

SCHEDULE 8

General provision on searches and search reports

PART 2

Specific required search reports

Insurance cover for third party contractual rights

6. The person preparing the search reports required by regulation 8(n) or 8(o) must do so on terms ensuring that—

- (a) any liability of any type arising under paragraph 5 of this Schedule is the subject of a contract of insurance against such risk effected by, and to be carried out by persons so authorised for the purposes of the Financial Services and Markets Act 2000;
- (b) any liability for financial loss arising under paragraph 5 of this Schedule will be met by financial compensation to be paid by a person (other than the persons described in paragraph 5(a)(i) to (iii) of this Schedule) who is—
 - (i) a party to the contract of insurance; or
 - (ii) another person involved in the sale of the property; and
- (c) such financial compensation is paid by a person mentioned in sub-paragraph (a), if any person mentioned in sub-paragraph (b) fails to pay it (or no longer exists and has no successor).