

Ross & Liddell Insurance Renewal

WE ARE HERE TO HELP

It is important that you read all of the information below.

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:

RITA GLENDENNING

☎ 0141 204 7348

ANN MARIE CONNOLLY

☎ 0141 204 7349

R&L continue to use the services of a broker who have the experience and knowledge of insurance practices to arrange and place business on our behalf.

Both JLT & Zurich have confirmed their continued commitment to R&L and their co-proprietors.

This is evidenced in the review of our insurance portfolio this year, resulting in premium savings for many of our owners.

MINIMUM PREMIUM OF £100 CONTINUES TO APPLY

Cover continues to be subject to a minimum premium of £100.00 per property. This will not apply if your property is fully insured under the Ross & Liddell common insurance policy for the re-instatement costs of your property including your proportion of the common areas. Contact the insurance department for a quotation without delay if you believe your property is not insured for the full re-instatement cost, to ensure you are fully protected.

Your sum insured will increase from renewal by 5.4%. If renewal of your insurance has been offered at the same premium rating as 2014, this will mean your premium will increase by the amount of 5.4% for index linking only.

Index linking reflects the cost of inflation directly relating the associated cost of rebuilding a property. The most common index in the UK is the Royal Institution of Chartered Surveyors (RICS) rebuilding cost index, and this is what Ross & Liddell use due to recommendations from our brokers. The RICS index is updated 3 months in arrears, so the index for February will be applied to renewals due in May.

This increase does not guarantee your sum insured is adequate and we would strongly recommend periodic reviews of your sum insured are undertaken. Please discuss with your property manager if you would like a quotation from R&L to re-assess your development sum insured.

IS YOUR SUM INSURED ADEQUATE TO COVER YOUR INDIVIDUAL PROPERTY AND YOUR PROPORTION OF COMMON AREAS?

Many owners who have low sums insured believe this will be adequate to cover their proportion of the common areas. Please be assured this is not correct, our experience is the common areas will attract the higher proportion of a sum insured as this will include all common walls, roof, stairwells floors and plumbing. You should note it is your responsibility to ensure your sum insured is adequate at all times. Failure to do so will result in a valid claim not being paid in full.

WILL A SEPARATE POLICY WITH ANOTHER PROVIDER SUFFICE?

It has been our experience having two policies is not cost effective and may not comply with the requirements of the title deeds. In addition

policies arranged on an individual property do not always cover the common areas, in particular in the event of a large claim.

DO I HAVE TO INSURE WITH R&L?

If the title deeds stipulate a common policy requirement arranged by the property manager, the simple answer is yes.

If however a common policy is required but does not need to be arranged by the property manager; owners can collectively arrange their own common insurance policy. However you must arrange for collection and payment of the insurance premium. In addition R&L will not be able to offer assistance with any claims including common claims.

PROPERTY OWNERS LIABILITY FOR COMMON AREAS

R&L have a minimum requirement for Property Owners Liability for the common areas only. This cover will be arranged automatically by R&L once the development has been adopted in for full with grounds maintenance in place.

Tenanted residential properties do not include cover for loss of rental income. Cover is restricted to alternative accommodation only in the event of a claim. Loss of rent is available as an alternative cover under optional extension RL1.

UNOCCUPIED PROPERTIES DO NOT HAVE FULL COVER

You do not have to notify R&L when your property becomes unoccupied however you should be aware cover is reduced following 30 consecutive days of un-occupancy.

Cover excludes damage by theft, vandalism; malicious damage burst pipes and leaking of oil.

In addition you must comply with the un-occupancy condition.

Full cover available with quotations available upon request with insurance department.

TENANTED PROPERTIES DO NOT HAVE FULL COVER.

Full cover is not operative as both accidental damage and malicious damage by tenant are excluded. In addition residential properties do not have cover for loss of rental income.

Additional cover is available with quotations provided by R&L insurance department.

PROPERTIES USED AS HOLIDAY HOMES OR HOLIDAYS DO NOT HAVE FULL COVER.

