

RAEBURN - Rent Guarantee & Legal Expenses

The **Guarantor** confirms that in return for accepting the **Premium** as stated in the **Guarantee Schedule**, will **Guarantee**, subject to the terms and conditions of this policy as set out below, during the **Period of Cover** as set out in the **Guarantee Schedule**, to provide **Rent Guarantee** cover and/or **Legal Expenses** cover.

DEFINITIONS

Some words and phrases in the **GUARANTEE** and **Schedule** have specific meanings. Such meanings will attach where words and phrases appear in **bold**. The meanings are given below.

Administrator is Raeburn UK Ltd, Norton Chambers, 52b High Street South, Dunstable, Beds, LU6 3HD.

Agent The intermediary of a **Landlord**

Any One Claim A **Claim** including any appeal against a judgement or award consequent upon the same original cause(s) event(s) or circumstance(s) arising from the same **Claim**.

Claim Any incident for which a **Landlord/Agent** may call upon the **Guarantor** within the terms and conditions of this **Guarantee** for non-payment of the rent due to a **Landlord/Agent** by the **Tenant**, up to the maximum **Limit of Indemnity** as set out in the **Schedule**. Only one claim shall be deemed to have arisen from any incident related by time and cause.

Deposit The sum of money held by a **Landlord/Agent** as security for the performance of the **Tenancy** or period of occupation by a **Tenant** as set out in the tenancy agreement.

Excess The first amount of any claim as shown in the **Schedule** from any one incident.

Full Referencing Procedure The procedure carried out by Raeburn UK Ltd in order to assess the suitability of an applicant for a tenancy for the purpose of this **Guarantee**.

Guarantee The terms, conditions and benefits of this **Guarantee** issued by the **Guarantor** providing the benefits as specified in the **Schedule** for the period specified and any endorsements attached or issued thereto.

Guarantor Templeton Insurance Limited 18-20 North Quay, Douglas, Isle of Man, IM1 4LE.

Landlord A person or company named in the **Schedule** as the **Landlord** who enters into a **Tenancy** agreement with a **Tenant**.

Limit of Indemnity The maximum amount payable by the **Guarantor** during any one period of **Guarantee** in respect of the benefits payable under the terms and conditions of this **Guarantee** as set out in the **Schedule**.

Loss of Rent Rent arrears (less the deposit or the balance of the deposit following sight of accounted receipts relating to dilapidations caused to the **Property** by the **Tenant(s)**) owed to the **Landlord** of the **Property** by the **Tenant** under a **Tenancy Agreement** provided such rent arrears occur during the **Period of Guarantee** and shall be calculated on a pro-rata basis from the date of the first missed payment to the date when full and vacant possession of the **Property** has been gained or if not so gained during the **Period of Guarantee** then to the expiration of the **Period of Guarantee**, whichever shall be the earlier.

Monthly Benefit The amount paid each month by the **Guarantor** to the **Landlord** or **Agent** equivalent to the **Rent** as set out in the **Schedule**, in the event of a successful **Claim**.

Period of Guarantee The **Period**, as stated in the **Schedule** for which this **Guarantee** is valid.

Professional Advisers The solicitor or appropriate qualified person, firm or company appointed under the terms and conditions of this policy.

Professional Costs The costs in respect of a **Claim** under the terms and conditions of this **Guarantee** for unrecoverable fees, costs and disbursements reasonably and necessarily incurred by the **Professional Adviser** and the costs incurred by a third party for which the **Landlord/Agent** may be liable by order of a court or by agreement with the **Guarantor**.

Property A residential **Property** located within the **Territorial Limits** at the address advised to the **Guarantor** which has been let to a **Tenant** under a **Tenancy Agreement** for residential purposes only and so named on the **Schedule** as the **Property**.

Relevant Payment The **Premium** payable to the **Guarantor** by the **Landlord** or **Agent** as set out in the **Schedule** for the **Rent Guarantee** cover and/or **Legal Expenses** cover.

Rent The amount payable under the **Tenancy Agreement** as stated in the **Schedule**.

Schedule The document containing specific details of cover, issued to the **Landlord/Agent** by the **Guarantor** in conjunction with this **Guarantee**

Start Date means the date of commencement of the **Tenancy** to which the **Guarantee** applies.

Tenancy means an Assured Short hold **Tenancy** as defined in the Housing Act 1988 or the Housing Act 1996 and corresponding legislation in Scotland and Northern Ireland, and any amending legislation or a tenancy of the **Property** granted by the **Landlord** as a resident landlord or a tenancy of the **Property** granted by the **Landlord** by signed contract other than by means of an Assured Short hold **Tenancy** (where an Assured Short hold **Tenancy** can not be applied) but legally binding for a period no greater than six months. The tenancy being for residential purposes only.

