Insured fails to comply with any of the terms and conditions of the Policy, all cover and any claim may be invalidated in whole or in part and the premium may not be returned to the Insured

4. Disclosure by the Insured

In granting the Policy the Insurer has relied upon facts provided by the Insured (and those acting on his behalf)

4.1 The Insured warrants that he (and those acting on his behalf) have taken reasonable care to ensure that all facts presented on his behalf to the Insurer prior to the

Inception Date were accurate and complete

4.2 If either:

4.2.1 the Insured provided false or misleading facts;

4.2.2 the Insured knew that false or misleading facts had been provided by others; to the Insurer prior to the Inception Date, all cover and any claim may be invalidated in whole or in part and the premium may not be returned to the Insured

5. Fraudulent Claim by Insured

If the Insured makes a fraudulent claim under the Policy, the Insurer:

5.1 will not be liable to pay the claim;

5.2 may recover from the Insured any sums already paid;

5.3 treat the Policy as having been terminated from the date of the fraudulent a action and will not be liable for any loss, claim or potential claim occurring after such time.

6. Non-Invalidation Protection for Lenders and Others

The interest of any Insured shall not be invalidated or affected by any other party

6.1 breaching any of the terms and conditions of the Policy;

6.2 providing false and misleading information to the Insurer;

6.3 making a fraudulent claim;

unless

6.4 such party acted on the particular Insured's behalf or with his knowledge or consent; or

6.4 where the Insured is a successor in title, he had knowledge of matters set out in 6.1 or 6.2 before he became a successor in title; or

6.5 in the case of a fraudulent claim such party was complicit in or aware of the fraudulent claim

7. Extent of Cover

7.1 In the event of a Claim to Set Aside being made against the Insured, the Insurer will indemnify the Insured against:

7.1.1 all costs of defending proceedings in respect of the Insured Risk (including, where appropriate, the costs of proceedings initiated by the Insured seeking a declaration of non-liability);

7.1.2 costs awarded against the Insured in respect of proceedings set out in 7.1.1;

7.1.3 the amount of any monetary judgment in respect of the Insured Risk;

7.1.4 if as a result of a judgment, the interest of the Insured in the Property is lost or diminished, the value of the interest of the Insured in the Property or the amount of the diminution in value of the interest of the Insured in the Property as the case may be;

7.1.5 any sum paid by way of a reasonable compromise of the matters in 7.1.1, 7.1.2, 7.1.3 and 7.1.4 (such compromise being made with the written agreement of the Insurer)

7.1.6 any capital sum contracted for or expended relating directly to construction work (including interest payable on monies borrowed) in accordance with the Insured Use up to the Valuation Date to the extent that such expenditure is rendered abortive by the Insured Risk and is not reflected in any other sub-paragraph.

7.2 In so far as the sum in 7.1.4 shall require the calculation of the value of the Property, this shall be taken to be the market value of the Property as at the Valuation Date. The market value of the Property shall not exceed its value for the Intended Use.

7.3 In the event of any dispute as to the market value of the Property, this shall be determined by an independent chartered surveyor acting as an expert

7.4 The independent Surveyor shall be appointed by agreement between the parties and in default of agreement shall be appointed by the President of the Royal Institution of Chartered Surveyors for the time being upon the application of either party

7.5 The total liability of the Insurer under this Policy shall not exceed the Limit of Liability as at the Valuation Date

8. Confidentiality Obligations of the Insured

8.1 Neither the Insured nor anyone acting on his behalf shall do or omit to do anything which in whole or in part induces a Claim to Set Aside or otherwise prejudices the Insured's position

8.2 Neither the Insured nor anyone acting on his behalf shall (without the prior written consent of the Insurer) disclose:

8.2.1 the existence of the Policy; or

8.2.2 any information relating to the Policy;

to any third party other than:

8.2.3 the Insured's legal representatives;

8.2.4 bona fide prospective purchasers or Lenders;

8.2.5 the Insured's successors in title;

8.2.6 the legal representatives of 8.2.4 and 8.2.5

8.3 A breach of 8.1 or 8.2 may lead to all cover and any claim under the Policy being invalidated in whole or in part and the premium may not be returned to the Insured