Malicious damage and accidental damage by tenant will be excluded. Unless a valid tenancy agreement is in place for a period of 6 months or more, optional extensions of cover are not available. In addition, alternative accommodation following a valid claim will not extend to include advance rentals, with cover restricted to the tenancy agreement in place at the time of the claim.

UN-OCCUPANCY CONDITION APPLIES TO UNOCCUPIED PROPERTIES

Should the insured property become unoccupied for more than 30 consecutive days all gas and electrical services except those required to maintain fire or intruder alarms to be isolated. The water system is either isolated or completely drained or central heating systems have been set at a minimum temperature of 5°C during the period 1st October to 1st April each year. All waste and combustible materials must be removed from the building and yard areas the property has been secured against unlawful entry by closing and locking its doors and windows and setting all its security and alarm systems. The building is subject to inspections at least every 7 days with records of such inspections maintained at a separate location for Insurer inspection.

POLICY WORDING / COVER

Over the course of the past 12 months, we have received feedback from many of our owners. In the main we were asked for areas of the policy wording to be clarified with JLT having

made amendments as necessary Full details of all changes to the policy wording are detailed within the summary of changes overleaf.

Many owners were also looking for cover for "matching parts". We are very much aware that not all owners will require this cover; as a result JLT / Zurich are offering this cover as an optional extension.

THE FULL RANGE OF COVER EXTENSIONS CAN NOW BE SUMMARISED AS FOLLOWS:-

RL1 - RESIDENTIAL LANDLORDS

Annual premium £75.00*
Eviction of Unlawful Occupants £50,000 –
Cover for Unoccupied premises up to 30 days
Malicious and Accidental Damage by tenants –
Limit £10,000
Residential Loss of Rent (limits and indemnity period as standard policy cover)
Landlord contents – limit £10,000
Excess £500.00

RL2 - RETAIL LANDLORDS

Annual premium £75.00*
Eviction of Unlawful Occupants £50,000 –
Cover for Unoccupied premises up to 30 days
Malicious and Accidental Damage by tenants –
Landlord contents
Loss of advanced rent
Denial of access
Failure of utilities including foul water drainage
Limit £10,000 Excess £500

RL3 - FULL COVER FOR UNOCCUPIED PROPERTIES

Subject to compliance with un-occupancy condition and additional premium with quotation available upon request.

RL4 MATCHING PARTS

Cover extends to include the cost of replacement & of undamaged parts of buildings that form part of a suite common design or function where the damage is restricted to a clearly identifiable area or to a specific part. Quotation available upon request with cover extending to include common areas if all owners within the property take advantage of this additional extension.

*Premiums for optional extensions are based on the minimum retained premium for cover – no refund is available should these extensions be removed mid-term

A copy of the optional extension wordings together with a revised policy wording is available on our website www.ross-liddell.com; upon request from our insurance department.

CERTIFICATE OF INSURANCE

Your certificate of insurance is included within our renewal notification to you and will detail the sum insured applicable to your property. Dependent on compliance with the title deed requirements the sum insured will note either; Sum insured applicable to your individual property. Sum insured applicable to the total property.

The certificate of insurance will also detail any optional extension in place and all excesses that are applicable to your policy.

INSURER KEY FACTS

This will detail the main benefits and exclusions to the policy wording including policy excesses and is detailed on your insurance certificate.

COMMISSION PAYABLE TO R&L

Ross & Liddell Limited do not charge our clients a fee for the Insurance Services which we provide, in respect to our managed properties. Insurance commission is paid to us, through our broker, to offset the costs incurred in administering the insurance policy under which your premises are covered, including printing, stationary and postage relating to the production and issue of Insurance Certificates and all of the supporting documentation required to provide our property owners with appropriate information. It also offsets our costs in dealing with the common claims and assisting clients with their private claims.

