

# Insurance Renewal 2021

## TOWERGATE STATEMENT

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As a Property Management Company, we have a large property portfolio and whilst we are fully authorised by the Financial Conduct Authority, we do not act as an intermediary. We arrange insurance on your behalf as your Property Manager but we do not offer advice, make any recommendation or act as an insurance intermediary when arranging your insurance. We prefer to focus on our specific area of expertise which is acting as the property manager on behalf of our clients. As a result, we choose to use the services of an independent insurance intermediary with experience and knowledge of the insurance market in the arrangement and placement of cover.

We are therefore happy to provide the following message from Towergate, our appointed insurance brokers (Towergate is a trading name of Towergate Underwriting Group Limited. Authorised and regulated by the Financial Conduct Authority. Firm registration number 313250).

### INSURANCE MARKET OVERVIEW

The insurance market in the UK has been hardening at a rate not seen since 2001/02 and the Covid-19 pandemic has only accelerated this trend. This means that we are in the phase of the market cycle where in general, insurer capacity is withdrawing from the market, competition is reducing, premium rates are increasing, policy coverage is narrowing and insurers are being highly selective about which risks they choose to insure.

The main drivers of this are:

- A sustained “soft” market from around 2014 to 2018 with fierce insurer competition and few significant insured losses globally, resulting in ever reducing rates. This has gradually reached a tipping point where these rates became increasingly unsustainable with inadequate funding to pay for losses.
- Substantial reinsured catastrophe losses in recent years include hurricanes, wildfires, flooding, windstorms and cyclones. These have increased global reinsurance rates year on year and these costs are ultimately passed on to all insurers and their clients. Reinsurers are now limiting the capacity available to primary insurers who must therefore retain more risk on their balance sheets, which adversely affects their capacity decisions and pricing.
- Insured claims in the UK have all had a severe impact on insurer profitability in a number of key areas, including Property, Real Estate, Construction and Professional Indemnity. Insurers have also seen double-digit claims inflation for damage and injury claims across Motor Fleet and Liability leading to continued losses.
- Insurers have historically been able to make profitable investment returns on retained premium income, but this has not been possible in recent years. Extremely low interest rates are now exacerbated by the unprecedented volatility and losses sustained due to Covid-19.
- The full effects of the Covid-19 pandemic are as yet unknown. Insurers are still calculating the claims cost of this event whilst also attempting to budget for the anticipated premium losses that will be suffered as the economic landscape shifts to adapt to a different world view.

In addition to all of the above insurers have now begun to reduce the capacity available for clients in the Real Estate sector where their buildings may contain higher-risk construction materials e.g. polystyrene combustible panels or ACM cladding or where there is a lack of protections (suppression/sprinklers) or where there is significant flood exposure.

Over thirty major (£10m+) fires occurred in residential buildings in 2019/20. These are almost exclusively of timber-frame construction and/or including expanded polystyrene or ACM composite panels, similar to the combustible materials involved in the tragedy of Grenfell Tower.

An extremely disciplined underwriting approach is now being applied irrespective of claims performance and it is therefore imperative that brokers are able to differentiate their risks to insurers based on the quality of the construction methods, risk management and mitigation standards, business continuity/resilience and ongoing investment in risk improvements, including installation/upgrade of fire protection (sprinklers and suppression), composite panel removal/replacement and increased flood protections.

Increasing numbers of risks now require a co-insured placement, rather than being covered in full by a single carrier, as underwriters look to limit their exposure to any one loss. This can increase the overall premium but also rewards quality risks that are able to consider higher deductibles, fixed loss-limits and work with insurers towards best-in-class risk management and mitigation.

There is a number of properties that sit within the R&L portfolio where insurers had expressed concerns on the level of risk they were being asked to consider. R&L together with Towergate worked hard to provide insurers with all necessary information to satisfy both them and their reinsurers. I am pleased to say that we were successful in this regard and this meant that we were then free to negotiate the undernoted renewal terms with the holding insurer which we feel are acceptable in the current trading environment where clients with similar portfolios are seeing rating increases in excess of 20% together with very significant deductibles being applied for Escape of Water and Flood Claims. As an indication of the current state of the UK real estate insurance market we were only able to secure terms from a handful of Insurers despite completing a wide marketing review as set out below.

Insurer	Response
AIG	No quote – not within current underwriting appetite
Allianz	No quote - capacity issues
Arch	Quoted terms were in excess of 25% higher than those of Zurich
Aviva	No quote - not within current underwriting appetite
AXA	Quoted terms were in excess of 15% higher than those of Zurich
London Market	No quote – not within current underwriting appetite
Chubb	No quote - not within underwriting appetite
Ecclesiastical	No quote – not within underwriting appetite
Hiscox	No quote - not within underwriting appetite
NIG	Quoted terms were more than 18% higher than those of Zurich
QBE	No quote - not within current underwriting appetite
RSA	No quote - not within current underwriting appetite
Travellers	No quote - not within current underwriting appetite

The rating we have been able to secure for the 2021 renewal is as follows:

Cover Type	Rate Change
Residential Properties	+11.5% *
RL Extensions	0%
POL	0%
Home Contents	0%
Terrorism	0%
Engineering Inspection & Insurance	+12.5%

\*denotes an average increase across the portfolio – some properties may require a larger increase as a consequence of claims experience, building construction concerns or where the property is in an area of increased flood risk.

