

EXAMPLE 1

Background

The client was acquiring some land and intending to develop parts of the site by building industrial units. The development value was around £10m

Issue(s)

It was found that, in a conveyance from some forty years ago, that there was a Restrictive Covenant against any change of use or redevelopment.

Cover required

The client wanted to proceed with the purchase and was seeking insurance on a pre-planning basis to cover against someone claiming a legal right to prevent or restrict use of the property or reduce its value.

Policy

We obtained a policy covering such losses as abortive costs; suspended costs; reinstatement costs; reduction in value; damages; defence costs and settlements.

EXAMPLE 2

Background

The client had planning permission to develop the land and construct 129 residential houses. The development value was £8m

Issue(s)

The land was subject to mining and/or mineral rights and the development works could have been perceived as potential mining activity.

Cover required

The client wanted to cover the risk that if anyone established ownership of the Mineral Rights and claimed a legal right to prevent or restrict the development. Also as the client was transferring part of the site to an energy supplier they asked that they be noted on the policy as statutory undertaker.

Policy

We obtained a policy covering a wide range of losses including:-

- the costs of altering or demolishing all or any part of the Property if necessary to allow the Mineral Rights to be exercised.
- any reduction in the open market value.
- costs for demolition and clearance works, ground-works and construction costs, fees and expense etc.
- payment in accordance with a court order to free the Property from the Mineral Rights
- payment for a compensatory award, damages or injunction relating to any trespass on the Mineral Rights
- costs and expenses to defend any action
- costs expended for the installation of any electricity supply apparatus already installed and which cannot be re-used

EXAMPLE 3

Background

The client was purchasing a site. Use was industrial and there were no plans to develop. Purchase price was £1.5m

Issues

An environmental search revealed that land could be contaminated as defined under the Environmental Protection Act 1990.

Cover required

Against the relevant statutory enforcing authority giving notice under The Act that the property has been identified as contaminated land.

Policy

We obtained a policy for the client and their successors in title, mortgagees, lessees etc. covering the costs and expenses in complying with any remediation notice served by the enforcing authority; any liability of the client to the enforcing authority in respect of anything done by way of remediation by the enforcing authority relating to the property; any other costs and expenses incurred; and any difference in the sale price of the property solely and directly because of the client having been served with a notice(s) under The Act.