



Penult Capital Partners Ltd

Building Insurance Cover - A Guide for Residents

Policy Period: 25 March 2022 to 24 March 2023

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Introduction

The information contained in this document has been produced by Lockton Companies LLP in our capacity as an independent insurance broker, appointed by Penult Capital Partners Ltd, the representative of your Building Landlord, to arrange insurance cover for The Building.

The intention of this document is to provide you with a summary guide to the insurance cover that has been put in place for your residence, and to provide you with the information you need to enable you to make a claim under the insurance policy should you need to do so.

Whilst details have been provided which we feel will be of most interest and assistance to you, please refer to the policy document for full details of the cover placed including all terms, conditions and exclusions in the policy.

Should you wish to request a copy of the policy, or have any queries in relation to this document you are welcome to contact us by emailing:

team.penult@lockton.com



Insurance Cover - Frequently Asked Questions

What Does the Building Insurance Cover?

Damage to the physical structure of the Building including fixtures and fittings and contents of common areas which have been installed by the Building Landlord, or for which the Building Landlord is responsible. Cover extends to resident improvements, however, it is important that you advise us if such improvements will result in a material difference in the estimated rebuilding cost of the Building.

The policy also provides cover for Alternative Accommodation (up to the policy limit, and only with insurers prior agreement) in the event that your property becomes uninhabitable as a result of an insured event. In respect of sub-lets this cover is only included where your tenant continues to pay you rent, there cannot be a claim for loss of rent and alternative accommodation for the same tenant in respect of the same Event. Should the tenant stop paying rent then you may be able to claim for loss of rent.

In addition, the policy provides Property Owners Liability cover for claims brought against the Building Landlord or their agents for their legal liability in relation to third party property damage and / or injury to third parties in connection with their ownership of and responsibility for the Building

This cover does not extend to Leaseholder's liability to other Leaseholders or your responsibility to your tenants should you choose to sub-let your property.

What Doesn't the Building Insurance Cover?

The cover under this policy excludes damage due to gradual deterioration or operation, where the damage was foreseeable, or damage not attributable to an insured incident occurring at a specific time and date.

The policy will also exclude damage caused by poor maintenance, defective workmanship and collapse.

This policy does not provide any cover for your contents / personal belongings (whether these are kept in your property or common areas), your personal liability to others, or any liability relating to the sub-letting of your residence.

Please note this is not an exhaustive list.

What is the Difference Between Building and Contents Insurance?

Building insurance covers the structure of the property together with the fixtures and fittings which are the responsibility of the Building Landlord to insure. It covers the cost of repair, rebuilding or replacement after an insured event occurs.

Contents insurance will need to be arranged by you if you require contents insurance for the contents of your residence as there is no cover under this policy for your contents, personal possessions (including bicycles), artwork etc.

What is an Excess?

An excess will be highlighted on the Summary of Cover and is a prescribed amount that you will pay or will be deducted in the event of a claim before the insurer settles the balance of the claim. This may be requested by the contractor before work can start.

This excess is the responsibility of the claimant regardless of the cause of the claim.

For claims where the cause is due to the building fabric, the excess may be recovered from the service charge (where applicable). This will depend on the circumstances and will be determined by the Building Landlord.

Claims

When there is a potential claim under this policy arranged by Penult Capital Partners Ltd and set out in this document, you should notify Woodgate & Clark who are the nominated loss adjuster for the property, and who will liaise with you and Penult Capital Partners Ltd to handle all claims.

Contact Details for Woodgate & Clark:

Email property@woodgate-clark.co.uk

Telephone 0844 8261344

In certain instances Woodgate & Clark may require access to inspect damaged property, or to speak with the occupier, or anyone who witnessed the incident.

Information Required

When notifying a claim please supply as much of the following as possible, and also any additional relevant information and documentation which may assist Woodgate & Clark in handling your claim;

- General information including your full address and the date of the incident.
- Details of the incident which caused the damage.
- Extent of the damage, including an estimate of the cost to repair (where applicable).
- Invoices for any emergency work which was necessary to protect against further damage (or injury) before you could contact Woodgate & Clark.
- Photographs of the damage, CCTV details and details of any witnesses.
- Police crime reference for theft or malicious damage claims.
- Fire brigade reference for fire claims.
- Details of any responsible parties (where known).