With effect from 2021 the standard excess levels for Private and Common Claims will be:

Subsidence, Landslip and Heave	£1,000
Children’s Play Areas/ Equipment All Losses	£500
Liability for Third Party	
Property Damage	£250
Glass	£100
All Other Claims	£500
	(Increased from £350)

Following a review of the covers and limits of the policy by Zurich the following changes to the policy will apply from renewal. Full details should be read in the policy documents:

Current Limit/Wording	New Limit/Wording
1. Buildings Definition 2. All other property limit £500,000	1. The word 'Landlords' removed from sub para a) to simplify wording 2. All other property limit now £250,000 3. Simplified wording applied to sub para (h)
Day One Uplift 50% for all properties	Day One Uplift 50% for all properties other than for high risk properties which will be restricted to 30%. Confirmation is as per your 2021 certificate.
Action of Competent Authorities Extension Limit 25% of sum insured.	Standard Zurich wording now applies: 'in vicinity' deleted and replaced with 1 mile radius Limit now £1M any one incident and £1M any one period.
Clearing of Drains – 25% of the sum insured as stated in the certificate	Clearing of Drains – £1,000,000 any one occurrence and £2,000,000 any one period can apply
Fly Tipping - Any one period Limit £25,000	Fly Tipping - Any one period Limit £50,000
Involuntary Betterment	Insurers written consent requirement now added
Landsaped Gardens - Any one occurrence limit £10,000	Any one occurrence limit £25,000
Loss Minimisation	Standard Zurich wording now applies removing reference to clerical costs
Replacement of Keys Any one occurrence Limit £5,000	Replacement of Keys Any one occurrence Limit £10,000
Tree Removal - Unlimited	Tree Removal - £5,000 any one occurrence and £25,000 any one period limits applied
Clause C2 – Tenants Improvements	Clause C2 now deleted and now incorporated within sub para h) of Buildings definition
Automatic Reinstatement of Loss – previously 'as soon as practicable'	Automatic Reinstatement of Loss – 30 Day notification now applies
Energy Performance & Sustainable Buildings	Energy Performance & Sustainable Buildings - £250,000 limit applied
Temporary Removal - unlimited	Temporary Removal - Maximum limit of £1,000,000 any one occurrence now applies
New Acquisitions	New Acquisitions – £5,000,000 limit applied
Tenant Definition	Now includes owners/occupiers
Security Default	Zurich advise they no longer wish to provide this clause
Asbestos Exclusion	Standard Zurich wording now applies with more detailed asbestos definition
Cyber Exclusion	Standard Zurich wording now applies – more specific data definition
Financial Loss - Limit £1,000,000	Financial Loss - Limit reduced to £500,000
<b>Optional Extensions</b>	
Denial of Access (under RL2) 'in vicinity'.	Standard Zurich wording applied: Now replaced with 1 mile radius. £250,000 any one occurrence and £1,000,000 any one period applied.
Failure of Utilities	Failure of Utilities - £1,000,000 any one occurrence applied
Notifiable Disease, Vermin, Defective Sanitary, Murder & Suicide £500,000 any one occurrence and £500,000 any one period applied.	Standard Zurich wording applied: Updated list of notifiable diseases £250,000 any one occurrence and £1,000,000 any one period applied – Operative clause now deletes reference to competent authority - 500 metre extension for Murder & Suicide deleted
Communicable Diseases Exclusion	This effectively excludes all diseases not covered under the Notifiable Diseases extension

## ADDITIONAL TERMS

As in previous years your Insurer may have amended the policy terms that apply to your cover. Details of these can be found on your Insurance Certificate.

These terms may be due to the number or nature of recent claims or because parts of the property are awaiting/undergoing repair. Any material fact that increases the risk in an insurer's view may be subject to increased excesses, conditions or exclusions. This is to minimise the risk of future losses and to encourage owners to take steps to ensure that their properties are maintained in a good state of repair or to take simple risk management steps to improve the claims experience at their property. All the additional terms that currently apply under the policy have been reviewed in full and where there has been an improvement in the overall claims payments or in the condition of the building Towergate have successfully negotiated with Insurers to either reduce or remove the additional excess/terms entirely.

## INDEX LINKING

As in previous years the index linking figure has been provided by Zurich who have advised that a rate of 5% will be required. This has been applied to your sum insured from renewal, however for developments that have had their building sum insured re-assessed after January 2021 index linking will not be applied with Insurers confirming their approval of this action.

## ADDITIONAL COVERS

R&L can confirm that they have agreement from Insurers to provide Material Damage (MD) and Property Owners Liability (POL) cover for boundary walls and fences. The (MD) cover also includes Storm and Flood cover (subject to a claims excess) – this type of cover is normally excluded under most Insurance policies but we have been successful in having this included. In addition, POL cover can also be provided for private roads. **Please contact the R&L Insurance Department for a quotation.**

## INSURANCE PREMIUM TAX

No increase to Insurance Premium Tax (IPT) has yet been imposed by the Government and therefore the rate remains unchanged at 12%.

## WATER DAMAGE

Water Damage claims continue to be an issue for us all. The latest Association of British Insurer (ABI) stats demonstrate that over 20% of all claims in the home, result from escape of water. To help keep your home safe and dry please see the following link which has been provided to us by our Insurers.  
<https://insider.zurich.co.uk/risk-management/how-to-keep-the-home-safe-and-dry/>

**If you require a hard copy of this document please refer to the R&L Insurance Department.**

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## OPTIONAL COVER EXTENSIONS

Towergate have again secured the optional cover extensions with no increase being applied. Owners should however be aware that the premiums quoted continue to be on a 'minimum and deposit' basis which means that they are non-refundable during the policy period. Full wordings relating to the optional extensions can be found within the policy wordings or upon request from our insurance department, a summary of each extension is as follows:

### Residential/Commercial Property Landlord

– The wording has been amended to note that Tenancy Agreement shall mean an agreement for a tenant to occupy premises in return for the payment of rent under a lease agreement. This extension is not suitable for holiday lets, tenancy agreements of less than 6 months or properties rented under an HMO licence.

**Property owners Liability £20million**  
**Annual premium £71.43 + IPT**

### HMO Residential Property Landlord

– The wording has been amended to note that Tenancy Agreement shall mean an agreement for a tenant to occupy premises in return for the payment of rent under a lease agreement. This extension is not suitable for holiday lets or tenancy agreements of less than 6 months.

