

Commercial Property Policy Schedule

File No:	000	Premium:	£0.00
Policy No:	62-002	I.P.T.:	£0.00
Policy Amount:	£0.00	Total Due:	£0.00
Policy Date:	/ /		

1. Name of Insured Lender:

2. Particulars and Date of the Insured Mortgage:

3. The Land referred to in this policy is described as follows:

4. Exclusions:

- (a) Environmental contaminants or hazardous waste on or under the Land and/or loss or damage arising by reason of environmental protection legislation.
- (b) Any claim covered by a buildings insurance policy for the land.

5. Cover is provided on the assumption that:

- the property has been in existence for at least 12 months
- there have been no alterations or changes in the past 12 months
- the property on the Land is and will be used as a commercial property upon completion
- the property on the Land is in the ownership of a borrower applying for a mortgage or further advance secured on the property by the Insured Mortgage
- enquiries prior to contact will be completed before exchange of contracts or completion
- there are no circumstances known to the Insured which are likely to give rise to an adverse entry appearing in an official/personal search of the Local Authority and charges register or replies to the Con 29R.
- there is a comprehensive buildings insurance policy covering the land.

FIRST TITLE INSURANCE PLC

By: _____



Form number LAS (E&W 02/02)

1. Definitions

In this policy, unless the context otherwise requires:

1.1 "Authorised Expenses"

means any costs, legal fees and expenses that First Title is obliged to pay under this policy and have approved in writing

1.2 "First Title"

means First Title Insurance plc

1.3 "Fixtures"

means structures constructed on the Land which by law are taken to be part of the Land

1.4 "Insured Lender"

means the mortgage lender named in paragraph 1 of the Schedule, that is insured by this policy.

1.5 "Insured"

means the Insured Lender

1.6 "Insured Mortgage"

means the mortgage described in paragraph 2 of the Schedule

1.7 "Land"

means the land described in paragraph 3 of Schedule, including Fixtures.

1.8 "Laws"

means, laws, bye laws, orders, codes, or governmental regulations which have force and effect in the Jurisdiction and "Law" will be construed accordingly.

1.9 "Policy Amount"

means the policy amount specified in the Schedule being the amount of the Insured Mortgage

1.11 "Policy Date"

means the date of this policy specified in the Schedule.

1.12 "the Schedule"

means the policy schedule attached to and forming part of this policy.

1.13 "Know, Known or Knowing"

means having actual knowledge and not constructive knowledge or notice which may be imparted by matters appearing in public records established by local government.

2. Coverage Statement

Provided that the premium is paid and subject to the terms and conditions of this policy including the Schedule (which forms part of this policy) and relying on the information disclosed to First Title, as the circumstances may require, First Title will do the following:

2.1 Actual Loss

Indemnify the Insured against actual loss, not exceeding the Policy Amount, sustained or incurred by the Insured by reason of any adverse circumstance affecting the Land which would have been disclosed by an official search of the Local Authority Land Charges, Water Service Company and/or the Coal Authority registers in accordance with Forms LLC1 and CON 29/29R/29DW/29M of the Land at Policy Date.

2.2 First Title's Duty to Defend

In addition to First Title's indemnity liability for the Insured's actual loss, if asked by the Insured under paragraph 6 of this policy, First Title will defend the insured for the risks insured by this policy. First Title will also pay any Authorised Expenses that it incurs in that defence. First Title can end this duty to defend by exercising any of the options listed in paragraph 8 of this policy.

3. Exclusions

First Title will not indemnify the Insured against actual loss, will not have a duty to defend and will not be obliged to pay Authorised Expenses resulting from any of the following matters:

3.1 that the Insured creates, allows or agrees to at any time;

3.2 that are Known to the Insured but not to First Title and do not appear in the public records established by local government on or prior to the Policy Date;

3.3 that cause the Insured no loss;

3.4 that occur, come into existence or are recorded in public records established by local government on or after the Policy Date;

3.5 disclosed to the Insured during negotiation, correspondence or in reply to enquiries before contract;

4. Continuation of Indemnity

The coverage of this policy does not continue to protect any purchaser from the Insured

5. Notification of a Claim

5.1 The Insured must advise First Title in writing as soon as possible after the Insured becomes aware of any claim or circumstance which might entitle the Insured to make a claim under this policy.

5.2 First Title's obligation to the Insured under this policy may be reduced in part or in whole if the Insured refuses to co-operate with First Title and any action or omission of the Insured in these respects adversely affects First Title's ability to dispute or defend any challenge or claim or to commence any action against other persons.

