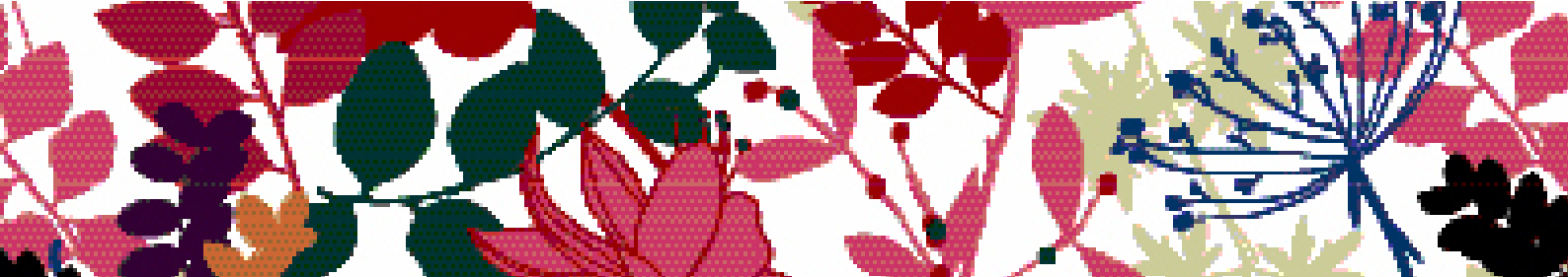




NECTAR  
HOMES

# INSURANCE FACT SHEET





## **Insurance Fact Sheet**

### **Background**

Knightstone Housing Association manages in excess of 10,000 homes, all of which must be insured. In order to provide the most competitive premiums and widest cover possible for you, we insure your home under one major insurance programme, covering all the homes we are responsible for. This programme is broken down into four separate policies; one for our homes rented by tenants; one for Shared Owners (homes purchased under the following schemes: Shared Ownership, Do It Yourself Shared Ownership and Homebuy); one for our Supported Housing schemes which includes our Leasehold Schemes for the Elderly and one for owners of homes that once belonged to us, known as Right To Buy properties.

To ensure that we are getting value for money, we regularly review our insurance arrangements and in 2008, Knightstone undertook a full analysis of our insurance programme, including reviewing the insurance arrangements and provider, property values, level of cover and quotations. The Group followed the OJEC\* tendering process including consultation where required.

Following this competitive tender, Zurich Municipal has been awarded the contract to provide our insurance for a period of up to 5 years, renewable every year. The tender focussed principally on the quality and experience of the insurers, competitiveness of their insurance programme, their claims handling service and how comprehensive their cover is. Zurich excelled in all areas.

Zurich Municipal are part of the Zurich Group, one of the biggest insurance groups in Europe, employing 58,000 people. Zurich Municipal is a leading provider of risk and insurance solutions to Britain's public services. It handles over 100,000 claims per year.

### **Annual Insurance Review**

Insurance is always arranged on an annual basis and your premium therefore has to be renegotiated each year. We have to provide up to date information on all our housing stock annually to Zurich, which will also include details of any new properties or properties that have been disposed of. Zurich will analyse this information and a fundamental part of the review, will be the volume of claims received and processed during the past 12 months for our entire housing stock. This is why there can be annual differences in premiums, especially if the claims experience has deteriorated. If we feel we are no longer getting competitive premiums, we can re-tender the insurance programme, like we did in 2008. We intend on doing this at least every 5 years as a matter of course.

## How is Your Premium Calculated?

Calculating the insurance premium that you pay, is undertaken by the insurance company and can be a complicated process, based on a number of factors. We provide them with a whole host of information about our housing stock, including but not limited to, the type and age of the property, construction details, tenure, location, property values and probably most importantly, the number of claims received and processed. Utilising this information, they will assess what they see as the risks associated with our housing portfolio and attach what they see as an appropriate “insurance rate” which they apply to the buildings sum insured to calculate your premium. See examples below.

### Examples:

A two bed Shared Owner will pay a premium calculated as follows:

- £87,000 (estimated rebuild value of a two bed flat) x 0.0010944 (insurance rate from insurer) = £95.21 (excess for each claim £50)

A two bed Right to Buy owner will pay a premium as follows:

- £87,000 x 0.0004878 (insurance rate from insurer) = £42.44 (excess for each claim £250)

As you can see from the above examples, different rates apply to each policy. This is due to the excess amounts and claims experience for each type of ownership.