**Property owners Liability £20million**  
**Annual premium £133.93 + IPT**

### Residential/HMO Property Landlord - Flexible use

Offers all the benefits of the residential / HMO landlord optional extension, however cover is extended to include use for Holiday Lets during the Public/School Holidays within Scotland and described as School Summer Holiday, Easter, Christmas and New Year and the half term school breaks in February and October each year.

**Annual premium £116.07 + IPT**

### Unoccupied Properties

Properties unoccupied for a period in excess of 45 days are now covered for full perils however cover is subject to the following excesses:

- DAMAGE caused by Theft and Malicious Persons is £2,500

- DAMAGE caused by Storm & Flood, Water Damage and Sprinkler Leakage is £5,000.

Owners should however note that the Unoccupancy Condition, as detailed within this newsletter, must be complied with at all times.

The excesses above can be removed should this optional cover extension be taken. Owners who currently have the existing unoccupied property optional extension in place will simply be transferred to the amended extension.

**Annual premium £71.43 + IPT**

### Holiday/2nd Home

This extension is only available for properties used exclusively by the property owners, their family and friends; as a result, the extension does not include any element of rental income cover.

If owners have a property that is not used as their main residence, there may be periods of extended unoccupancy. In addition, if the property is used by family and friends, as they are legally on the property but not the property owner, accidental damage cover would be excluded. The optional extension removes the cover exclusions however the unoccupancy condition continues to apply.

**Annual premium £44.64 + IPT**

## Holiday Lets

Offers all the benefits of the residential / HMO landlord optional extension with the revised Unoccupancy Condition to be complied with at all times. For Holiday Lets, however, the Inspections should commence within 24 hours of the tenant vacating the property and then every 7 days with a further inspection no more than 24 hours before a new tenant takes possession of the holiday let property.

**Annual premium £89.29 + IPT**

## Matching Parts

The policy wording does not allow for cost of replacement or modification of undamaged parts of the buildings that form part of a suite, common design or function where the damage is restricted to a clearly identifiable area. This exclusion would apply to the likes of kitchen units, bathroom suites and laminate flooring that has been installed throughout a property.

The optional extension provides cover for matching parts to be included within a valid claim under the policy at an **annual premium of £44.64 + IPT**

Should all owners within a block of flats have the optional extension, then cover will be extended to include the common areas at no additional premium.

## OPTIONAL COVERS

### Contents insurance

Varying levels of contents cover are available to owners of R&L managed properties. No increase has been applied to the expiring rating. We believe the premiums remain extremely competitive with Zurich who continue to be the Insurer. By having the same Insurer for both buildings and contents, it can eliminate any disputes as to whether an item, that is the subject of a valid claim, falls under the definition of building or contents, such as laminate flooring.

Zurich will be issuing a new policy wording effective from renewal date which will incorporate a slightly revised text to make the product compliant for 2021 and beyond. There will be no cover detriment for policyholders.

**We would take this opportunity to remind owners that the sum insured you have chosen should represent the full re-instatement cost of all your contents, including personal effects, as failure to do so would result in a valid claim not being met in full.**

**Please contact the R&L Insurance Department for a quotation.**

### Engineering Insurance and Inspection

This cover relates to statutory inspection of lifts and items of plant such as water pumps, together with a small element of insurance cover for Sudden and Unforeseen Damage. Please note that the premiums have increased this year by 12.5%.

**Should you have any queries relating to the items of plant covered for your development, please contact your property manager in the first instance.**

### Management Liability/Directors & Offices Insurance

Residents committees make decisions on behalf of others which can include the placement of insurance or agreeing contract works for property maintenance which has a financial impact on all those involved. Individuals will perform this valuable and important role on behalf of others, many of whom are reluctant or don't have time to get involved in the day to day running of a development. Therefore, those who have volunteered to make important choices for others need protection for any decision or action they have made in good faith, that may later prove to be ill-judged.

Resident Associations and Property Managers / Owners etc are no longer within Zurich's appetite for D&O at present but they remain keen to support R&L

and its customers so have agreed to provide renewal terms but have had to make some changes to the coverage and rating.

The Subrogation Waiver endorsement and also the DIC clause are being removed from renewal. In terms of the pricing, Zurich in line with most insurers are looking at increases in premium and they have confirmed their rates will increase to new minimum levels as set out below:

Number of Properties	£1,000,000 LOI Premium incl IPT	£2,000,000 LOI Premium incl IP	£3,000,000 LOI Premium incl IPT
Up to 25	£352.80	£501.76	£650.72
26 – 50	£384.16	£595.84	£807.52
51 – 75	£319.20	£705.60	£964.32
76 – 100	£446.88	£799.68	£1,081.92
100+	£548.80	£874.94	£1,201.08

Should a quotation be required for your development, please contact your property manager in the first instance.

## Legal Expenses

Zurich have confirmed that there is no change to the expiring premiums, limits or covers (as set out below).

Cover	Zurich/DAS
Cover Limit	£250,000
Legal Helpline	Yes
Property Protection	Yes
Employment	Yes
Tax Protection	Yes
Inheritance Dispute	Yes
Motoring prosecution	Yes
Access to free Legal Document	Yes
Contract & Debt Recovery	Yes

## Terrorism Cover (applicable to Sections A&B only)

Quotations can only be obtained on developments as a whole and provides cover for damage to the insured property following an act of Terrorism. Please refer to the policy wording for the definition of Terrorism.

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## IMPORTANT NOTICES

### Non-Renewal of Building Insurance

For owners whose title deeds allow for building insurance to be arranged out with the R&L policy, renewal at 15th May is optional. However, for the protection of owners within flatted properties, evidence of insurance will be required prior to the annual renewal date on 15th May. If the evidence is received after renewal date, the annual contract is in place and as such cannot be cancelled during the policy term. This means that a refund of premium is unlikely to be secured. If you are unsure as to your title deed requirements you should contact your property manager in the first instance.