General Claims Guidance

The insurance places a duty on you to minimise loss or damage by taking whatever steps are necessary to prevent any further damage, risk to persons, or damage to other property. For example, you should carry out emergency repairs and secure any property without delay.

You should retain any damaged property (unless this would be a health risk) as Woodgate & Clark may wish to inspect it. Where there is personal injury or damage to third party property is caused, you should not admit liability, or do anything which could be construed as an act of admission on your or the Building Landlord's behalf.

For liability claims, all facts should be recorded, including;

- Name and address of the third party
- Photographs of the area
- Details of any witnesses
- Details of any responsible third parties (where known)

It is important that insurers consent is obtained prior to allowing any third party representatives to investigate the incident.

All written correspondence may be acknowledged but must be forwarded to Woodgate & Clark immediately to enable them to pass this to insurers.

If a writ or summons is received, copies should be sent by both post and email so that solicitors can be instructed as soon as possible in order to protect your interests.

Additional Information - Water Damage Claims

While the insurance cover arranged for your residence will cover certain types of damage caused by water leaks it will not usually cover the cost of repairing leaking pipework.

If there is a leak from a pipe demised as part of the property it will normally be the property owner who pays for the repair, even if the pipework runs through the communal areas, unless this is caused by a defect.

If you notice a pipe leaking or an accumulation of water you should immediately call a professional to attend your property and investigate the cause. Calling a plumber / contractor out should be considered a maintenance issue first and an insurance consideration second on those occasions where cover may apply.

Consequential damage of the pipe leaking would be likely to be covered by the Building policy, e.g. if the leaking pipe has damaged the fabric of The Building or any part of The Building that is the Building Landlord's responsibility to insure, this would be covered. Cover does not extend to cover contents within your residence.

The policy contains a Trace and Access clause which covers costs reasonably incurred in finding a leak (escape of gas, oil or water) which has caused damage to the property, but does not extend to a plumber opening a cupboard door to repair a leaking pipe, or removing a bath panel to repair a waste pipe when it is obvious the leak is from those areas. It covers costs such as the cost of excavating concrete floors, or removing fittings such as soil stacks or kitchen units when all other visual investigation has failed to find the source of the leak.

In order for the Trace and Access costs to be met by insurers, the property must have suffered damage, or in the opinion of a competent professional there is a reasonable possibility of damage resulting from the escape of gas, oil or water.

We would strongly recommend that you seek the loss adjuster's agreement to Trace and Access costs (whenever practical) before you incur these.

Claims Prevention Guide

Reducing the volume and magnitude of claims has a positive effect on the insurance loss ratio (the cost of claims compared to the cost of insurance). This in turn has a direct impact on insurance premiums, for example:

Scenario One

The insurance premium is £100,000 in the first year. At the end of the year, insurers have paid £125,000 of claims.

This would indicate insurers have made an underwriting loss of £25,000 (before expenses and tax) in the year, which is likely to result in them requiring an additional premium at renewal, to protect against a similar claims level occurring in the following year.

Scenario Two

The insurance premium is £100,000 in the first year. At the end of the year, insurers have paid £40,000 of claims. This would indicate insurers have made an underwriting profit (before expenses and tax) of £60,000 for the year. Insurers are far less likely to require an additional premium at renewal.

If they do require an increase this will be more likely to be market (not risk) related, and any such increase would apply in addition to the increase required in scenario one in any case.



Preventing Damage

Please note that these are general tips on preventing damage, not all of the below would fall under the terms of the insurance cover if damage does occur.

General

- Keep mirrors away from direct sunlight as they can concentrate the sun's rays, causing nearby objects to ignite.
- Do not pour fat down the sink as this can clog drains. Fat should be cooled and disposed of as a solid.
- Do not dispose of food waste via the sink as this can cause blockages.
- Do not put face wipes, toilet wipes (other than toilet roll), sanitary items, nappies or towels down the toilet as these will cause blockages.

Regular Maintenance Checks

- You must take reasonable care to heat and ventilate the premises to help prevent condensation.

If you notice condensation appearing you should take care to wipe down and clean any surfaces when necessary to prevent mould building up and causing damage to the premises and its fixtures and fittings.

If condensation is a recurrent problem you should consider more permanent measures to solve the problem, such as added ventilation.

