

## **Chancel Repair Indemnity 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 Chancel Repair Liability Indemnity policy provides cover where your property is subject to a liability to contribute towards the cost of repair to a church chancel.

It is designed to protect you against the losses and expenses outlined in the Cover section of the policy, subject to the policy terms and conditions.

### **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 continuously as a single commercial dwelling throughout the past 12 months?
2. Can you confirm that the Property is not comprised of more than 20 acres?
3. Can you confirm that, within the past 3 months, a search has been carried out at the Land Registry which does not disclose the registration, or notice of intended registration, of a chancel repair liability affecting the Property?
4. Can you confirm that you are not aware of any correspondence or contact by or with a parochial church council or any other church body or authority about a liability for chancel repair which affects either the owners of the Property, or owners of other properties in the vicinity of the Property?

### **Key Benefits of the Policy**

The Policy:

- Protects against compensation and legal costs which you are liable to pay for repair of the church chancel as confirmed by court order or otherwise with our prior consent.
- Legal costs and expenses incurred by you with our prior consent to defend any legal action in connection with such liability. The policy automatically covers your mortgage lender, subsequent owners and their lenders. The limit of indemnity under the policy automatically increases by 5% per annum for a period of 10 years. The interest of any insured will not be prejudiced by any act, omission or misrepresentation by any other party unless such party acted on their behalf or with their knowledge or consent.

### **Exceptions and Limitations**

The Policy only covers:

- financial loss
- up to the limit of indemnity

The policy does not cover:

- You or anyone acting on your behalf who discloses the existence of the policy other than to purchasers of the property and their mortgage lenders.
- You must not be aware, before or at the date the policy commences, of any liability relating to chancel repair in respect of the property.

The policy does not cover any loss:

- if, at the date on which this policy commences, a liability to repair a church chancel is evident from the property's title deeds or Land Registry entries
- if the property comprises more than 10 acres
- if the property is used for any purpose other than a single commercial dwelling and/or commercial or business premises.

### **Grounds of Invalidity**

The Policy must only be only be disclosed to:

- 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 Assert Rights” 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
- 1.4 (Save where the context requires otherwise) references to:
  - 1.4.1 parties to the Policy include their respective successors in title, assignees and personal representatives
  - 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 may treat the Policy as having been terminated from the date of the fraudulent action. In that event the Insurer may refuse all liability for any loss, claim or potential claim occurring after such time and the premium may not be returned to the Insured

**6. Non-Invalidation Protection for Lenders and Others**

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

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

6.1.2 providing false and misleading information to the Insurer;

6.1.3 making a fraudulent claim;  
unless

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

6.1.5 where the Insured is a successor in title, he had knowledge of matters set out in 6.1.1 or 6.1.2 before he became a successor in title; or

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

- 6.2 For the avoidance of doubt in the case of a Lender the exclusion of “any such defect in title known by the Insured at the Inception Date” only applies to where the Lender or any legal representative instructed to act on his behalf knows of the defect when its mortgage or charge was created

## **7. Extent of Cover**

- 7.1 In the event of a Claim to Assert Rights 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 subparagraph.
- 7.2 In so far as necessary 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 Insured under this Policy shall not exceed the Limit of Indemnity 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 Assert Rights 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 Assert Rights**

- 9.1 On becoming aware of an actual or potential Claim to Assert Rights, 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 Assert Rights 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 Assert Rights 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 Assert Rights 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 Assert Rights;
  - 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 Assert Rights

**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 address set out in the Policy Schedule (or such other administrative office as shall have been notified in writing to the Insured or as shown on the Insured'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)
- 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 'read'.

**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**

If any difference or dispute of any kind whatsoever shall arise between You and Us under this Policy. Both parties shall take all reasonable efforts, in good faith, to resolve the dispute before any legal action has been initiated. If there is no resolution, the dispute shall be referred to an arbitrator who shall be appointed in writing by the parties. The arbitration will be conducted in Guernsey under the laws and Rules of Guernsey.

If the parties cannot agree upon a single arbitrator, then the matter should be referred for review by two arbitrators, one to be appointed in writing by each of the parties. Should the two arbitrators fail to agree, then an independent umpire should be appointed in writing by the arbitrators. The umpire shall sit with the arbitrators and preside at their meetings and the making of an award shall be a condition precedent to any right of action against us.

**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 personal 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](http://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 personal 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 personal 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](mailto: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](mailto:enquiries@ci-fo.org)  
Website: [www.ci-fo.org](http://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](mailto: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. Palladium Insurance Limited is not a member of the Financial Services Compensation Scheme (FSCS).**