### Evidence of Insurance

For owners who own properties where the title deeds do not stipulate that a common building insurance policy should be in place and / or arranged by R&L, there is an obligation to arrange building insurance cover for your individual property and your proportion of common areas. This is extremely important for owners of flatted properties as, in addition to your own property being at risk, you are also jeopardising other owners within the development/ block of flats. If a block of flats is not insured in full, in the event of a claim there will not be sufficient funds to fully reinstate the property, leaving owners exposed to losing their homes.

We ask that owners who do arrange their own building insurance provide written and signed confirmation to us noting the Insurance Company Name and address, policy number and the renewal date of the policy together with your confirmation that the building sum insured represents the full re-build costs including your proportion of common areas. We require this information no later than 30th July each year. Owners can contact R&L insurance department after this date to enquire as to whether we have received evidence that the development/ block of flats is insured in full. Whilst we would be unable to provide details of the properties that have not provided evidence of insurance, due to Data Protection Legislation, we will let you know that we do have concerns which should be raised with your co-proprietors. Under such circumstances a meeting of all fellow owners may be required and can be arranged via your property manager who can address matters accordingly.

### Policy Cancellation

The building insurance arranged by R&L is an annual contract and cannot be cancelled during the policy term, unless the property is sold.

### Commission

Insurance is a regulated activity and as such, to comply with regulations and to ensure we are arranging cover on the correct basis, we employ the services of a broker (to whom we pay a fee). Our broker, in addition to having the knowledge and expertise to place our risk, also has access to all major Insurance companies. Most of the properties we manage are covered under one policy of insurance. Arranging such a contract of insurance is not a straightforward exercise, as this type of policy cannot simply be applied for by completing an application or proposal form.

We can confirm that commission is declared on every certificate of insurance issued to all co-proprietors, and this is detailed on the reverse of the certificate and is noted as 22.5% for all classes of insurance other than terrorism which is 10% based on gross premiums nett of insurance premium tax.

Ross & Liddell Limited do not charge our clients a fee for the Insurance Services which we provide in respect of our managed properties. Instead, insurance commission is received in order that we can offset the costs incurred in administering our insurance arrangements, including printing, stationery and postage relating to the production and issue of Insurance Certificates and all the supporting documentation required to comply with all relevant FCA Regulations, dealing with the common claims and assisting clients with their private claims.

In addition, we are required to guarantee payment of premiums due under the insurance policy and to pay our brokers a fee to secure their market knowledge and experience (so we can ensure a competitive renewal for clients). In the current market we believe that acceptance of insurance commission represents the most cost-effective mechanism for provision of Insurance Services to clients.

### Terms of Insurance Business 2021/ Meeting your Insurance needs 2021

There are currently no changes to either of these documents for 2021, a copy of these documents and the Policy wording are available to download on our website at:

[www.ross-liddell.com/insurance/insurancedocuments](http://www.ross-liddell.com/insurance/insurancedocuments)

or If you require a hard copy of any of these documents please refer to the R&L Insurance Department.

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If you have any insurance related issues or require assistance with a private claim, R&L insurance department are available to all of our co-proprietors and can be contacted on:

GORDON MCGLONE  
☎ 0141 204 7340

GRANT DOLAN  
☎ 0141 204 7349

ALANA MCGREEVY  
☎ 0141 204 7346

[www.ross-liddell.com](http://www.ross-liddell.com)

# Insurance Renewal 2021

## MEETING YOUR INSURANCE NEEDS

The products listed below are designed to meet the various demands and needs of our property owner clients.

### Note - not all the covers will be relevant to you.

These products allow you to choose a level of insurance cover from a range of options.

With the exception of Lift/Engineering and Play Area equipment Insurance, your insurance certificate and statements show either:

1. the cover you have selected; or
2. the cover that is a requirement in connection with the management and maintenance of your property.

The options selected will depend upon your own requirements as set out in information that has been provided to us by you or by your Solicitor on your behalf, and on circumstances such as the Title Deed(s) of your property, any requirements you may need to adhere to in order to comply with the decisions of the co-proprietors of the property, and the risk associated with the insured property.

You should check your insurance documents carefully to ensure you have the required cover, but please see below the details of the differing types and sections of cover and how they will meet your varying demands and needs, based on information provided to us.

Full details of all covers can be found in the policy document, a copy of which is available on our website [www.ross-liddell.com](http://www.ross-liddell.com) or upon request to our Insurance Department on 0141 221 9266 or email on [insurance@ross-liddell.com](mailto:insurance@ross-liddell.com).

Ross & Liddell has made no personal recommendations when arranging your insurance and, as detailed in our terms of business, no advice has been given or offered.

### THE CORE COVER ARRANGED BY ROSS & LIDDELL

#### Buildings Cover

If you have told us that you need insurance to cover the costs of repairs to buildings, or if such cover is a requirement in connection with the management and maintenance of your property and you or your Solicitors have told us that you are now the owner of your property, this cover will provide protection in relation to the costs of building repairs in the event of an insured risk occurring. Cover does not include terrorism cover, but this is available upon request (see 'Optional Covers' below).

#### Note - Building sum insured

If you require guidance on the correct sum insured, we suggest that you arrange for a professional valuation to be carried out. The cost of this, however, would be incurred by you. The sum Insured should represent the full rebuilding cost of your property as new, including your proportion of common areas and professional fees, demolition, VAT, removal of debris cost etc. Unless the title deeds say otherwise, it is (your) the insured's responsibility to ensure that the amount represents the rebuilding cost of the property and we strongly recommend that you review your Sum Insured on a regular basis and make any necessary adjustments.