The arrangement is structured so the commission payable by the insurer is paid to us to reflect the work we undertake in administering the insurances, and we then pay a fee to the broker 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 our Insurance Services to clients. The commission for the current period of insurance is 2.5% and is calculated on the net premium i.e., Less the Insurance Premium Tax of 6%, and has not exceeded this amount in past periods of insurance.

ADDITIONAL COVERS

Does your development or property have additional features? If your development has items such as ornamental statues, electric gates, roller shutter doors, car turntables, car park extractions systems, separate garages. If so, you need to ensure the values are included within your sum insured. Whilst the developers would have included the values of such items in the original sum insured, as ownership of the individual properties change the new mortgage provider may not have included items common to all owners.

HOW CAN YOU ENSURE FULL COVER IS IN PLACE?

Individual items can be insured within developments with the annual premium divided between all owners. This will provide all owners with peace of mind.

Please discuss with your property manager who will contact insurance department for quotations Photographs and valuations may be required for specified items such as ornamental statues, sun dials etc.

CAN R&L ARRANGE CONTENTS INSURANCE FOR OWNER OCCUPIED PROPERTIES?

Yes we can, providing you occupy a property managed by R&L. The rates are extremely competitive with cover underwritten by Zurich. By insuring both your buildings and contents with the same insurer, this will streamline the claim process and avoids ambiguity as to which policy should operate. Quotations are available upon request and subject to satisfactory completion of proposal form.

PROPERTY INSURANCE FOR HOUSES

We can now arrange cover for houses which do not have a requirement for buildings insurance. Quotations are available upon request including properties that are tenanted.

CHANGES TO THE POLICY COVER

Following feedback, the policy wording has been amended to clarify terms and conditions and provide additional covers by extension. JLT have provided a full summary of the changes which can be found on the reverse of this document and have advised the changes include clarifying the requirements placed on the policyholders to ensure the insured property is maintained in a good state of repair and that any claims must be notified to the claims line within 60 days of loss or damage. The insured's contribution in relation to water damage has been corrected to confirm the type of losses this excess applies to, and Accidental Damage cover has also been corrected to ensure that all owner occupiers benefit from this cover. We have highlighted the un-occupancy conditions to ensure there is no doubt about the requirements placed on the policyholders to minimise loss should your property be left unoccupied for over 30 days. Optional cover has been added to provide protection for matching parts with additional covers having been made available under the RL2 endorsement for commercial landlords.

A copy of the full policy wording can be found on our website or on request from our insurance department.



JLT COMMENTARY REGARDING RENEWAL PROCESS AT A GLANCE

A full market exercise was undertaken by Ross & Liddell at last renewal, not only involving JLT and our chosen insurers, but several other brokers with their chosen Insurers.

Zurich was selected last year as they provided a competitive premium and flexibility around covers. Zurich understood the different needs associated with owner occupied and rented properties and provided a policy wording to suit the needs of both. In addition they continue to listen to feedback from R&L and where possible react with policy cover changes. An example of their understanding of the requirements is clearly shown in their latest cover extension relating to "matching parts".

JLT's approach to portfolio rating is to undertake a full market exercise every three years; however they monitor and review alternative pricing available elsewhere in the market during the policy period, ensuring renewal premiums and cover stay competitive. Following this review JLT Specialty Limited have recommended renewal with Zurich for the forthcoming period of insurance; in addition they have confirmed that any property with a high loss ratio or with additional terms imposed will have alternative quotations provided with recommendations for your individual development.

