



## **London & European launches Deposit Cover to UK Property Market**

13<sup>th</sup> April 2010: London & European, an expert in insurance and property related services, today announces the launch of Deposit Cover – a deposit guarantee insurance policy designed to keep property transactions moving.

Deposit Cover is an innovation in the UK property market that allows a purchaser to delay payment of deposit until completion. The buyer simply pays 100% of the agreed purchase price upon completion rather than paying a deposit on exchange, and the guarantee provides the protection the vendor needs if the sale falls through. If a purchaser fails to complete, the deposit guarantee pays the vendor the face value of the deposit.

The terms and conditions of the policy are simple and very specific, giving all parties involved the certainty of an unconditional guarantee that is as good as a cash deposit. The wording of the policy does not result in any change in either party's rights or obligations than would be the case if a cash deposit was used.

Christopher Taylor, CEO of London & European, explains: "Deposit Cover helps to lubricate the wheels of the property buying process. The product does not remove the need for the purchaser to pay the deposit price of the property, but it does delay it until completion, and there are some significant benefits on all sides of having the flexibility to do that.

"These days not many people have the required deposit readily available – it's usual for funds to be tied up in existing property or invested in shares or managed funds. A deposit guarantee allows the flexibility to keep funds where they are, and compared to securing a 'line of credit' the process of securing a deposit guarantee can be quicker and often cheaper. It may also encourage more purchasers to the market as it means that not having access to funds for a deposit on exchange is no longer a barrier to entry."

The deposit guarantee includes a counter indemnity agreement ensuring that the purchaser indemnifies the insurer against any claims, so the purchaser ultimately remains responsible for the deposit.

The premium for Deposit Cover, providing cover for four months, is 2% of the deposit amount. The policy is underwritten by Casualty & General Insurance Company Europe Ltd (C&G), which is authorised by the FSA. C&G can provide deposit guarantees for up to 3 years for amounts up to £200,000.

The policy is a revenue generating product for intermediaries, and London & European pays a competitive commission. For further information brokers can visit: <http://www.europeantitle.com/site/products/depositcover.htm> or speak to Parveen Kumari on 020 7929 7650.

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**About London and European:**

Established in 1994, London & European is an expert in insurance and property related services. Bringing together the power of its people and technology, it delivers clear solutions for its clients' businesses and customers.