#### Note - Property Owners Liability Insurance

Property Owners Liability is in respect of legal liability for accidental injury (including death and disease) or accidental damage to material property. We will arrange this cover for all properties that we manage for the common areas only. For properties that have building insurance arranged by us (i.e., where the title deeds require that or where we are asked to arrange such insurances), cover will extend to include property owner's liability for the individual property insured.

### OPTIONAL COVER EXTENSIONS AVAILABLE UNDER OUR BUILDINGS INSURANCE

#### Landlord Extension - Residential Property

If you have told us that you are a Landlord of residential property (where a Private Rented Tenancy (PRT) agreement is in place containing a start date of the tenancy but no end date), and where the property is NOT a holiday let OR rented under a House of Multiple Occupancy (HMO) licence) and that you need optional additional covers such as; malicious and accidental damage to the building by tenants, Landlord's contents (automatically included under this extension up to a limit of £25,000 which should represent the replacement cost of the contents insured), residential loss of rent (as an alternative to the standard cover for alternative accommodation following a valid claim with the indemnity period increased from 24 months to 36 months), and adverse possession up to a limit of £50,000, Illegal cultivation of drugs up to a limit of £25,000 this extension will provide those additional covers and protections against those risks.

Please be aware should the property become unoccupied for a period exceeding 45 days due to a break in tenancy, increased excesses and the unoccupancy condition applies. In addition the excess for contents cover is increased to £500.00 rather than the standard excess of £100.00 during periods of occupancy. Please refer to the Unoccupied Property Optional extension available under such circumstances.

#### Landlord Extension - Retail / Commercial Property

If you have told us that you are a Landlord of retail or commercial property with a Lease Agreement in place and that you need optional additional covers such as malicious and accidental damage to the building by tenants,

Landlord Contents automatically included under this extension up to a limit of £25,000 (which should represent the replacement cost of the contents insured), adverse possession up to a limit of £50,000, Increased Indemnity period for Loss of Rent from 24 months to 36 months, Loss of Advance Rent following a valid claim with a maximum indemnity period of 3 months, Denial of Access, Failure of Utilities, Notifiable Disease, Vermin, Defective Sanitary Arrangements, Murder & Suicide, this extension will provide those additional covers and protections against those risks.

Please be aware the increased excesses following unoccupancy exceeding 45 days detailed under the Landlord Residential Property will apply.

#### Landlord Extension - HMO Residential Property

If you have told us that you are a Landlord of a residential property that is rented as a House of Multiple Occupancy (where a Private Rented Tenancy (PRT) agreement is in place containing a start date of the tenancy but no end date) and that you need optional additional covers such as those listed above under the Landlord's Residential Property Extension, this extension will provide those additional covers and protections against those risks for an HMO property.

Please be aware the increased excesses following unoccupancy exceeding 45 days detailed under the Landlord Residential Property will apply.

#### Holiday Let - Residential Property

If you have told us that you have a property used as a holiday let and you want to benefit from covers detailed under such as malicious and accidental damage to the building by tenants, Loss of rental income up to a limit of 25% of the building sum insured following a valid claim under the policy, subject to a maximum indemnity period of 12 months, this extension will provide those additional covers and protections against those risks. However, when properties are unoccupied, the inspections referred to in the Unoccupancy Condition above should commence within 24 hours of the tenant vacating the property and then every 7 days with a further inspection no more than 24 hours before a new tenant takes possession of the holiday let property.

#### Holiday / Second Home Extension

If owners have a property that is not used as their main residence, there may be periods of extended unoccupancy. If you have told us that you would prefer your holiday home / second home to benefit from full covers without increased excesses whilst unoccupied (subject to compliance with the Unoccupancy Condition), this extension is available for properties used exclusively by the property owners, their family and friends; there is no element of rental income cover. You should be aware as the property is used solely by family and friends, who are legally on the property but not the property owner, accidental damage cover would be included if this extension is operative

#### Unoccupied Property Extension

Usually, covers provided under the core buildings insurance will be subject to increased excesses if a property is unoccupied for more than 45 days. If you have told us that you need full covers to be in place for a property that will be unoccupied for a period in excess of 45 days, and that you want the additional excesses removed, this extension will provide those full covers subject to normal excesses. Owners should note that the Unoccupancy Condition must be complied with at all times.

## Note – Unoccupancy Condition

In respect of any Building that is wholly or partly unoccupied it is a condition precedent to liability that:

- All gas and electrical services within the unoccupied property are switched off at the mains except for any electrical circuits required to maintain any fire and intruder alarms, security protections, timed lights, heating systems, fridges or freezers
- The water system to the unoccupied portion of the building must be isolated at the mains and completely drained or the heating systems has been set at a minimum temperature of 5 degrees Celsius during the period 1st October to 1st April each year
- All accumulations of mail or other combustible waste materials that form ready fuel for a fire should be removed from within the unoccupied portion of the building
- The unoccupied portion of the building must be secured against unlawful entry by closing and locking its doors and windows and setting all its security and alarm systems
- The unoccupied portion of the building is subject to a programme of comprehensive internal and external inspections undertaken by an authorised representative of the insured to ensure continued compliance with the other terms of this condition. Inspections should commence within the initial 14 days following the property becoming Unoccupied and continue at intervals not exceeding 14 days thereafter
- Inspection results are to be recorded and retained at a separate location during the period of unoccupancy; and any new accumulations of junk mail found during such inspection should be removed
- The insurers are notified within 7 days in the event of damage or unauthorised entry to the unoccupied area becoming evident or known to the Insured or their representative
- The Excess applicable in respect of DAMAGE caused by Theft and Malicious Persons is £2,500
- The Excess applicable in respect of DAMAGE caused by Storm & Flood, Escape of Water, Fuel or Oil and Sprinkler Leakage is £5,000

## Flexible use for Landlord Extension – Residential Property including HMO

If you have told us that you are a Landlord of a residential property that is rented as either a Single tenancy or as a House of Multiple Occupancy (where a Private Rented Tenancy (PRT) agreement is in place containing a start date of the tenancy but no end date) you wish to rent the property as a Holiday Let; and wish to retain most of the benefits under the Residential / HMO landlord extension, the policy (subject to payment of an additional premium) will provide the additional covers and protections against those risks. However, during the Holiday Let period, when properties are unoccupied, the inspections referred to in the Unoccupancy Condition above should commence within 24 hours of the tenant vacating the property and then every 7 days with a further inspection no more than 24 hours before a new tenant takes possession of the holiday let property. In addition, Contents cover is excluded with Loss of rental income being restricted to a limit of 25% of the building sum insured following a valid claim under the policy, and subject to a maximum indemnity period of 12 months.

