

## **Insurance**

### **Common Building Insurance (Tenemental Property and Blocks of Flats)**

The Tenemental (Scotland) Act 2004 under Section 18 places a statutory duty on each owner in a tenement to effect and keep in force a contract of insurance against risk for his / her own property and the common property or scheme property.

North Glasgow Property Services Limited provides a common property insurance cover by means of its block buildings insurance policy at very competitive rates. We are able to obtain very competitive rates due to the purchasing power of the Group. The rates are the subject of regular competitive tendering. There is an excess of £100 applicable to each claim with a £1,000 subsidence excess.

This insurance covers for the full reinstatement costs associated with rebuilding the property common areas such as the stairwells, roof, close wall entrances etc.

The premium charged to owners is calculated by deducing the level of risk presented by the relevant properties. This will be calculated by taking into account exposure presented by a property by virtue of the individual Sum Insured and expected claim frequencies for these types of property. In addition the premium will include a certain amount of expense costs which the insurance company will incur providing the cover to owners

One of the reasons North Glasgow Property Services Limited encourages owners to participate in its building insurance policy is to ensure that their responsibilities for the common parts / common property and any associated liabilities are protected by insurance. For example, it is often the case that when owners arrange their own property building insurance cover elsewhere, that the cover will be effective over the structure of their dwelling but will not include any common property areas such as the roof, close stairwells etc. Given this statutory responsibility and this liability for common property areas, owners must ensure that in the event that they arrange their own property building insurance this must include for the reinstatement of the common property areas otherwise the owner may be liable for works costs not covered by their insurance cover.

Any owner who does not wish to participate in our building insurance policy is required by law to provide us with a yearly copy of their own building insurance certificate together with a copy of the policy wording that must include for the full restatement value of their home, Property Owners Liability and the common property. It is further required that we are notified should your insurance cease for any reason whatsoever. If this documentation is not provided to us or upon our request owners still do not respond they will automatically be billed the quarterly insurance charge for the common property cover as standard to ensure adequate Insurance cover is provided to cover the common/common property.

### **Property Owners Liability Insurance**

As mentioned previously, owners must ensure that they have taken out a Property Owners Liability Insurance. This provides protection against claims made against owners as the owner of their property for any accidental bodily injury or accidental property damage resulting from a defect in the building – the definition of building includes patios, paved areas, footpaths, roads, car parks for which all owners are legally responsible for as property owners – or by virtue of the Defective Premises Act 1972. The Association's Policy provides this cover.

### **Owners Own Property Insurance**

Apart from the insurance requirement for the common property, owners are required to make sure that their dwelling (home) is fully insured for its full reinstatement value. North Glasgow Property Services Limited can offer homeowners this insurance cover by means of its Building Insurance Policy which is the subject of regular competitive tendering. North Glasgow Property Services Limited will provide the following insurance information to homeowners:-

North Glasgow Property Services Limited will provide each homeowner with:-

- clear information showing the basis upon which their share of the insurance premium is calculated, the sum insured, the premium paid.
- any excesses which apply.
- the name of the company providing insurance cover and the terms of the policy. The terms of the policy will be supplied in the form of a summary of cover, but full details will be available for inspection on request at no charge.

### **Terrorism Cover**

North Glasgow Property Services Limited also insure all properties to include terrorism cover. In order to minimise financial risk for all property owners we would require owners to ensure that their insurance policy include full terrorism cover on any policy that is arranged outwith the block insurance scheme operated by the Group.