## How We Ascertain The Buildings Sum Insured (or Rebuild Value).

The Insurer charges us one overall premium for each policy to cover all the homes we are responsible for. We then pass this cost on to you in the most efficient and fair way possible.

If you own a Shared Ownership property this is a relatively straight forward process. The vast majority of these homes have been constructed over the last 30 years and are modern. The cost of your insurance is based on the estimated cost of re-building your home. When looked at as a whole, there is very little variation in re-building costs of similar property types across the whole of the homes we insure. We therefore apply a uniform sum insured based on the type of property you own. This means that all owners of a 3 bedroom house pay the same as each other; all owners of a 1 bedroom flat pay the same as each other and so on.

For owners who have bought properties that were once owned by the Association (known as Right to Buy), the process is a little more complicated. We insure a wide variety of types and ages of properties, many of which are converted flats in Georgian/Victorian buildings some of which are grade 1 or grade 2 listed. We have therefore looked at a range of our schemes on a random basis in more detail and, using independent professional advice obtained from qualified consultants, we apply a sum insured or re-build value, tailored to each scheme/building. We review these values on a regular basis.

## Summary of your Insurance Cover, Claims Notification, and Complaints Procedure

Zurich provide comprehensive insurance cover for your building's structure. Your own contents must be insured by you.

### Your Insurance Cover

The cover provided includes the full range of perils that includes:

Fire, lightning, explosion, aircraft, riot, civil commotion, malicious damage, accidental damage, earthquake, subterranean fire, storm, flood, escape of water, falling trees, impact, theft, leakage of oil, aerial breakage, accidental breakage of fixed glass and fixed sanitary ware, accidental damage to supply pipes and cables, subsidence, ground heave and landslip.

### Other Interests Clause

The policy provides a blanket admission of interest clause. This will apply in respect of interests such as building societies or mortgagees.

### Summary of Main Exclusions

#### 1) Excess

**Right To Buy Owners:** the excess under the policy is £250 rising to £1,000 for subsidence claims.

**Shared Owners:** the excess under the policy is £50 rising to £1,000 for subsidence claims.

**Communal Areas in Knightstone Owned Properties:** these are areas that are used or can be used by all tenants and owners within a block. For example, in a block of flats you may have a communal hallway where you gain access to the stairs or where the post boxes are. Knightstone insure all the communal contents in these areas such as carpets, light fittings etc. In the event of a claim, the excess amount will be £1,000 per claim. Therefore, the excess payable will be divided equally between all tenants and owners and passed to you in your service charges.

**2) No cover applies for damage to fences and gates caused by storm or flood.**

**3) Unoccupied Properties:** If a property is unoccupied for 60 consecutive days, the excess for increases to £500. After 120 days, cover is terminated so if any damage caused by malicious persons, escape of water, theft or accidental damage occurs after the 120 days, no cover is provided.

### Policy Documentation

For a full policy document or policy enquiries please contact Zurich on 07801 135928

### Claim notification procedure

All you have to do is phone Zurich on free phone number **0800 028 0336**. Zurich will appoint a contractor to carry out any work resulting from your claim All you'll have to pay is the excess.

All claims must be notified to Zurich as soon as possible, with full details provided within 30 days of the incident (7 days for riot or malicious damage). The Police must be notified at once for theft and malicious damage claims.

## **Complaints**

If you have any cause for complaint, then please call Zurich on 0870 2418050. You may be entitled to compensation under the Financial Services Compensation Scheme. You can contact them on 020 7892 7300.

## **How we charge you Insurance premium.**

Your insurance premium is one element that makes up your annual charge estimate which is recharged to you over a 12 month period.

## **Contact us**

If you have any queries or questions relating to your insurance cover and premium please contact your local Homeownership Team or email us: [homeowner@nectarhomes.co.uk](mailto:homeowner@nectarhomes.co.uk).

Bristol Office  
Backfields  
Upper York Street  
Bristol  
BS2 8WF  
Telephone: 0117 9848100

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129A Commercial Road  
Parkstone  
Poole  
BH14 0JD  
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Central Office  
Station Road  
Worle  
Weston-super-Mare  
BS22 6AP  
Telephone: 01934 524300

\* OJEC stands for the Official Journal of the European Community (OJEC is now recognised as OJEU - the Official Journal of the European Union). This is the publication in which all contracts from the public sector which are valued above a certain financial threshold according to EU legislation must be published. The legislation covers organisations and projects that receive public money.