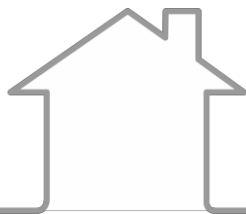




Leaseholder Consultation

Section 20 of the Landlord and Tenant ACT 1985 (as amended)

Plymouth Community Homes



Insurance Information sheet

Plymouth Community Homes manages in excess of 16000 properties, all of which must be insured.

In order to provide the most competitive premiums and widest cover possible for you, Plymouth Community Homes insure your home under one major insurance programme, covering all the properties that we are responsible for. This programme is broken down into separate covers; one for homes rented by tenants, including commercial properties, and one for Leaseholders & Shared Owners.

To ensure that Plymouth Community Homes are getting value for money, they regularly review the insurance arrangements. In 2025 they are undertaking a full review of the insurance programme, including reviewing the insurance arrangements and provider, the level of cover, and alternative quotations.

Gibbs Laidler who are a specialist insurance consultant will be helping the group undertake the tender and will be following the rules dictated by Public Contracts Regulations 2015 and including Section 20 consultation.

The Tender will focus principally on the quality and experience of the Brokers and Insurers, the value and sustainability of their insurance programme, their claims handling service, and how comprehensive their cover is.

Insurance is always arranged on an annual basis and the premium for leaseholders therefore has to be renegotiated each year. Plymouth Community Homes must provide up to date information on all housing stock annually to the current insurers, which will also include details of any new properties or properties that have been disposed of. The current insurers will analyse this information and a fundamental part of the review will be the volume of claims received during the past 12 months for the entire housing stock. This is why there can be annual differences in premiums, especially if the claims experience has deteriorated.

To ensure that competitive premiums are obtained, the insurance programme is being tendered in 2025. Plymouth Community Homes intends do this every three to five years as a matter of course.

How is your premium calculated?

Calculation of the insurance premium that you pay is undertaken by the insurance company and can be a complicated process, based on a number of factors. Plymouth Community Homes provide them with information about the housing stock, including but not limited to, the type and age of the property, construction details, tenure, location, rebuilding values and probably most importantly, the value of claims received.

Utilising this information, they will assess what they see as the risks associated with the housing portfolio and attach what they see as an appropriate insurance rate, which they then apply to the buildings sum insured to calculate your premium.

The Insurer charges one overall premium for each policy to cover all the homes that Plymouth Community Homes insure. The cost for leaseholders is passed onto leaseholders.

Please note, the Insurers only provide insurance cover for the building's structure. You must insure your own contents.



The buildings cover provided is extensive and includes the usual range of perils that you would expect to see, such as:

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 and subsidence, ground heave and landslip.

Excesses

The existing policy provided for the rented stock has an excess under the policy of £50,000 for all claims. Where leaseholders live in a mixed building, incidents within individual leaseholder's flats is £50.00.

For Leaseholders & Shared Owners living in blocks with no rented properties belonging to Plymouth Community Homes, the excess under the policy is £50.00 for general claims, rising to £25,000 for subsidence claims.

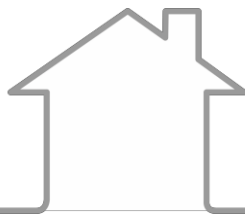
Other Interest clause

The policy provides a blanket interest clause. This will apply to include the interests of building societies, banks, and other mortgagees.

Contents in the communal areas in our 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. Plymouth Community Homes insure all the communal contents in these areas such as carpets, light fittings, etc. In the event of a claim, the current excess amount will be £50,000 per claim. The excess would be divided and recovered in your service charges in accordance with your lease provisions.

The £50.00 excess and the £25,000 Excess for Leaseholder claims may be the subject of change to make sure the group achieves the best value for money.



Frequently Asked Questions

Who is responsible for providing building insurance?