Tenant any person or company who has been referenced Raeburn UK Ltd **Full Referencing Procedure** and who has been accepted under that procedure and entered into a **Tenancy Agreement** in connection with a **Property** during the **Period of Guarantee** and been named in the **Schedule** as the **Tenant**.

Territorial Limits England, Scotland and Wales.

Term means a period of 6 months from the **Start Date**.

ELIGIBILITY

For a **Landlord/Agent** to be eligible for cover:-

- (i) the **Tenant** must be at least 18 years of age
- (ii) the **Landlord**, or the **Managing Agent** acting on his behalf, must ensure that the following procedures are adhered to.

The **Landlord** must:

- (a) not allow a **Tenant** into possession of the **Property** other than on the basis of an already completed written **Tenancy** agreement duly signed by all parties;
- (b) ensure that all necessary statutory pre-grant notices are served personally in the correct form on the **Tenant** prior to the granting of the **Tenancy**;
- (c) ensure that, prior to the granting of any **Tenancy** the **Tenant** has been accepted under Raeburn UK Ltd **Full Referencing Procedure** and has been accepted under that procedure and complied with any conditions attached thereto.
- (d) not enter into a **Tenancy** agreement where the Raeburn UK Ltd **Full Referencing Procedure** requires a person to stand surety for the **Tenant** unless such a person complies with condition (c) above and has been legally assigned to the **Tenancy** agreement.

(e) not allow any **Tenant** into occupation until the first month's **Rent** and **Deposit** payment has been paid in cash or payment has cleared in the **Landlord's** or **Managing Agent's** bank account.

TERMS OF COVER

For cover to continue under the **Guarantee**, the **Landlord** or **Agent** acting on their behalf must:

- (i) Keep clear up to date records, correspondence and accounts.

LEGAL EXPENSES COVER

If during a **Period of Guarantee** a **Claim** arises, the **Landlord/Agent** will provide to the **Guarantor** indemnity for fees not otherwise recoverable for **Professional Costs** incurred in the pursuit or defence of civil claims up to the maximum amount as stated in the **Schedule**.

LEGAL EXPENSES EXCLUSIONS

The **Guarantee** will not cover any claim:

- (a) where there is an insufficient **Prospect of Success**;
- (b) where a **Claim** had commenced or occurred before the **Period of Guarantee**;
- (c) where the **Tenancy** commenced before the **Period of Guarantee** began and the **Claim** occurs within 90 days of the **Start Date**;
- (d) where at or prior to the start of the **Period of Guarantee** the **Landlord/Agent** in the reasonable judgement of the **Guarantor** should have realised that the claim might occur;
- (e) where the **Landlord/Agent** fails to promptly provide evidence or information reasonably required by the **Guarantor** or the **Administrator** to establish whether support can be provided for a **Claim** under the **Guarantee**;
- (f) where the **Landlord/Agent** or anyone acting on behalf of the **Landlord/Agent** is responsible for anything which in the reasonable opinion of the **Guarantor** prejudices either the **Landlord/Agent** or the **Guarantor's** **Prospect of Success** in the prosecution, defence or settlement of the proceedings;
- (g) where the **Landlord/Agent** acts without the consent of the **Guarantor** or contrary to or in a manner different from the advice of the **Guarantor** or the **Professional Adviser**;
- (h) where the **Landlord/Agent** has failed to adhere to the eligibility criteria and terms of cover specified in the **Guarantee**;
- (i) which is false, fraudulent or arises from any deliberate criminal act or omission of the **Landlord/Agent**;
- (j) unless the **Administrator** is promptly notified by the sending of a fully-completed claim form, giving a full and truthful account of the facts of the claim, to be received by the **Administrator**, no later than 31 days after the **Claim** occurs;
- (k) arising from war, riot, radioactive contamination, nuclear accidents and similar risks;
- (l) where the amount in dispute is less than £250;
- (m) arising from:
 - (i) subsidence or mining or quarrying activities;
 - (ii) the compulsory purchase, placing of restrictions or any other action by any government, public or local authority;
 - (iii) planning law including the Town and Country Planning Legislation;
 - (iv) the construction of or structural alteration to buildings or parts of buildings;
 - (v) libel or slander or malicious falsehood;
- (n) for an application for a **Judicial Review** or for an appeal unless the **Guarantor** has given their prior written consent to such costs being incurred;
- (o) falling within the jurisdiction of a **Rent Assessment Committee**, the **Lands Tribunal** or the **Leasehold Valuation Tribunal**;
- (p) relating to the payment or non payment of service charges as defined in the **Landlord and Tenant Act 1985** (as amended); or
- (q) for damages, interest, fines or other penalties.
- (r) arising in connection where the terms and conditions of the **Tenancy Agreement** are in dispute by either party other than for the non-payment of rent.