6. Defence and Prosecution of Actions and The Insured's Duty to Co-Operate

6.1 If the Insured asks First Title in writing First Title will, at First Title's cost and without unreasonable delay, defend the Insured in litigation concerning any adverse matter referred to in paragraph 2.1.

First Title will be entitled to select the lawyer to act and First Title will not be liable for and will not pay the fees of any other lawyer.

6.2 First Title may pursue any litigation (including appeals) to final determination by a court and reserves the right in its sole discretion to appeal any judgment or order

7. Proof of Loss

7.1 The Insured must give First Title a written statement detailing the amount of the Insured's loss and the method that the Insured used to compute that amount.

7.2 This statement must be given to First Title not later than 90 days after the Insured Knows the facts which will let the Insured establish the amount of the Insured's loss

8. Settling Claims and Termination of Liability

8.1 If the Insured makes a claim under this policy for which First Title is liable or in any other way First Title learns of a matter or circumstance for which First Title is or may be liable, First Title can do one or more of the following:

8.1.1 pay the Insured the amount of indemnity cover then in effect under this policy together with any Authorised Expenses; or

8.1.2 purchase the debt secured by the Insured Mortgage from the Insured Lender for the amount owed under it together with any interest and Authorised Expenses. In those circumstances, the Insured must transfer or assign the Insured Mortgage together with any collateral securities and credit enhancements to First Title on receipt of payment and give all necessary notices of that transfer or assignment; or

8.1.3 pay or otherwise settle any claim with other parties for or in the Insured's name together with any Authorised Expenses; or

8.1.4 pay or otherwise settle with the Insured the loss or damage provided for under this policy together with any Authorised Expenses.

9. Determination and Extent of Liability

9.1 This policy is a contract of indemnity against actual monetary loss or damage. Subject to paragraphs 10 and 11, First Title's total liability under this policy (excluding Authorised Expenses) will be the lesser of:

9.1.1 the Policy Amount or;

9.1.2 the amount of the debt secured under the Insured Mortgage together with interest and Authorised Expenses which are owing and can be recovered under the Insured Mortgage at the time of loss (if the claim is made by an Insured Lender); or

9.2 the difference between the market value of the Land without the adverse circumstances which would have been disclosed by a Local Authority search of the Land at the Policy Date and the market value of the Land with the adverse circumstances.

10. Limitation of First Title's Liability

First Title will not be liable to indemnify the Insured:

10.1 if First Title removes the matter or thing giving rise to the claim under this policy in a reasonably diligent manner by any method including litigation;

10.2 if First Title makes a settlement with a third party;

10.3 until litigation, including appeals, in relation to a claim conducted by First Title (or by the Insured with First Title's authorisation) has been finally determined by a court;

10.4 for liability voluntarily assumed by the Insured in negotiating or settling any claim or litigation without First Title's prior written consent

11. Reduction of Indemnity and Reduction or Termination of First Title's Liability

The amount of indemnity cover payable by First Title under this policy will be reduced or terminated (as the case may be) by any or all of the following.

11.1. All payments under this policy except for Authorised Expenses.

11.2 The payment by any person of all or part of the debt or any other obligation secured by the Insured Mortgage or any voluntary, partial or full satisfaction or release of the Insured Mortgage to the extent of the satisfaction or release.

11.3 The amount by which the Insured's acts or omissions have increased First Title's liability or reduced First Title's ability to recover amounts from third parties, and

11.4 Any amount that First Title pays to the holder of an Insured Mortgage that was insured by this policy or later mortgage created by the Insured Owner.

12. Payment of Loss

When the extent of the Insured's loss and First Title's liability under this policy has been finally determined, First Title will pay that amount to the Insured within 30 days of that determination

13. Subrogation

If First Title agrees to indemnify or defend the Insured under this policy in respect of any claim, then regardless of whether or not actual payment has been made First Title will immediately be subrogated to any rights, contractual or otherwise, which the Insured may have in connection with that claim, the Insured Mortgage or the Land. If First Title asks, the Insured must transfer to First Title all of the Insured's rights and remedies against any person or property that, in First Title's opinion, might be necessary to perfect this right of subrogation.

14. Liability Limited to This Policy

This policy and any endorsements to it given in writing by First Title will be the entire contract between the Insured and First Title

15. Severability

In the event that any provision of this policy is held to be invalid or unenforceable under any Law, that provision may be severed from and will not be taken to have affected the remaining provisions

16. Notices

All notices required to be served on or given to First Title under this policy must include a reference to the policy number and the property address and be delivered to:

Claims Department
First Title Insurance plc
Title House
33 – 39 Elmfield Road
Bromley
BR1 1LT

First Title Insurance plc is authorised and regulated by the Financial Services Authority and is a member of the Financial Ombudsman Service.