Under the terms of the lease, the building owner or 'freeholder' (in most cases this will be Plymouth Community Homes) is responsible for providing building insurance, with leaseholders & shared owners contributing towards the cost of the insurance through the service charge.

If Plymouth Community Homes is not the building owner and there is a 'superior landlord' who owns the building, they are likely to be the ones who will insure the building. In such instances the notices and the processes set out in the accompanying letter is not relevant.

Why is there a need to get a new insurance policy?

The current policy has been in place since 16th November 2024 and is due to expire on 15th November 2025 therefore, a new policy will need to be in place in order to ensure the Buildings remain insured.

If we are receiving good service from the current provider why are you seeking alternative quotations?

As the current policy is coming to the end of the long-term agreement, it is a good time to re-tender the contract. The tender gives us an opportunity to review the value for money in terms of cover and service and ensure the group has the best cover in place, at the best cost.

Where can I get a copy of the buildings insurance policy or summary of cover?

A copy of the new summary of cover will be made available to Leaseholders & Shared owners on demand once the new Insurance Policy is in place. If you require a copy of the current summary you may get one by contacting:

Name	Leasehold Team
Address	Plumer House, Tailyour Road, Plymouth PL6 5DH
By email	Lease.hold@plymouthcommunityhomes.co.uk

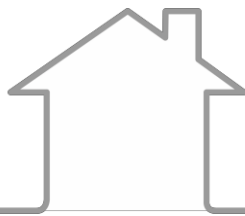
How much will the insurance be?

The new policy has not been tendered for as yet; therefore, we are unable to supply estimated costs. Plymouth Community Homes will be tendering for the best cover and rate available from the market to ensure that the Leaseholder's & Shared Owners insurance offers best value throughout the length of the agreement.

Once the tenders have been returned and the estimated contributions have been established, a further notice will be issued to all Leaseholders & Shared Owners with more information.

Will the cheapest quote be accepted?

Each bid received will be evaluated based on quality and price. The winning bid will need to meet a minimum level of service requirements and provide the required cover as a standard. We will seek the highest standards of service and the best possible value for money. At this time, we cannot confirm if the cheapest bid in terms of price will be the winning bid, however the results of the evaluation will be made available following the tender.



If the premiums increase in future years, will we be told in advance and can we then arrange our own insurance?

Plymouth Community Homes will ask the new provider ensures to advise of any future increases, beyond that of index linking, ahead of time so consideration can be taken of the options available to help mitigate any increases.

I have never been asked to contribute towards the cost of insurance and I have always undertaken my own repairs. There is no clause in my agreement to state otherwise?

As the freeholder of the property, Plymouth Community Homes are required to insure to protect both the interests of the association and that of leaseholders. The lease will determine who will be responsible for arranging insurance and in all but a few cases it will be the Housing Association. Your service charge covers the cost of the insurance for buildings and property owner's liability.

I pay my rent and service charge which I understood included insurance. Am I being asked to pay an additional amount?

You are not being asked to pay another fee. Plymouth Community Homes is consulting with you to advise that they are looking to tender the contract to make sure the best deal is still being obtained.

Can I arrange my own policy to cover my flat as I might be able to obtain the cover cheaper if I buy it on my own?

As the freeholder of the property, Plymouth Community Homes have a financial interest in the property. Therefore, they need to be confident that all of the properties are insured and in arranging a block policy that covers all of the leaseholders, they can be confident that the policy will respond to a loss.

If the leaseholders arranged buildings cover for their individual flats, in the event of a major claim, we could potentially be dealing with a separate insurer for each flat and if one of the leaseholders had not arranged insurance, or the policy failed to pay out, the remaining leaseholders would be responsible for the costs.

Whilst it is appreciated that insurance can sometimes be purchased cheaper elsewhere, having a block policy benefits both Plymouth Community Homes and leaseholders. Therefore, there is no need to take out additional buildings cover, but it is strongly recommended that cover for your own possessions is obtained by way of a contents policy.

