

Legal Indemnities

Glossary

Adverse Possession

Adverse possession means that the owner of the property has no title to an area of the property (normally garden and land only). This means that they have claimed ownership of some land but did not have necessary evidence to satisfy the land registry that they were the true owners. It will cover the purchaser against any financial losses suffered in the event that someone attempts to claim the land from them, including the costs involved in defending a claim.

Absence of Easement

An Absence of Easement Indemnity policy provides cover where a legal right to use an access to a property, and/or to use the service pipes, wires or cables connected to it cannot be established. Cover includes loss in the value of the property, the cost of obtaining either alternative access and/or a route for the services to the property and the legal expenses incurred.

Absent Landlord

An Absent Landlord Indemnity policy will offer cover in the event that the landlord is missing, unresponsive or insolvent and cannot perform their duties of maintaining and insuring the structure of the building. Difficulties arise because there are no formal and enforceable arrangements between the existing tenants.

Chancel Repair Liability

A Chancel Repair Insurance policy will give protection to the Insured in the event that the Insured's property falls within a parish that is liable for the repair of the chancel of the church and a request for contribution towards repair costs is received.

Contingent Buildings

A Contingent Buildings Indemnity policy provides cover for the Insured in the event that any part of the building of which the flat forms part of is damaged by the type of event against which the flat or building was Insured but:

1. The landlord, managing agent, residents association or another lessee has failed to insure entitle or for the adequate amount
2. Reinstatement of the building is frustrated by planning controls or the lease does not oblige the landlord to reinstate
3. The lease could be determined in the event of major damage
4. The landlord keeps the proceeds of the insurance without reinstating
5. The insurance arranged by the landlord, managing agent or residents association proves invalid as a result of the act of third parties

Enforcement of known or Unknown Rights of Way and/or Easements

An Enforcement of Known or Unknown Rights of Way and/or Easements indemnity insurance provides cover against any third party attempting to enforce any easement over, through or under the property. Cover includes loss in the value of the property, the cost of obtaining either access and/or a route for the services to the property and the legal expenses incurred.

Enlargement of Lease

An Enlargement of lease Indemnity policy is for protection in the event that a leasehold property (residential or commercial) with full particulars missing is enlarged by a deed. It may have been incapable of being enlargement and the freehold interest could vest with a third party or the property may continue to be subject to matters that are unknown due to the lease being missing.

Good Leasehold Title

Good Leasehold Title Indemnity provides cover where part or all of the title to the property is registered with good leasehold title. It will protect against third parties claiming superior title to the property.

Flat/Maisonette

The Flat & Maisonette Indemnity policy has been designed for a situation where the seller of a flat or a maisonette has confirmed that there have not been any problems with repairs, maintenance or the payment for them. They may be unable to enforce necessary repairs to other parts of the building or obtain appropriate maintenance contributions from other tenants because the lease is defective, the landlord cannot be traced or the landlord has no obligation to take over the responsibilities of a management company that fails to perform its duties.

Flying/Creeping Freehold

A Flying/Creeping Freehold Indemnity policy will provide cover if the property is affected by a flying or creeping freehold. Problems can arise from the lack of rights of support, maintenance or repair from the neighbouring property.

Forfeiture of Lease

There can be 2 different Forfeiture of Lease policies, one for lessee bankruptcy and the other for the breach of a covenant by the lessee. The policy is for the protection of the lender or mortgagee for their loss in the event of either of the above happening.

Freehold Rent Charge

Freehold Rent Charge Indemnity policies provide cover where the title to the property is subject to an outstanding rent charge liability and a landlord could attempt to enforce a right of re-entry due to nonpayment of the rent charge.

Insolvency Act

The Insolvency Act Indemnity policy provides cover where there has been a transfer at undervalue or gift which might prejudice the title to the property under the provisions of the Insolvency Act. Cover can include residential or commercial transactions.

Lack of NHBC Certificate or Architects Certificate

A Lack of NHBC Certificate or Architects Certificate Indemnity policy will provide cover for a lender in the event that a property does not have the appropriate NHBC Certificate or Architects Certificate. Cover is for the loss in the market value of the property.

Leasehold Title Risks

Leasehold Title Risks are like Good Leasehold Title indemnities, it's just that the title is registered as Leasehold. It will protect against third parties challenging your ownership or attempting to enforce any restrictive covenants, rights and/or easements.

Lost Title Deeds/Missing Information

A Lost Title Deeds Indemnity Insurance policy provide cover where the original title deeds to the property have been lost, destroyed or mislaid and a third party challenges your ownership of the property, or attempts to enforce any restrictive covenants, rights and/or easements contained in the missing title deeds.

Manorial Rights

Manorial Rights are somewhat ancient and outdated. They have commonly arisen due to the fact that until the 1925 Law of Property Act, the title to the Property was copyhold granted by the Lord of the Manor. Since the 1925 Act made any such titles obsolete, the titles have been expressed to be subject to manorial rights in favour of the Lord of the Manor. These can include sporting and hunting rights together with more obscure rights to collect a share of the harvest. Protection is provided against third parties attempting to exercise these rights in the future.

Mines and Mineral Rights

Mines & Mineral Rights Insurance is needed due to the mines &/or minerals rights for the land/property being reserved for a third party on the title documents. An Indemnity policy will provide cover in the event that a third party tries to exercise these rights.

Planning and/or Building Regulations

A Planning and/or Building Regulations Indemnity Insurance will provide cover in respect of development or specified works at the property where the appropriate consents have not been granted. It can also provide cover where the appropriate documentation has been lost or misplaced.

Registered Possessory Title

Registered Possessory Title Indemnity provides cover where part or all of the title to the property is registered with possessory title. It will protect against third parties claiming superior title and challenging your ownership of the property.

Restrictive Covenants

A Restrictive Covenant is a legally enforceable deed, usually created to protect specified rights concerning the use of land. As an example a restrictive covenant may have been drafted hundreds of years ago, specifying that a given plot of land cannot be used for development purposes. A Restrictive Covenant insurance policy provides for any loss in the value of the property and the legal expenses incurred in defending an attempt to enforce the covenant, subject to the selected limit of indemnity.

Right to Buy

A Right to Buy Indemnity Insurance policy will offer cover to a mortgagee or lender only in the event that there is a legal charge for the benefit of the Local Authority over the Property with regard to the Right to Buy Legislation.

Search Insurance

There are 4 different types of Search Insurance and they can be for residential or commercial properties.

The cover provided is for the loss in the market value of the property in the event that:

1. The Insured purchased or contracted to purchase the property relying on a search which was carried out during the 12 months prior to the inception date (Search Validation)
2. The Insured purchased or contracted to purchase the property before receiving the results of the search (Search Delay)
3. The Insured purchased or contracted to purchase without a search carried out (No search Purchase)
4. The Insured has agreed to provide a mortgage to the current owner of the property without a search being carried out (No Search Remortgage)

Septic Tank Discharge

A Septic Tank Discharge Indemnity policy will offer protection in the event that there is no discharge consent and subsequent enforcement by the Environmental Agency requiring compliance with any alterations, replacement or relocation of the septic tank.

Unadopted road or Sewer

An Unadopted Road or Sewer Indemnity policy will protect the Insured against any attempt by the Local Authority compulsorily enforcing the adoption of the road or sewer serving the property and levying the costs back.



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