

Building insurance frequently asked questions



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From 1st April 2006 until 31st March 2011 Ocaso S.A. U.K. Branch will provide building insurance for the leaseholders of Homes for Islington. The purpose of this guide is to answer some of the frequently asked questions leaseholders have about their building insurance.

Please note that this booklet is a summary only. Please consult the Ocaso policy booklet issued to you for details of the exact cover and exclusions of the policy, or Davies Managed Systems (Ocaso's claims department) can be contacted to help you understand the cover and exclusions of the policy.

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General questions

1. What does the building insurance cover?

Building insurance covers damage or loss caused to the building by a list of perils or insured risks. These are detailed in full in the policy booklet, and include:

- Fire, lightning, explosion
- Storm or flooding
- Escape of water (for example, from a burst pipe)
- Impact by a vehicle
- Falling trees
- Falling aerials or masts
- Accidental breakage of fixed glass (that the leaseholder is responsible for, for example internal & external windows of the leaseholders flat), or sanitary fittings (for example, a wash hand basin)
- Subsidence, landslip or heave

If the building becomes uninhabitable following damage caused by any of the perils covered, the cover also includes:

- Costs of alternative accommodation costs up to 20% of insured value,
- or
- Loss of rental income for up to 12 months and up to 20% of the insured value

Other cover includes:

- Replacement locks if keys to external doors or windows to your home are lost or stolen, up to £250
- Legal fees to evict squatters, with insurers permission up to £10,000

2. What isn't covered by the building insurance?

The policy states those perils which are covered and also cites some exclusions. If damage occurs which is not caused by an insured peril, then the insurers would not make a payment, even if it is not specifically excluded.

Davies Managed Systems advisors (who deal with claims on behalf of Ocaso) are fully trained and have an excellent knowledge of the policy cover we have arranged for you. Wherever possible, they will let you know during your first call to them whether your claim is covered by your policy.

It may help you to read through the policy booklet along with your schedule of cover before ringing them to report your claim.

Events not covered include the examples stated below, however this is not a complete list and the actual policy wording must be referred to in the event of any doubt.

- ❑ Wear and tear to any parts or components of the building
- ❑ Elements of the building reaching the end of their useful life (for example, a flat roof)
- ❑ Routine repairs and maintenance (for example, clearing drains and gutters; external decorations).
- ❑ Loss or damage to your contents and personal belongings

3. Can I make my own arrangements for building insurance?

No. It is a condition of your lease that the landlord arranges building insurance cover for leaseholders. There is one building insurance policy for all leaseholders, which is in joint names with all leaseholders and the council.

4. What is the difference between my building insurance and my contents insurance?

Building insurance covers the structure of the home together with its fixtures and fittings, such as kitchen and bathroom units. Contents insurance covers the contents of the home, items that you would take with you if you moved home.

As an approximate guide, if you were to turn your home upside down, everything that fell out would be your contents, and most of what remains would be building. For further information relating to the items covered under the building policy, please refer to the policy booklet.

You are responsible for arranging your own contents insurance. Islington Council has an arrangement with an insurance company who can provide contents insurance for any tenants and leaseholders that want to insure their contents this way. You can find out more by contacting the council by telephoning Contact Islington on 020 7527 2000 or sending an email to contact@islington.gov.uk.

5. How is my building insurance charge worked out?

Your charge is worked out using the premium rate under the insurance contract multiplied by the insured value of your property. You pay for the building insurance through your annual service charge.

For 2010/2011 the premium rate is £1.276 for each £1,000 of the insured value. For example, if the insured value of your home is £80,000 your insurance charge will be:

1.276 multiplied by £80,000, then divided by 1000 = £102.08

6. How is the insured value worked out?

The insurance value of your property is based on the rebuilding cost of the property. Each year the rebuilding cost is increased in line with inflation. This is known as index linking. The market value of your home or the council tax band valuation have no direct relationship to the rebuilding cost of your home.

7. Where can I get a copy of the policy booklet?

We send a copy to all new leaseholders. If you want a further copy, contact Home Ownership. You can also view or download a copy of the booklet and a summary of the policy from our website www.homesforislington.org.uk. Go to the Leaseholder page and then to the Insurance section.

8. What if I sublet?

If you sublet your property you will still have your building insurance through Ocaso, and you will still have to pay for it as part of your annual service charges. You must inform Home Ownership that you are subletting, complete a registration form, and provide a copy of the tenancy agreement and a cheque made payable to "London Borough of Islington" for the sublet registration fee. As at March 2010 the registration fee is £30.

9. How do I get the interest of my mortgage providers noted?

If you have a mortgage, your lender will normally ask for its interest in your property to be noted or recorded by the building insurer. The policy contains a General Interest Clause that automatically notes the interest of all mortgage companies. This is stated on the building insurance summary.

10. What do I have to tell the building insurance company?

Anything that would be considered a material fact or would change the rebuild cost of your property must be disclosed to the insurance company. For example, if you are installing a new kitchen or bathroom you need to tell Home Ownership to inform the building insurance company.

Point to remember: Policy cover All insurance policies set out clearly the risks that they do or do not cover. Please ensure that you have read the policy carefully and make sure that the loss you have suffered is covered. If in doubt please contact Davies Managed Systems.

Claims

11. How do I make a claim?

To make a claim please contact the following as soon as possible, and in any event within 90 days:

Davies Managed Systems (Ocaso's claims department), 24 hour telephone 0870 420 1168.

You can write to them at:

Ocaso CHU
PO Box 2801
East Court
Stoke on Trent
Staffordshire
ST4 9DN

12. Can I claim on my building insurance on behalf of my neighbour if I cause damage to their property?

No. You can only claim for damage to your property.