Will this review make my service charges cheaper?

By undertaking the insurance tender it will allow Plymouth Community Homes to look into the cover available for leaseholders. Any reduction in the premium for the leaseholders / shared owners will be passed back via a reduction in the insurance element of the service charges.

I am waiting for a repair, why is my service charge increasing if I have not yet received this service?

This tender is solely for the building insurance contract. Your service charge could change in relation to the overall cost of this new insurance contract. All other services included within the service charge will not be affected by this contract and will continue to be reviewed annually. Any outstanding repairs, or any other matters, should be reported to the customer contact centre for further action.

If my premium goes up will my rent come down?

The rent and premium are separate items and one does not affect the costs of the other.



What is a public notice?

This refers to contracts where the sum involved will be of a level where Public Contracts Regulations 2015 rules apply and the proposed contract must be advertised by public notice in the Find a Tender Service (FTS).

At the time of writing, public notice was required for contract for the supply of services over £213,477.

What is a long-term agreement?

This is an agreement entered into by the Landlord with an independent organisation or contractor, for a period of more than 12 months.

Why are we entering into a long-term policy as better deals are available if you shop around every year?

For individuals, shopping around can lead to savings in premium for some but not all. For an organisation such as Plymouth Community Homes, a considerable amount of time and resources are spent in the process of procuring insurance for the groups own property and that of leaseholders. The advice from our consultants, and indeed all of the bidders for the insurance contract, would be to enter into longer term contract as seeking alternative quotes every year would not result in the cost of insurance being reduced. However, the premium levels in the sector will be reviewed and compared on a regular basis to make sure the premiums remain competitive.

Can I nominate a company to provide building insurance?

While the opinions and views of Leaseholders & Shared Owners are invited and considered, you are not invited to nominate a contractor or company for us to approach for the Buildings Insurance.

This is in line with the regulations set out in the Landlord and Tenant Act 1985 as amended by Commonhold and Leasehold Reform Act 2002, as the invitation to tender is made by way of a public notice.

Is the current lack of EWS1 certification likely to impact the cost of insurance across the Association's housing stock?

These forms are more directly related to Lenders, rather than the insurance market, but similar construction data will very probably be requested by potential Underwriters who will determine suitable Terms for insurance according to claims history and all manner of risk exposure including External Wall Systems and fire safety.

This is a very topical issue for many Housing Associations and for property owners generally. We consider that Housing Associations are often better placed than the average landlord to tackle fire risk, to deal with any remedial action and will do so in a fair manner in support of their residents / customers.

The Association will present fair information to the insurance market about insurable risk, including as much detail as possible about construction and fire safety in high rise, clad and large buildings. All this information goes to potential insurers so that they can underwrite all aspects of the risk, whether high risk or lower risk. The Underwriter will then determine the overall premium for the risk as a whole and will assist the Association to apportion premium in the fairest way possible. Typically, the premium is not apportioned to individual buildings, and all properties falling into a Tenancy type will be rated the same (i.e. Rented, Leasehold and Shared Owners may be separated, but individual property addresses will enjoy the same rate). This method tackles social exclusion, soothes the risk and generally ensures that no individual property becomes uninsurable due to adverse risk. Adverse risk could be cladding, or it could equally be flood exposure, poor claims record, construction type, moral hazard or any one of many criteria.



How will this Tender affect a current claim that I have?

The change of insurer will have no effect. Even if Plymouth Community Homes changes from the current insurer, the existing insurer will continue to deal with claims where the damage occurred during their period of cover.

I have never made a claim, do other claims made on the policy effect the overall premium I have to pay?

Insurance policies are affected by what is referred to as a loss ratio. This is the amount of premium collected compared to the amount paid out in respect of claims. A high loss ratio can affect the premium as insurers will need to charge a higher premium to account for the costs paid out for claims.