9. Obligations of the Insured in the Event of a Claim to Set Aside

9.1 On becoming aware of an actual or potential Claim to Set Aside, the Insured must provide notice and details to the Insurer as soon as reasonably possible

9.2 On becoming aware of an actual or potential Claim to Set Aside and at all times thereafter, the Insured must:

9.2.1 not admit liability;

9.2.2 not take steps to compromise or settle the Claim to Set Aside without the prior consent in writing of the Insurer;

9.2.3 provide (at the expense of the Insured) all information and assistance that the Insurer and its agents and solicitors may require

10. Rights of the Insurer

In dealing with a Claim to Set Aside the Insurer will have at its discretion the following powers to:

10.1 take or defend proceedings in any court in the name of the Insured;

10.2 exercise in the name of the Insured all rights and remedies available to the Insured including submitting to judgment;

10.3 compromise, settle, compound or deal with the Claim to Set Aside;

10.4 pay at any time to the Insured the amount of the Limit of Indemnity at the date of payment or any lesser amount and then relinquish control of the Claim to Set Aside

11. Cancellation by the Insured

11.1 The Insured may cancel the Policy within 21 days of the later of:

11.1.1 the Inception Date;

11.1.2 the date when the Insured receives a copy of the Policy;

PROVIDED THAT:

11.1.3 no claim has been made on the Policy; and

11.1.4 all interested parties (including in particular any Lender holding security over the Property) consent in writing

11.2 Cancellation shall be effected by a notice in writing to the Insurer

12. Notices

12.1 Every notice which needs to be given under the Policy must be given in writing

12.2 A notice to the Insurer must be sent either:

12.2.1 by post to the Insurer to the administrative office set out in the Schedule (or such other administrative office as shall have been notified in writing to the Insured or as shown on the Insurer's Website for the time being); or

12.2.2 by internet to e-mail address set out in the Schedule (or such other e-mail address as shall have been notified by e-mail to the Insured or as shown on the Insurer's Website for the time being)

12.3 A notice to the Insured must be sent either:

12.3.1 by post to the last known address of the Insured; or

12.3.2 by internet to an e-mail address of the Insured which has been used in the previous 12 months

12.4 Service by e-mail will not be effective unless there is evidence that the e-mail has been received

13. Other Insurance

If the Insured has other insurance in respect of the same interest or risk covered by the Policy, the Insurer will not be liable to pay more than its proportion of the total claim based on the total policy limits under all policies

14. Law

14.1 The Policy is subject to the law of England and Wales

14.2 All parties submit to the non-exclusive jurisdiction of the courts of England and Wales

15. Arbitration

15.1 Any dispute or difference between any party under the Policy shall be determined by a single arbitrator

15.2 The arbitrator shall be chosen by agreement between the parties and in default of agreement appointed upon the application of any party by the President of the Law Society of England and Wales for the time being

15.3 The seat of the arbitration shall be in England and Wales

15.4 The arbitrator shall have full power to award costs

16. Third Party Rights

(Save as to the definition of the Insured) nothing in the Policy shall confer any rights, remedies or benefits of any nature on any third party for the purposes of the Contracts (Rights of Third Parties) Act 1999 or for any other purpose

17. Whole Agreement

This Policy contains the entire agreement between the Insurer and the Insured and no representation or warranty by any party to the Policy or any third party shall have contractual effect unless agreed by all relevant parties in writing

18. Data Protection

Use of information

To provide our services as an insurer, Palladium Insurance Limited will collect and use information about you or a beneficiary under the policy (e.g. other identified individuals), such as name, address and contact details. This may also include special categories of personal data such as information relating to criminal convictions and offences. The purposes for which we use personal data may include: evaluating your insurance application and providing a quotation; providing insurance cover; handling claims; and crime prevention and debt recovery.

More information about our use of personal data is set out in the Palladium Insurance Privacy Policy (Privacy & Your Personal Information) which can be found on our website *palladiuminsurance.gg* / alternatively you may also request a copy of the Privacy Policy by contacting the Managing Director at Palladium Insurance Limited, Second Floor, Block A, Lefebvre Court Lefebvre Street St Peter Port Guernsey GY1 2JP We recommend that you review this notice.