Fire Prevention

- Do not tamper with the fire alarms fitted within your property and ensure any sprinkler heads remain uncovered.
- Fire alarms should be tested weekly and all batteries should be replaced annually.
- Do not leave children alone in the kitchen when the hob or cooker is being used.
- Take care when cooking with hot oil as it can easily ignite. Do not leave hot oil unattended and turn off the heat if the oil starts to smoke.
- Candles start three fires per day. Do not leave open flames such as candles unattended.
- Ensure any open flames are kept away from flammable materials (i.e. curtains/ bedding) and use secure holders wherever possible.

- Someone dies every three days from a fire caused by a cigarette. Do not leave lit cigarettes unattended, and ensure that all cigarettes are extinguished fully. Never extinguish or dispose of cigarettes onto decking areas or over a balcony.
- Do not smoke in bed when you are tired or likely to fall asleep.
- Do not use barbecues or open flame products on your balcony or any communal terrace. Never leave disposable barbecues on flammable areas (such as wooden tables) to cool down.
- Unplug appliances when they are not in use.
- Regularly check cables for faults and replace any damaged cables.
- Do not overload electrical circuits (i.e. by using inappropriate multi-socket electrical adaptors or extension cables when connecting appliances to the mains).
- Keep tumble dryers clear of fluff and don't leave them running overnight or when you are not at home.

If you intend to leave your property unoccupied:

- The premises should be secured against unauthorised intrusion.
- Electricity supply to be disconnected at the mains other than to maintain an intruder alarm system.
- Gas and water supplies to be disconnected at the mains and the water system drained.
- Clear all combustible waste and seal letter box(es).
- Arrange for the property to be inspected weekly and (where applicable) advise your Managing Agent and/or Penult Capital Partners Ltd.
- Switch off the central heating and any other water heating installations at the same time, to avoid further damage, or even an explosion.

The majority of insurance claims in residential properties relate to damage caused by water leaks. The damage can cost millions of pounds, not to mention heartache and severe inconvenience to those involved, so please read and adhere to the following guidance points.

Water Leaks – General

- Make sure you know where the stop taps are, e.g. in the hatch above the front door. You should be able to turn each valve easily. Being able to turn off the water supply quickly if there is a leak could save thousands of pounds in damage and insurance premiums.
- In the event of a leak you should take immediate action to isolate the water supply by turning off all the isolation valves in the hatch.
- You should try to test the isolations annually if you can. It is also prudent to spray a lubricant (such as WD40) around the stopcocks to prevent them from becoming stuck.

Water Leaks - Bathrooms and Toilets

- Check the condition of the seals around taps, basins, baths and showers etc. If the seal is damaged, split, loose, or curling away from the wall then water can freely run down the back of your bath or shower, and (where applicable) eventually make its way through the ceiling of the apartment below – often through the light fittings.
- Toilets also need to be checked. If you hear any irregular sounds like humming, or if the flush cycle takes longer than it normally does, it is prudent to have it checked by a plumber.

If your toilet is making a constant running sound, the overflow could be spilling water.

- Check taps for drips (which can usually be repaired by replacing a washer) and humming or vibrating sounds. If you have a service duct or main stack within your property, make sure it's easily accessible. This is where the valves, main services and rodding eyes will be located.
- Make sure any heated towel rails are not leaking or showing any signs of corrosion and rust. Check the valves and exposed pipe work regularly.

Leaking pipework or appliances should be fixed as soon as possible as water damage to flooring, carpets and floorboards can be very expensive.

Water Leaks - Kitchens

- Check the seals at the back of the kitchen worktop and around the sink as gaps can allow water to spill down the back or into your units.

The sink is where all your plumbing is most likely to come together, such as the water outlets for your dishwasher and washing machine, isolation valves, and the waste from your sink.

Make sure that nothing is leaking from your sink and that the outlet connections from your washing machine or dishwasher are secured and in place, as frequent vibrations can cause them to come loose. Also check the plughole isn't leaking.

- Over time joints and valves in washing machines and dishwashers can become loose and therefore should be inspected on an annual basis. Care should be taken over any appliances that are installed to ensure both the inlet and drainage connections are watertight.

Additional Guidance – Water Damage

Damage to Contents

It is important for resident(s) to obtain their own home insurance cover to cover their contents, personal possessions and third party liability cover, as this is not included in the cover arranged by the Building Landlord.

