

Chapter 8

Insurance

This chapter tells you:

- about your buildings insurance;
- how to make an insurance claim;
- how your buildings insurance premium is worked out; and
- about contents insurance.

Buildings insurance

The council insures your block against a number of risks. The cost of your buildings insurance is included in your yearly service charge. The insurance policy covers damage to the structure of the building as well as the shared areas. It does not include the contents of your flat (your belongings).

The risks the insurance covers include:

- fire;
- flood (for example, burst pipes or a leak from the roof);
- storm damage;
- vandalism (malicious damage); and
- subsidence – when the ground under a building gives way or caves in – but you will have to pay the first £1000 of any claim for subsidence.

For more information, see your statement of cover booklet.

The insurance policy also covers decorations in your home, for example, ceilings, walls and fixtures and fittings, but **only** if the damage has happened because of an insured risk.

Making a claim

To make a claim on your buildings insurance, you should phone the council's Insurance Team (on 020 849 3610) and they will send you a claim form.

If you need to make an urgent claim, **outside working hours**, you can call Zurich Municipal direct on **08700 10 88 55**.

If subsidence damage is reported, the council's Insurance Team will contact all the leaseholders it may affect.

We will discuss with leaseholders the cost of any work to put things right, in line with the 'section 20' consultation process, unless the work is urgent. You can see more about this in the booklet 'Consulting leaseholders and section 20'.

Please remember that you do not have to pay for subsidence work which is covered by our insurance.

However, you have to pay an excess as part of the insurance policy. (An excess is a set amount that the insurance does not cover.) You will have to pay towards repairing any damage caused by anything our insurance does not cover.

How we work out your insurance premium

Your flat is insured for the amount it would cost to rebuild it. This figure is index-linked (it is linked to the rate of inflation and reviewed regularly).

The basic rate of insurance as at 1st April 2007 is £1.60 for every £1000 insured, plus insurance premium tax of 5%. **For example**, if the cost of rebuilding your flat is £75,000, your premium is worked out as follows.

£1.60 (basic rate) x 75	= £120
Plus 5% insurance premium tax	= £6
Less long term agreement discount	= £6
Your yearly premium	= £120

We enter into long-term agreements with our insurers (generally for

three years), in return we receive a 5% discount on the premiums. We pass the discount on to you. This is shown in the example given above.

If you have any questions about insurance, please contact the Insurance Team.

The buildings insurance policy is arranged with the **Zurich Municipal**. They:

- provide 24-hour emergency advice about claims;
- will answer questions on the progress of your claim (during normal office hours); and
- can recommend trades people to carry out any work relating to your insurance claim.

Liability Insurance

If your belongings are lost or damaged or you sustain an injury and you think this is because of something we did or did not do, you should send your letter of claim to the council's Insurance Team (who deal with insurance claims for us). The letter of claim should tell us the following:

- how your belongings got lost or damaged;
- details of the damage caused;

- if the claim is as a result of an injury, details of your injury and the exact location the incident occurred;
- how much money you are claiming;
- why you feel we are responsible for the loss or damage.

You should send your letter of claim to the following address:

Insurance Team

Level 2, Alexandra House
10 Station Road
Wood Green
London N22 7TR

For a claim to be successful negligence must be proved on our part.

Contents insurance

Under the terms of your lease, your furniture and personal belongings are not insured under the building insurance. This means that if your possessions are damaged or lost as a result of an insured peril, you will only be able to claim for what you have lost if you have your own contents insurance.

To insure the contents of your home, you can use any insurance company you choose. However, if you live on

a large estate it can be hard to get contents insurance. To help, we have introduced a home contents insurance scheme for all our tenants and leaseholders (not just for those living on estates).

The scheme is run by **Royal & Sun Alliance Insurance plc**. You can download an information leaflet and an application form from our website, www.homesforharingey.org. You can also phone Royal & Sun Alliance Insurance on 08457 337788.



Frequently asked questions about insurance

Why is the amount my flat is insured for different from the market value of my flat?

The flat is insured for rebuilding costs which is different to the market value.

Am I covered under the buildings insurance if my flat is flooded by the flat above, and how can I make a claim?

If the flood caused by something we are insured for, for example, a burst pipe in the property above, you can make a claim under the buildings insurance for any structural damage and damage to decorations. (It makes no difference if the property above is leasehold or tenanted).

If the damage is caused by the tenant or leaseholder in the property above being negligent, for example, leaving a tap on, you would have to claim against them direct or make a claim on the building insurance if they have 'property owners' liability'. However, if the claim is for damage to your home contents, and you have home contents insurance,

you will have to claim on this insurance.

What if I flood the flat below?

If a leaseholder lives in the flat below and the flood is caused by something we are insured for, (for example a burst pipe) they will need to claim on their own buildings insurance for any structural damage or damage to decorations in their property.

If the damage is caused by you being negligent, for example you leave a tap on, the leaseholder below would claim against you direct, or make a claim on your buildings insurance, or they may make a claim on their home contents insurance if they have one.

If the property is tenanted, the tenant will have to contact us to arrange repairs.