

Always thinking ahead

Contingent & Special Risks

*A division within Lockton Global Real Estate
& Construction*



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Lockton Companies LLP provide advice on and arrange cover against Legal Indemnity risks faced by property developers, freeholders, leaseholders and lenders.

These risks may refer to historical issues (such as restrictive covenants, absence of easement or missing documents), more recent but fundamental issues (such as lack of evidence of compliance with planning regulations or S106 obligations), or protection against future risks (such as Judicial Review and Rights of Light).

In addition to the above, our team of experienced professionals can arrange bespoke solutions for you, whether this is tailoring policies already available in the market to cover additional specific risks, or working with insurers to develop new insurance product solutions specifically for your risks.

We pride ourselves in our expertise in looking at the enterprise risk; sometimes something may seem uninsurable until all factors are considered and the risk can be fully presented to insurers in the correct way, with all relevant facts.

This enterprise view and our close relationships with insurers has previously enabled us to place risks where others have failed to do so, or to obtain cover at a much more competitive premium.

We also develop new and innovative insurance solutions to mitigate our clients' risk exposure in other risk areas such as Contingency, Credit, and Environmental.

We work closely with our Due Diligence practice where they are reviewing the adequacy of insurance covers placed by:

- **Borrowers**, where we act on behalf of a lender
- **The Joint Venture (JV) partner responsible for arranging insurance**, where we act on behalf of another JV partner
- **A seller**, where our client is purchasing 100% shares of a property owning entity under a Share Purchase Agreement (SPA)



Delivering Solutions

We have been able to secure bespoke insurance solutions to provide cover against risks which may have otherwise prevented the deal being able to complete, for example:



Borrower/Lender

We arranged a bespoke Contingency Material Damage and Loss of Rent cover for lenders where our client's tenants were responsible for insurance and refused to note our clients lender as composite insured under their tenant arranged programme.



JV Partner

Cover was improved to include higher Catastrophe limits in Europe following advice we were able to provide relating to Flood risk in Germany, and Earthquake in Italy, improving the insurance protection to our client and their JV partner.



SPA Purchase

The seller's property owners liability policy excluded cover related to Asbestos and no cover could be found to have been in place in the previous 3 years. As our client was purchasing the entity, the risk from an incident having occurred in the past, which had not yet been notified as a claim, would pass to them on purchase. We were able to arrange a cost-effective Retrospective Property Owners Liability Cover against Asbestos to protect our client, and the premium for this was deducted from the purchase price.

Risk Types (not limited to)

- Absence of Easements
- Absentee Landlord
- Adverse Possession
- Chancel Repair Liability
- Defective Title
- Forfeiture of Lease
- Judicial Review
- Lack of Planning / Building Regulations Consent
- Lack of Search
- Mines and Minerals
- Missing Documents
- Overage
- Possessory Title
- Restrictive Covenant (including continued use)
- Rights of Light
- Transfer at Undervalue
- Unknown Rights / Easements
- S106

Contacts



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