13. What happens once I have made a claim?

It is important that you keep damaged items and do not throw anything away, as Davies Managed Systems may wish to inspect them.

You will be asked to obtain two competitive estimates for replacement or repair of damaged property.

Davies Managed Systems will agree the extent and the cost of the required works. Once the works have been carried out and you have presented the invoice to Davies Managed Systems they will arrange for Ocaso to pay you, minus the excess applicable.

If Ocaso or Davies Managed Systems instruct a contractor to undertake work as settlement or part settlement of your claim, then Ocaso will pay the contractors, less the policy excess which you will pay directly to the contractor.

14. What if I need emergency assistance?

If you have an emergency in relation to an insurance claim and urgently require a tradesman you can call the 24 hour assistance line on 0870 420 1168 and Davies Managed Systems will arrange for a local approved tradesman to be sent out.

You will be expected to pay for any work undertaken but if the damage is covered by your insurance policy you will be reimbursed for the costs less the policy excess applicable.

In some cases emergency repairs need to be carried out in order to mitigate the loss or make the property safe and secure before Davies Managed Systems are able to arrange for a local approved tradesman to be sent.

In these cases you can arrange for emergency repairs up to £250 to be carried out on a without prejudice to liability basis to prevent further damage occurring. The bills for these emergency repairs must be kept as these could form part of your claim if liability is admitted. This means that there is no guarantee that Insurers will make any payment to you and the cost incurred may have to be met by you in full.

15. What is the excess under the policy?

The excess is the amount you have to pay yourself towards the cost of a claim.

For each and every claim for subsidence, the excess is £1,000. In other words, you would have to pay the first £1,000 for a subsidence claim. The excess for escape of water is £150. For all other claims, you will have to pay the first £100.

Please remember that each individual occurrence of damage is deemed to be one claim. If you report multiple incidents of damage at the same time, these will be treated as a separate claims and more than one excess will be deducted from the value.

16. Do I pay an excess if I make a claim even though it is not my fault?

Yes. As outlined above you are responsible for paying the policy excess even if the damage was caused by someone else, for example water overflow from a flat above or a motor vehicle impacting with your property.

17. What if I am unhappy regarding the claim settlement?

If you are unhappy with your claim settlement write to Davies Managed Systems explaining why you are unhappy and include any evidence you may feel could aid your dispute. If you

are not happy with the response, Davies Managed Systems would then refer you to the complaints procedure which is located in the back of your policy booklet.

Point to remember: Fraudulent claims are a criminal offence. These claims are taken very seriously and action may be taken against claimants making fraudulent claims. A claim that is considered fraudulent is one that is inflated (the value falsely enhanced) or bogus and will result in the claim being denied. A database of claims made is maintained and this may be shared with other insurers.

Leaks

18. What if my property is damaged as a result of a leak from another property?

Whether the leak is from a leasehold or tenanted property you should contact our repairs call centre HFI Direct on 0800 694 3344. We will try to contact the resident that lives in the property the leak is coming from and ask them to stop the leak. If we cannot contact the resident we have the authority to force entry into the property and carry out the work to stop the leak.

- **If the structure or fabric of your flat is damaged:** you should make a claim under your building insurance policy. See question 11 for details on how to make a claim.
- **If your contents and personal belongings (such as carpets and furniture) are damaged:** you should make a claim on your contents insurance policy as the building insurance does not cover your contents.

If you don't have contents insurance and you feel that your neighbour is responsible, you can only sue them if you can prove they have been negligent. This means that if the leak was an accident or you cannot prove it was the result of negligence then you will not be able to successfully sue your neighbour. If you do wish to sue your neighbour you should seek independent legal advice.

19. What if I cause damage to another leaseholder's property?

If you damage the structure/fabric of the property they should make a claim on the building insurance.

If you damage their contents, the leaseholder can claim on their own contents insurance. If they want to sue you for damage to their property they will have to prove that you are legally liable for the damage, which means that you have been negligent. This is a matter for you and the leaseholder to resolve.

In most instances any liability that may arise would be an occupiers liability to be considered by your contents insurers and you should notify them accordingly of any claim made against you.

The policy issued by Ocaso includes, subject to certain conditions, cover for any proven liability you have as owner as opposed to occupier of the premises

20. What if I cause damage to a tenant's property?

If you damage the structure/fabric of the property it is our responsibility, on behalf of the council, to repair the property and make it habitable for the tenant. If we wish to recharge you for our repair costs we need to prove that you have been negligent.

If you damage the tenant's contents they can claim on their own contents insurance. If they want to sue you for damage to their property they will have to prove that you are legally liable for the damage, which means that you have been negligent. This is a matter for you and the tenant to resolve.

In most instances any liability that may arise would be an occupiers liability to be considered by your contents insurers and you should notify them accordingly of any claim made against you.

The policy issued by Ocaso includes, subject to certain conditions, cover for any proven liability you have as owner as opposed to occupier of the premises

21. What if I cause damage to communal areas of the building?

Under the terms of the lease the landlord is responsible for insuring the common parts of the building, in proportion to your property as a whole of the building.

If you damage the structure/fabric of the property included in the common parts areas it is our responsibility, on behalf of the council, to repair the communal areas.

If the damage is covered as a peril under the building insurance policy, Ocaso will pay for the works, less any excess applicable for any damage caused as a result of an Insured peril to that proportion of the common parts relating to your property under the terms of the lease.

If the damage isn't covered as a peril under the policy, leaseholders in the building will have to pay their share of the costs for the repair. However, if we can prove there has been negligence on your part we may charge you the full costs of the work.

Point to remember: Reasonable care Insurance is not a maintenance contract and is no substitute for keeping the property in a reasonable state of repair. All leaseholders should refer to their obligations for maintenance in accordance with their lease. If these obligations are not met, your claim may not be valid.