## Matching Parts

The standard policy wording does not allow for the cost of replacement or modification of undamaged parts of the buildings that form part of a suite, common design or function where the damage is restricted to a clearly identifiable area. This exclusion would apply to the likes of kitchen units, bathroom suites and laminate flooring that has been installed throughout a property. If you have told us that you need additional cover for the cost of replacement or modification of such undamaged parts of buildings, this optional extension provides cover for matching parts to be included within a valid claim under the policy. Should all owners within a block of flats have the optional extension, then cover will be extended to include the common areas at no additional premium.

## OPTIONAL COVERS

### Contents Insurance

If you are an owner of an Ross & Liddell managed property, varying levels of contents cover are available to you. Contents cover is provided by Zurich Insurance plc, the same insurer as for our buildings cover (and extensions to that cover). By having the same Insurer for both buildings and contents, it can eliminate any disputes as to whether an item, that is the subject of a valid claim, falls under the definition of building or contents (such as laminate flooring). If you have told us that you need insurance to cover your contents in the property, this optional cover will provide protection for contents in the event of an insured risk occurring. Cover can be arranged with varying levels of sum insured available, and is available for owner occupied, holiday homes and tenants in tenanted properties if the property is managed by Ross & Liddell. Cover is on a 'new for old' basis, but a reduction is made for wear and tear on certain items. Cover can be extended to include personal possessions away from the home, however this extension will not include laptops, i-pads, mobile phones or similar.

The Unoccupancy Condition applies, which mirrors that of the building insurance, but with the application of a reduced excess level of £500.

### Note – Contents sum insured

We would take this opportunity to remind owners that the sum insured you have chosen should represent the full re-instatement cost of all your contents, including personal effects, as failure to do so would result in a valid claim not being met in full. Quotations are available upon request.

### Management Liability/Directors & Offices Insurance

Residents' committees make decisions on behalf of others which can include the placement of insurance or agreeing contract works for property maintenance which has a financial impact on all those involved. Individuals will perform this valuable and important role on behalf of others, many of whom are reluctant or don't have time to get involved in the day to day running of a development. Therefore, those who have volunteered to make important choices for others need protection for any decision or action they have made in good faith - that may later prove to be ill-judged. If you have told us that you need to arrange cover to protect against the risks involved in taking decisions or actions in good faith, this optional cover provides liability insurance protection.

A policy wording is available upon our website or upon request to the insurance department; should a quotation be required for your development, please contact your property manager in the first instance.

## Legal Expenses

If you have told us that you need cover to provide for Legal Expenses in certain situations, this optional cover can provide protection. Cover is sourced through Zurich with DAS Legal Expenses Insurance, which is a specialist legal expenses Insurer offering competitive premiums. The policy wording is available on our website or upon request to the insurance department. Quotations can only be obtained on developments as a whole.

## Terrorism

Quotations can only be obtained on developments as a whole. If you have told us that your development needs to arrange cover for damage to the insured property following an act of terrorism, this optional cover provides protection.

## ADDITIONAL COVERS ARRANGED BY ROSS & LIDDELL

### Lift / Engineering Insurance

If your property is in a development where there are boilers, lifts and associated equipment, this cover provides for the Statutory inspection for those boilers, lifts and associated equipment for which you as owners are responsible. Cover extends to include sudden and unforeseen damage. If you have told us that you need these covers, this additional cover provides such protection.

WE ARE  
HERE  
TO HELP

ROSS &  
LIDDELL

If you have any insurance related issues or require assistance with a private claim, Ross & Liddell insurance department are available to all of our co-proprietors and can be contacted on:

**GORDON MCGLONE**  
☎ 0141 204 7340

**GRANT DOLAN**  
☎ 0141 204 7349

**ALANA MCGREEVY**  
☎ 0141 204 7346

# Insurance Renewal 2021

## INSURANCE TERMS OF BUSINESS

For your own benefit and protection, you should read these terms carefully. If you are unsure about any aspect of our Terms of Business or have any questions regarding our relationship with you, please contact our Insurance Department located at the undernoted address:

**Ross & Liddell Ltd**  
60 St Enoch Square  
GLASGOW  
G1 4AW

Tel: **0141 221 9266**  
E-Mail: [insurance@ross-liddell.com](mailto:insurance@ross-liddell.com)

### The Financial Conduct Authority

Ross & Liddell Ltd is authorised and regulated by the Financial Conduct Authority for our insurance-related activities only. Our Financial Services Register number is 310429.

You may check this on the Financial Services Register by visiting the FCA's website, [www.fca.org.uk/register/](http://www.fca.org.uk/register/) or by contacting the FCA on 0800 111 6768.

### Our Service and the capacity in which we act

Where required either by request, Deed of Conditions or Title Deed, we will arrange, via our appointed brokers, a comprehensive common buildings policy on behalf of our proprietors.

With regards to claims, we will act as the Property Manager in providing guidance to you about how to report and progress claims. Please see the 'Claims handling arrangements' section below.

