

E&J ESTATES and E&J CAPITAL PARTNERS

Frequently Asked Questions

The 2021 Insurance Renewal

Why has my insurance premium increased this year?

The residential buildings insurance market is currently very challenging.

There is much concern regarding unsafe cladding and other fire safety issues on some blocks of flats. Insurers are also targeting mill conversions, timber framed buildings and the like.

Such buildings are classed as higher risk. Sites with a poor claims history may also face increases.

In response, most insurers have reduced their involvement with residential buildings, particularly higher risk, and are increasing premiums significantly.

This is an industry wide problem and not exclusive to your freeholder.

I live in a house, not a higher risk block with cladding problems. Why did I receive a premium increase?

Some level of increase is being applied to most residential properties, but at much lower levels than apply to higher risk buildings. Insurers have also index linked sums insured by 5.7% this year, to reflect increases in construction market costs

I have never made a claim, shouldn't my premium be lower?

Your premium takes account of claims history, but also other factors such as type of construction, flood risk, location and other underwriting considerations.

Could alternative insurers offer a better price?

Generally not. In this environment, insurers are focussing on supporting existing insureds rather than on new business. There is little alternative capacity or competitive pressure to moderate price rises

My block is awaiting removal of unsafe cladding. The building is safe to occupy however because we have waking watch/an upgraded fire alarm. Why did my premium still increase?

Although your home is safe for occupation, insurers still face an increased risk of fire damage.

What has my freeholder done to keep costs down?

Your freeholder worked on the renewal with its brokers for several months. The broker, a major global property specialist, approached the whole insurance market, and achieved what we believe are the best all round terms currently available. A second broker was approached to validate this.

Can I see the quotations provided by the insurance market?

As stated above, we have not been able to find viable alternatives this year.

General Insurance Enquiries

How are premiums apportioned between the leaseholders in my block?

Premiums are apportioned according to the terms of the lease

How is my excess determined?

If a building has one or more claims, insurers may increase excesses to reflect this. Insurers maintain large amounts of data on the probability of incidents such as flood, escape of water and other claims affecting particular areas or types of building. Excesses imposed reflect insurers' view of these risks.

Am I in a flood risk area and how does that affect my insurance?

Insurers maintain detailed flood mapping data, categorising regions as high, medium and low risk. This data is compiled from years of information on the actual flooding experience in different areas, as well as individual homes. Both premiums and excesses may increase in higher risk zones, or where an individual property has suffered flooding.

Why do I need terrorism cover?

Sadly, the UK remains at high risk of terrorism attacks, and the freeholder insures against this. The premiums charged for individual buildings take into account that some areas may be more at risk than others.

Why does the freeholder place insurance for its whole portfolio, not separately for each building?

There are economies through buying in bulk, and generally leaseholders get a better service, including in claims settlement. All buildings are priced individually however, according to their own risk profile.

Can I arrange insurance myself, without involving the freeholder?

No, it is the freeholder's obligation under the lease to arrange insurance. The freeholder is in any case better placed to achieve acceptable cover.

When do I have to pay my premium?

The terms of credit are 14 days from date of invoice, as confirmed on the invoice itself. If you anticipate difficulty in settling the premium, please speak to our Credit Control Team or the Managing Agent from which you received the invoice.

How can I obtain a copy of my insurance certificate?

This can be provided by e-mail request from the Insurance Team or Managing Agent which sends your insurance invoice.

How can I ask any insurance questions not covered here?

By e-mail only please, to the Insurance Team insurance@eandjestates.co.uk .