JLT SUMMARY OF CHANGES TO THE ZURICH POLICY WORDING

CHANGE	DETAIL
General & Claims Conditions added to clarify the policy requirements	<p>Cancellation conditions have been clarified so policyholder recognise their rights</p> <p>Common Areas have been listed so there is no confusion over the cover provided for these areas.</p> <p>Reasonable precautions have been defined to ensure no confusion over the requirements on the owners to protect their property</p> <p>Notification of claims – timescales have been clarified by defining a 'reasonable amount of time' as 60 days.</p>
Excess Correction	<p>A correction has made to the water damage excess within the policy. Due to an error previously, this was referred to as an 'Escape of Water' excess. From renewal this has been corrected to show: - 'Water Damage' This excess applies to all Water Ingress following Storm or Flood, Escape of Water and Accidental Damage claims and resultant damage.</p>
Premiums	<p>Definition has been added for minimum premium requirements</p>
Unoccupancy Conditions / Terms	<p>We have highlighted the Unoccupancy Terms and conditions so clients are correctly advised of the requirements and restrictions applying if their property is unoccupied for longer than 30 days – This clause is here to assist policyholders in protecting their property and minimizing loss and inconvenience.</p>
Tenants Improvements	<p>The wording has been amended to provide clarity around what is covered under this section and what property is the tenants responsibility and what protection the landlord has under the policy</p>
Alternative Accommodation	<p>Cover is removed for holiday lets for extended periods. The intention of the policy is to protect and rehouse those who live in the property as their main residence and not visitors.</p> <p>Policy also clarified to advise that Loss of Residential Rent replaces Alternative Accommodation if RL1 selected</p>
Accidental Damage Cover	<p>Wording amended to ensure cover for owner occupiers is included.</p> <p>Previous wording suggested any accidental damage caused by persons lawfully on the premises would not be covered. This is not the intention of the policy and Accidental Damage is included for owner occupiers.</p>
Fraud Conditions	<p>Request by Zurich to add clarification that claims</p>
Matching Parts Cover	<p>New Cover available for Matching Parts under endorsement RL4</p> <p>Extends the policy cover to include the cost of replacement or repair of undamaged parts of Buildings that form part of a suite of common design.</p> <p>Should all owners at a property take this – common areas will be included automatically.</p>
RL2 Commercial Landlords Cover	<p>Additional covers added to provide protection for:-</p> <ul style="list-style-type: none"> • Loss of Advanced Rent, • Denial of Access & • Failure of Utilities

CHANGES TO PERSONAL CONTENTS COVER

Added tablet computers to exclusions	Laptops are already excluded, but needed to define this exclusion to include tablets computers and IPADS
Added laptop and tablet computers to exclusions	This relates to personal possessions section in line with the exclusion above



McLarens
GLOBAL CLAIMS SERVICES

MCLARENS QUICK GLANCE GUIDE TO INSURANCE CLAIMS FOR INDIVIDUAL PROPERTIES

CONTACT NUMBER 03330 148456

For damage to your private dwelling / property contact us directly on the above number.

For damage to common areas within your development contact your property manager, who will liaise directly with McLarens to progress.

For water damage to your property whereby the source of the water ingress is not known, the policy will respond to establish the source. We will provide you with a choice of companies who specialise in tracing water leaks. Where possible the investigation will be non invasive to try and mitigate your claims.

The policy limit for trace and access is £5000 and will be subject to the applicable policy excess for your property.

If the leak is sourced to a common pipe and/or area; we will notify R&L insurance department who will arrange for the property manager to address the issue.

In the meantime we will request from you two repair estimates. As this is your own property you are free to source contractors of your choice. Alternatively we will provide a list of contractors who have experience in the industry for you to choose from.

You should contact the contractor to arrange a mutually convenient appointment.

The contractor should provide you with a detailed estimate to repair the damage. This should include the cause of the damage, ie water damage, the affected areas that require repair and associated costs. You should also be provided with photographs of all damaged areas.

Once you are satisfied the estimate accurately reflects the damage, please send to McLarens together with the photographs.

If preferable to you we will accept electronic documentation:-

Email address:- ukpropertyclaims@mcclarens.com

We will review the details submitted and if acceptable, approval for repairs will be given to you, to proceed with the repairs, subject to your policy terms.

Each claim will have an applicable excess.

This is your responsibility to pay to the contractor undertaking any repair at your property. Please refer to your policy documentation to determine what level of excess applies as the repair cost may fall within this amount.

If you require assistance with your claim please remember R&L insurance department are on hand to assist.

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