### Scope of service including our product range and the range of insurers used

As your Property Manager we will arrange on your behalf insurance products recommended to us by our appointed independent brokers; we will only provide information to you in this regard, not advice. We only select home and property insurances, including a number of optional additional covers, from one insurer, Zurich Insurance PLC, with which Ross & Liddell has a contractual arrangement to act as the agent of the insurer. For Legal Expenses Insurance, this is arranged through Zurich but is underwritten by DAS Legal Expenses Insurance Company Limited.

Neither we nor our broker will, in any circumstances, guarantee the solvency of any insurer.

### Claims

In the event of a claim occurring at your property, Insurers will have provided delegated authority to Loss Adjusters to deal with all material damage claims on their behalf.

Your property manager will deal with claims relating to the common areas with proprietors having direct access to QuestGates to deal with claims relating to their individual properties.

QuestGates has a dedicated team dealing with Ross & Liddell. Contact details for QuestGates are detailed on your certificate of insurance.

### Claims handling arrangements

You should take note of the required procedures in the event of a claim, which will be explained in the policy documentation and/or your certificate of insurance. Insurers require immediate notification of a claim or circumstances which might lead to a claim.

### Common claims

With regards to claims relating to damage to the common areas within a property, these should be notified to your Property Manager who will liaise with the Insurer's appointed loss adjusters on behalf of the owners with a view to finalising the claim as quickly as possible, subject to the policy terms and conditions.

### Private claims

For claims relating to your individual property, you should report directly to the Insurer's appointed loss adjusters, with the contact information detailed within your certificate of insurance or available from our insurance dept, who are based in Glasgow and who will provide guidance as and when required subject to the policy terms and conditions.

### Complaints and compensation

We aim to provide you with a high level of customer service at all times but, if you are not satisfied with anything in relation to the property insurances we arrange, please contact us at the undernoted address:

Insurance Department  
Ross & Liddell Ltd  
60 St Enoch Square  
GLASGOW  
G1 4AW

Tel: 0141 221 9266  
E-Mail: [inscomplaints@ross-liddell.com](mailto:inscomplaints@ross-liddell.com)

When dealing with your complaint, we will follow our complaint handling procedures; a summary of these procedures is available on request or by visiting our website at [www.ross-liddell.com](http://www.ross-liddell.com)

If you are still not satisfied you may be entitled to refer the matter to the Financial Ombudsman Service (FOS) depending on the nature of your complaint. Please see [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk) for details.

### The Financial Ombudsman Service (FOS)

Access to FOS is available for complainants coming within one of the following categories at the time we receive their complaint:

- Consumers (private individuals acting for purposes which are wholly or mainly outside that individual's trade, business, craft, or profession)
- Micro-enterprises (businesses employing fewer than 10 persons and with a turnover or annual balance sheet total not exceeding 2 million)
- Other small businesses (with an annual turnover of below £6.5 million, and less than 50 employees or with an annual balance sheet total of below £5 million)
- Charities with an annual income of under £6.5 million
- Trustees of a trust with a net asset value of under £5 million

### The Financial Services Compensation Scheme (FSCS)

We are covered by the Financial Services Compensation Scheme (FSCS). You may be entitled to compensation from the scheme if we cannot meet our obligations. This depends on the type of business and the circumstances of the claim. If you are eligible to claim from the FSCS, compensation is available as follows:

- 90% of the claim, without any upper limit;
- 100% of the claim without any upper limit for
  - compulsory classes of insurance (such as Third-Party Motor or Employers Liability); and
  - 'pure protection' contracts, professional indemnity insurance, and general insurance claims arising from the death or incapacity of the policyholder owing to injury, sickness of infirmity, all where the insurance intermediary has failed to pay money to an insurer, pay away money it has received from an insurer, or has failed to take steps to allow the insurer to effect the contract of insurance.

Further information about compensation scheme arrangements is available from the FSCS on 0800 678 1100 (Freephone) or 0207 741 4100 or [www.fscs.org.uk](http://www.fscs.org.uk).

### Payment for our services

Insurance is a regulated activity and as such to comply with regulations and to ensure we are arranging cover on the correct basis, we employ the services of a broker (to whom we pay a fee) who, in addition to having the knowledge and expertise to place our risk, also has access to all major Insurance companies. The significant majority of the properties we manage are covered under one policy of insurance. Arranging such a contract of insurance is not a straightforward exercise, as this type of policy cannot simply be applied for by completing an application or proposal form.

Ross & Liddell Limited do not charge our clients a fee for the Insurance Services which we provide in respect of our managed properties. Instead, Insurance Commission is received in order that we are able to offset the costs incurred in administering your Insurance Policy, including printing, stationary and postage relating to the production, and issue of Insurance Certificates and all of the supporting documentation required to comply with all relevant FCA Regulations, dealing with the common claims and assisting clients with their private claims. Any commission we receive will be paid by the insurer, from the insurance premium.

In addition, and not least, we are required to guarantee payment of premiums due under the Insurance Policy and to pay our Brokers a fee to secure their market knowledge and experience, to ensure a competitive renewal for clients.

In the current market we believe that acceptance of Insurance Commission represents the most cost-effective mechanism for provision of Insurance Services to clients. Commission is declared on each and every certificate of insurance issued to all co-proprietors, detailed on the reverse of the certificate. You can, though, at any time, ask us for details of the commission we receive in relation to your insurance.

## Allocation of payments

Please note that payments received from clients in respect of accounts due to Ross & Liddell, either now or in the future, will be allocated in the following order:

- Works and services already paid for by Ross & Liddell
- Works and services in progress and to be paid for after completion of such works, or the provision of such services
- Works and services instructed by Ross and Liddell at the date of payment by the client but not yet paid by Ross and Liddell
- Works and services paid for in advance
- Insurance

Please note that if a client has more than one outstanding account due to Ross & Liddell, any monies received will be applied in the order specified above, spread proportionately over these outstanding accounts, unless instructed otherwise by the client.