LEGAL EXPENSES LIMIT OF COVER

- (i) There is no cover for **Professional Costs** which are:
 - (a) incurred in avoidable correspondence;
 - (b) incurred prior to written confirmation from the **Guarantor** that the claim has been accepted;
 - (c) in excess of £25,000;
 - (d) in excess of those for which the **Guarantor** has given its prior approval in accordance with the terms and conditions of the **Guarantee**;
 - (e) recoverable from a court, tribunal or elsewhere; or
 - (f) incurred in respect of any claim where the **Landlord/Agent** is, or but for the existence of this **Landlord/Agent** would be, entitled to indemnity under any other **Guarantee** or insurance policy.
- (ii) The **Guarantor** will not be liable for any **Excess** specified in the **Schedule**.

RENT GUARANTEE COVER

- (i) **Monthly Benefit** will be paid by the **Guarantor** in respect of arrears of **Rent** owed on a **Property** by the **Tenant** to the **Landlord/Agent**, for up to 7 months or until vacant possession has been gained, whichever happens soonest, subject to the following:
 - (a) such arrears occur during the **Term** and subsequent claim is made during the **Period of Guarantee**

- (b) a claim is promptly notified to the Administrator by the sending of a fully-completed claim form, giving a full and truthful account of the facts of the claim, no later than 31 days after the Claim occurs, and the Professional Adviser decides that there is sufficient Prospect of Success to gain vacant possession of the Property or recover unpaid Rent;
- (c) action is taken promptly to gain vacant possession of the Property or recover unpaid Rent, unless the only reason for not taking action is that the Professional Adviser advises that the expected costs incurred will be more than any money recovered;
- (d) the Guarantor has the right at any time under subrogation to pursue Proceedings against the Tenant

Benefit will be paid as stipulated above at a rate of 1/30th of the Monthly Benefit for each continuous day that Rent is in arrears or that vacant possession benefit is payable. The Monthly Benefit will be paid monthly in arrears and will only be paid if the terms and conditions of the Guarantee are met.

RENT GUARANTEE EXCLUSIONS

The Guarantee will not cover:

- (i) any claim which would be excluded under the Legal Expenses Limit of Cover section of this Guarantee;
- (ii) Rent once the Property is deemed to be vacant;
- (iii) Rent once the Period of Guarantee has expired or Term has expired unless, at the expiry date vacant possession has not been obtained, in which case the Guarantor will pay up to a further month's Rent
- (iv) any Claim which is not subject to the implementation of legal proceedings to evict the tenant;
- (v) any interest on Rent arrears

RENT GUARANTEE LIMIT OF COVER

The Guarantor shall not be liable for more than:

- (i) The Limit of Indemnity for Rent Guarantee cover as stated in the Schedule
- (ii) 7 months arrears of Rent in total.

whichever is the lesser.

ALTERATION IN RISK

The Landlord/Agent shall notify the Guarantor as soon as they become aware of any alteration in risk, which may materially affect the Guarantee. The Landlord/Agent may be required to pay an additional premium to the Guarantor.

CLAIMS PROCEDURE

- (i) If Rent is overdue the Tenant must be contacted in writing within 7 days requesting payment. If Rent remains overdue within a further 7 days, the Tenant must be contacted in writing again.
- (ii) Where the Landlord/Agent becomes aware of a potential Claim under any part of the Guarantee, the Landlord/Agent shall notify the Administrator promptly by sending a fully-completed Claim Form, giving a full and truthful account of the facts of the claim, to be received by the Administrator, no later than 31 days after the Claim occurs, and shall comply with any advice given as to the future conduct of the claim.
- (iii) The Landlord/Agent must provide documentary evidence as requested by the Guarantor in the event a claim is made.

PROSPECTS OF SUCCESS

If at any time during the claims procedure, the Professional Adviser considers that the Landlord/Agent's prospects of success in the Proceedings do not warrant continuing with the Proceedings, or that the interests of the Landlord/Agent can be better achieved by other means, the Guarantor shall then be under no further liability to indemnify the Landlord/Agent in respect of the case. The Guarantor shall provide the Landlord/Agent with a written explanation of their decision. If the Landlord/Agent disagrees with this decision.