We may pass data, including claims information, to third parties such as intermediaries, other insurers, reinsurers, loss adjusters, solicitors, administration service providers, the police and other law enforcement agencies, fraud and crime prevention and detection agencies (for example certain regulatory bodies who may require personal data themselves for the purposes described in the Privacy Policy). If you require details of the third parties your data has been passed to and how this information is used please contact the Managing Director at the address above.

Guernsey is not within the European Economic Area (EEA), but has a robust and effective regulatory framework. Palladium Insurance Limited is required to comply with the EU General Data Protection Regulation (GDPR) when handling the personal data of European Citizens and secondly the Data Protection (Bailiwick of Guernsey) Law, 2017 which provides an equivalent framework for handling the personal data of non-EU citizen.

Use of data for which consent is required

In some circumstances, we (and other insurance market participants) may need to collect and use special categories of personal data (e.g. information relating to criminal convictions and offences. Where this is required, unless another ground applies, consent to this processing is necessary for us to provide relevant services. Although consent may be withdrawn at any time, this may mean we are unable to continue to provide services and/or process enquiries and/or claims and that insurance cover will stop. Where you are providing us with personal data about a person other than yourself, you agree to provide this notice to them and confirm that you have obtained their consent as outlined here.

Security

We take privacy seriously and have systems in place to ensure the security and accuracy of any personal information we collect. All information you provide to us is stored on our secure servers. We restrict access to your information as appropriate within Palladium Insurance to those who need to know that information for the purposes set out above.

19. Complaints Procedure

At Palladium Insurance Limited each of our customers is important to us and we are always pleased to hear about any aspect of your membership that you feel has worked well, or that you have had problems with.

In the first instance please contact Palladium Insurance Limited in writing at:

Palladium Insurance Limited
Second Floor, Block A, Lefebvre Court Lefebvre Street St Peter Port Guernsey GY1 2JP
E-mail: info@palladiuminsurance.gg

If we have not been able to resolve the problem and you wish to take your complaint further, please write to the Palladium Insurance Limited Board:

Palladium Insurance Limited
Second Floor, Block A, Lefebvre Court
Lefebvre Street
St Peter Port
Guernsey
GY1 2JP

On the rare occasion that we are not able to settle your complaint ourselves, you may also refer your complaint to the Channel Islands Financial Ombudsman at:

Channel Islands Financial Ombudsman (CIFO)
P O Box 114
Jersey, Channel Islands
JE4 9QG
Email: enquiries@ci-fo.org
Website: www.ci-fo.org
Jersey local phone: 01534 748610
Guernsey local phone: 01481 722218
International phone: +44 1534 748610

20. Our Commitment to You

At Palladium Insurance Limited each of our customers is important to us, and we believe you have the right to a fair, swift and courteous service at all times.
Once we are in receipt of your complaint, we will deal with it promptly, effectively and in a positive manner.

Step One

We will acknowledge your complaint within five working days of receipt of your complaint.

Step Two

We will investigate your complaint and endeavour to send a final response to you within four weeks of receipt of your complaint. If we are unable to provide you with a final response within this time, we will send you an update.

Step Three

We will endeavour to send a final response to you within eight weeks of receipt of your complaint. If we are unable to provide you with a final response within this time frame, we will write to you explaining why and advise you when you can expect a final response.

Step Four

If more than eight weeks from the date of your complaint has passed and you haven't received a final response, or you are dissatisfied with the final response you have received (at any stage of the process) you can write to:

Channel Islands Financial Ombudsman (CIFO)
PO Box 114
Jersey
Channel Islands
JE4 9QG
Tel: 01481 722218 (Guernsey local)
01534 748610 (Jersey local)
+44 1534 748610 (International)
Email: enquiries@ci-fo.org

21. Important Notice

Palladium Insurance Limited is incorporated under number 62801 in accordance with The Companies (Guernsey) Law 2008, and is a licensed insurer registered with the Guernsey Financial Services Commission under the Insurance Business (Bailiwick of Guernsey) Law 2002 as amended