The provision of Ross & Liddell's services, or any contracts or covers effected by Ross & Liddell, will not be adversely affected if any outstanding sums due to Ross & Liddell are the subject of an agreed instalment arrangement between the client and Ross & Liddell. Interest will not be payable on any clients' common charge account credit balances that may arise.

## Methods of payment

Payment can be made by Debit, or Credit Card, through our secure on-line web portal, via our website ([www.ross-liddell.com](http://www.ross-liddell.com)), or by our automated, 24 hours, 7 days a week touchtone telephone menu driven payment system, or by telephone to any of our offices. Alternatively, we also accept payment by cheque, online banking, cash, or bank-giro credit, either by post, or at our offices.

Instalment arrangements are also available allowing you to spread the payment of common charges accounts by making monthly payments by Direct Debit, Standing Order, etc.

## Cancellation of insurances

You should make any request for cancellation of cover or a policy in writing, however it should be noted that if the cover is provided on an annual basis under a Group Co-Proprietors policy a return premium is only provided during the policy period if a property is sold and / or the policyholder is deceased and there is no requirement for a common policy.

## Your responsibilities

**If you are a consumer** (i.e. insuring your own property for your own personal use), you are responsible for answering any questions in relation to any proposal for insurance cover honestly and to the best of your knowledge, providing complete and accurate information which insurers will require. This also applies to your responses in relation to any assumptions you may agree to in the process of applying for insurance cover. This is particularly important before taking out a policy but also at renewal or if you make a mid-term amendment to your policy.

If you fail to disclose information or misrepresent any fact which may influence the insurer's decision to accept the risk or the terms offered, this could invalidate the policy and mean that claims may not be paid.

**If you are a commercial customer** you have a duty to give a fair presentation of risk to the insurer. This means that you should disclose every material circumstance relevant to the risk being insured following a reasonable search within your business to identify and verify such information. This should include information which you and where applicable your senior

management, persons responsible for arranging your insurance or other relevant third parties know or ought to know and should include all information that would influence the judgement of the insurer or that would put the insurer on notice that it needs to make further enquiries.

Failure to provide a 'fair representation' may result in a number of remedies by the insurer. If the breach was deliberate or reckless the insurer can void the contract and keep the premium. If the breach was not deliberate or reckless the insurer can void the contract, proportionately reduce a claim settlement or amend the insurance policy terms and conditions then review the merits of a claim on this basis. You should therefore always provide complete and accurate information to us when we ask you about the insurance risks your business faces before taking out a policy, at renewal and throughout the life of the policy. This also applies to your responses in relation to any assumptions you may agree to in the process of applying for insurance cover.

**All customers:** Please note that the terms of the Ross & Liddell policies that we have in place require all insured property owners to inform the insurer of any material circumstance, whenever it may arise.

You must check all details on any proposal form or Statement of Facts and pay particular attention to any declaration you may be asked to sign.

It is important that you read all insurance documents issued to you and ensure that you are aware of the cover, limits and other terms that apply. Particular attention must be paid to any warranties and conditions as failure to comply with them could invalidate your policy. You must inform us immediately of any changes in circumstances which may affect the services provided by us or the cover provided by your policy. If you are unsure about any matter, please contact us for guidance.

## The processing of your personal data

In your dealings with us you may provide us with information that may include data that is known as personal data. Where we process personal data, we comply with statutory data processing requirements as set out in the General Data Protection Regulation and the Data Protection Act 2018. The personal data we will collect will include information relating to your name, address, contact details, date of birth and, in certain circumstances, possibly health or criminal offences data.

We will process your personal data to allow us to provide you with our services as your property manager and in arranging and administering insurances. Your personal data will also be used to manage future communications between ourselves. In circumstances where to do so will be in our mutual interests, your personal data will be used to provide you with further information about our products and services. You can opt out from receiving such communications by contacting our Data Protection Representative as set out below.

In processing personal data for insurance purposes about health or criminal offences, we will only do so to enable us to provide our service to you and on the basis of it being in the public interest.

We will only use your data for the purpose for which it was collected. We will only grant access to or share your data within our firm, with other authorised third parties and product and service providers such as insurers where we are entitled to do so by law under lawful data processing.

The Data Protection Act 2018 provides you with Access Rights that allow you to gain an understanding of the data being processed, who we share it with, for what purpose, why we need to retain it and retention periods, to object to the processing and to place restrictions on the processing, to request copies of your data and to request the deletion of your data.

If you require further information on how we process your data or you wish to exercise your rights, please contact our Data Protection Representative, by e-mailing [dataprotection@ross-liddell.com](mailto:dataprotection@ross-liddell.com) or by writing or telephoning using the details stated above. How we process your personal data is detailed further within our Privacy Notice at <https://ross-liddell.com/privacy-policy>.

## Conflicts of interest

Occasions can arise where we, clients or product providers, may have a potential conflict of interest with business being transacted for you. If this happens, and we become aware that a potential conflict exists, we will write to you and obtain your consent before we carry out your instructions and we will detail the steps we will take to ensure fair treatment.

## Register Online

Register Online and download your Insurance Certificate from the Webportal:

<https://myaccount.ross-liddell.com/>

After completing the Webportal registration process you will be able to download:

- your insurance certificate
- update your main contact details like your telephone and emails defaults
- make online payments which update your account immediately
- download your invoices and that of any of the tradesman's invoice, and
- change your electronic communication preferences so that in future you can get all your correspondence electronically

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If you have any insurance related issues or require assistance with a private claim, Ross & Liddell insurance department are available to all of our co-proprietors and can be contacted on:

**GORDON MCGLONE**  
☎ 0141 204 7340

**GRANT DOLAN**  
☎ 0141 204 7349

**ALANA MCGREEVY**  
☎ 0141 204 7346