CONDUCT OF THE PROCEEDINGS

- (i) The Guarantor may make its own investigate any claim and may, subject to the approval of the Landlord/Agent (which shall not be unreasonably withheld), attempt to reach a settlement of the Proceedings.
- (ii) In any claim where the appointment of a Professional Adviser is appropriate, a Professional Adviser will be nominated to act for the Landlord/Agent by the Guarantor.
- (iii) The Professional Adviser must promptly inform the Guarantor of:
 - (a) their professional opinion as to the prospects of success of the Guarantor's Proceedings; and
 - (b) an estimate of the total costs likely to be incurred in the Proceedings with details of their charging rates.
- (iv) The Landlord/Agent must immediately on the appointment of the Professional Adviser pay any Excess shown in the Schedule to the Professional Adviser.
- (v) The Professional Adviser must keep the Guarantor fully and promptly informed on the progress of the case, of any change in their opinion of the prospects of success and their estimate of costs during the Proceedings.
- (vi) The Guarantor will only meet the Professional Costs:
 - (a) which have been agreed in advance by the Guarantor as to both amount and purpose; and
 - (b) while prospects of success in the Proceedings remain reasonable.
- (vii) The Guarantor reserves the right to take over and conduct the Proceedings in the name of the Landlord/Agent at any time.

WITHDRAWAL AND DISCONTINUATION

If the Landlord/Agent withdraws from or discontinues the Proceedings without the prior agreement of the Professional Adviser then any Professional Costs incurred and third party costs will become the responsibility of and payable by the Landlord/Agent.

CO-OPERATION

- (i) The Landlord/Agent will co-operate with the Guarantor/Administrator at all times and reply promptly to any correspondence connected with the claim.
- (ii) The Landlord/Agent shall give promptly to the Professional Adviser all information requested and will meet with them whenever requested.
- (iii) The Landlord/Agent or the Professional Adviser must notify the Guarantor should a conflict of interest arise between the Landlord/Agent and the Guarantor.
- (iv) The Landlord/Agent shall provide all evidence or information required by the Guarantor and the Professional Adviser and shall keep them fully and continually informed of all developments relating to the Proceedings.
- (v) The Landlord/Agent shall, if so requested by the Guarantor, instruct the Professional Adviser to submit his bill of costs for taxation by the court or certification by the appropriate professional body.
- (vi) The Landlord/Agent shall whenever reasonably possible attempt to recover costs from a third party and shall instruct the Professional Adviser accordingly.
- (vii) The Landlord/Agent will attend any court hearing if required to do so by the appointed Professional Adviser.

RIGHTS TO INFORMATION

- (i) The Guarantor shall have direct access to the Professional Adviser at all times. The Guarantor shall be entitled to obtain from the Professional Adviser any information, relating to the Proceedings, whether or not privileged, and the Landlord/Agent shall, if so requested, immediately give any instructions to the Professional Adviser, which may be required for this purpose.
- (ii) The Guarantor shall be notified immediately in writing by the Landlord/Agent or the Professional Adviser of any offer made. If the Guarantor considers the outcome of the Proceedings to be equally or less favourable to the Landlord/Agent than the offer, the Guarantor shall have no liability in respect of any further Professional Costs.

CANCELLATION

- (i) The Guarantor may cancel the Landlords/Agent's cover under the Guarantee at any time by giving 14 days notice in writing.

TERMINATION

The Guarantee will terminate on the earliest of the following events:

- (i) the end of the Term
- (ii) failure of the Landlord/Agent to pay the Relevant Payment when due; or
- (iii) the Landlord/Agent's cover under the Guarantee is cancelled.

Notification of a Claim will not be accepted for any Claim occurring after termination of the Guarantee.

GENERAL CONDITIONS

- (i) If the Landlord/Agent does not adhere to the terms of the Guarantee, they will not be entitled to any benefit under the Guarantee.
- (ii) If the Landlord/Agent gave false or misleading information when they applied for Guarantee cover the cover will end. The Guarantor will not pay any benefit and make no refund of any premium.
- (iii) The contract between the Landlord/Agent and the Guarantor is made up of the Guarantee, the Schedule, any endorsement and any other information provided by the Landlord/Agent.
- (iv) The Guarantor shall not be bound by any agreement to which they are not a party.
- (v) The rights under this Guarantee are not transferable.
- (vi) The benefit cannot be paid to anyone else or in any way other than as described in the Guarantee.
- (vii) All notices and communications sent or received by the Guarantor will be considered to have been duly sent or received.
- (viii) The Guarantor is not bound to give notice when the Guarantee becomes due for renewal.
- (ix) This Guarantee will be governed by English Law.

This Guarantee is

Underwritten by:

Templeton Insurance Limited
18-20 North Quay
Douglas
Isle of Man
IM1 4LE

Arranged and Administrated by:

Raeburn UK Ltd
Norton Chambers
52b High Street South
Dunstable
Beds
LU6 3HD