As this is a block policy, any individual claim does not have an adverse effect on costs as it would if each block/development were to insure separately under its own insurance policy. Insurers review the portfolio as a whole, including the overall premium paid by the association, therefore any minor claims do not adversely affect loss ratios.

My contents Insurers require to know exactly what is covered by the buildings policy as there has been confusion in the past?

The bidders will be asked to clarify this issue as it is known to have caused problems previously. A summary of cover will be provided once the tender is complete.

Does this insurance policy mean that a new lease is required?

No, the current lease will not change. The notice relates to a tender of an insurance contract and will therefore not affect any other contract or service you have with Plymouth Community Homes.

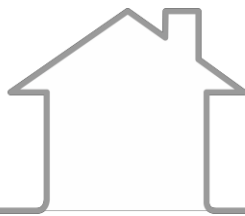
What is the current basis of cover and service provided under the current agreement?

The current insurance contract is with Protector Insurers. The current cover is detailed below and is also summarised in the summary of cover which Protector provide at each renewal. As the arranging of insurance is subject to oversight by the Financial Conduct Authority (FCA) there are a number of statutory requirements the insurers have to follow, from making sure that the policy they provide is suitable and if there is need to make a complaint over a policy condition, or the way a claim has been handled, there is a process in place to deal with such matters.

In addition to the requirements set by the FCA, Plymouth Community Homes also specify that the insurer meet certain standards when dealing insurance matters for Plymouth Community Homes and leaseholders. These are set out in a TOBA (terms of business agreement) and a service level agreement (SLA). Most of these aspects will relate to how the Insurer provides their account management to Plymouth Community Homes but some elements will directly affect leaseholders such as:

Claims service

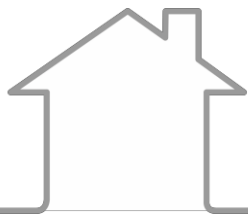
- Claims need to be handled sensitively and fairly
- 24/7 access for claims reporting
- Claims can be notified my email fax or by phone
- Access to senior claims personnel when required
- Ability to authorise repairs quickly
- Ability to respond to major incident which affects many residents
- The ability to use own contractors where required
- Guarantee on repairs undertaken



Account administration

- Production of documents in a timely manner
- To provide evidence of insurance for banks mortgage without delay
- To provide competitive premiums
- To evidence that competitive premiums are available throughout the period of insurance contract
- Technical insurance matters which affect leaseholders for example major repairs take into consideration any implications for leaseholders in respect of insurance
- Policy excess remains at affordable levels
- Property Owners Liability cover extends to cover leaseholders/shared owners.

The role of our insurance consultant is to monitor the service provided by the insurance provider, to assist in complex or contentious claims and to provide independent and impartial advice.



Summary of current cover

The following is only a summary of the cover provided by JLT Specialty Limited and does not contain the full terms and conditions. The full terms and conditions that apply to your policy can be found in the policy document which is available on request.

Policy Number	3377533-2.1
Property Insured	Any property owned leased or managed by Plymouth Community Homes Ltd &/or Subsidiary Companies
Other Insureds	Any leaseholder or sharing owner of Plymouth Community Homes Ltd &/or Subsidiary Companies
Mortgagees/Landlords	Automatically noted under [policy section]
Period of Insurance	16/11/2024 – 15/11/2025
Sum Insured	Part of a block policy with a total sum insured of £442,836,923 (Leasehold and Shared Ownership)
Terrorism	As Per Below

Terrorism cover is provided separately to the main building insurance policy.	
Insurer	Globe Guardian UK
Broker	Weald Insurance Brokers (01959 565678)
Policy Number	G24UKF180A & G24UKF180B
Period of Insurance	16/11/2024 – 15/11/2025
Policy limit	£25,000,000

The policy includes the interest of the freeholder, head lessee, the owner or lessee of each property, shared owners, leaseholders, mortgagees, or other interested parties, including Mortgage Lender, in each individual building which has been declared to insurers and is covered by this insurance is noted.