As an example, if a water leak from one property causes damage to the contents of another, the items may only be able to be replaced if the resident(s) hold the relevant home insurance cover.

General Advice for Homes Affected by Water Damage & Flooding

- Make sure the property / apartment is safe before you enter.
- Try to avoid direct contact with any water, as it may be contaminated.
- Use a torch when entering the property.
- Switch off the electricity supply at the fuse box, if it's safe to do so. If there is evidence of water inside the fuse box, stop and seek professional advice immediately.
- Unplug damaged electrical appliances and move all portable ones away from the area affected by the flooding.
- It is very important that the electricity is not turned back on until you have received professional advice that it is safe to do so.
- Do not attempt any electrical repairs or connection of temporary supplies yourself — always use a registered and qualified electrician.



Asset Insurance Policy – Summary of Cover

Please read this document carefully. We issue this summary of cover on behalf of Penult Capital Partners Ltd to outline the cover under the policy they have arranged. This summary of cover does not contain the full terms and conditions of the relevant insurance. Full details can be found within the Policy Document, a copy of which is available on request.

The 'Asset' Policy arranged by Lockton's Real Estate & Construction division (Lockton REAC) offers one of the market leading covers for UK based ground rent interests. The policy provides 'All Risks' cover in respect of buildings, rent and/or alternative accommodation and includes Property Owners Liability. Please refer to your Certificate of Insurance for specific details of the cover provided.

The maximum amount Insurers will pay in the event of a claim is the Sum Insured shown on the Certificate of Insurance.

The 'Asset' Policy is underwritten by the insurance company shown below, and runs on an annually renewable basis (25th March - 24th March).

Cover applies to properties located in Great Britain, Northern Ireland, the Isle of Man and the Channel Islands.

Insurer:	Ecclesiastical Insurance Office PLC
Policy Wording:	LOCKTON REAC 'ASSET' II wording, Ecclesiastical Insurance
Policy No:	08/IPO427847
Insured:	As shown on the Certificate of Insurance
Period of Insurance:	As shown on the Certificate of Insurance
What you are covered for:	'All Risks' of Property Damage including Subsidence and Accidental Damage to the Buildings subject to the terms, conditions and exclusions of the policy document
Some of the specific extensions included as standard (Subject to the limits specified in the policy document):	Automatic noting of Mortgagees and Lessors interest Nominated Loss Adjuster service Damage caused by falling trees Loss of keys and replacement of locks following theft Loss of metered gas or water Trace and access as part of a valid claim Unauthorised use of public utilities As per the Certificate of Insurance
Policy Excess:	As per the Certificate of Insurance
General Exclusions:	Any gradually operating cause (e.g. damp and/or wet rot etc.) Changes to water table level

Defective workmanship and collapse
Frost damage
Loss or damage caused by wear and tear
Malicious damage caused by tenants or persons legally on premises
Vermin infestation/damage
Damage caused by poor maintenance

How To Contact Us

If you have any queries concerning your cover or require a copy of the policy document, please contact the Global Real Estate and Construction division of Lockton Companies LLP on 020 7933 0000

Lockton Companies LLP is committed to protecting the privacy and security of your personal data. To view or download the Lockton Companies LLP Privacy notice go to <https://global.lockton.com/gb/en/privacy-notice>. Alternatively you can contact the Data Protection Manager dataprotection@lockton.com or at our office and postal address, which is Lockton Companies LLP, The St. Botolph Building, 138 Houndsditch, London, EC3A 7AG.

Your Insurer

Ecclesiastical Insurance Office Plc

Registered Office: Beaufort House, Brunswick Road, Gloucester, GL1 1JZ, United Kingdom

Registered number: 00024869.

Authorised and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

How To Make a Claim

Please contact, the nominated Loss Adjuster, Woodgate & Clark Property Investors Team - Tel No 0844 8261344 or email property@woodgate-clark.co.uk

How To Complain

We take complaints made against us very seriously and maintain a procedure to ensure that complaints are dealt with promptly and fairly.

If you wish to register a complaint, please notify the Real Estate and Construction Division of Lockton Companies LLP either in writing to the address above or by telephone to the number(s) shown.

If we cannot resolve your complaint straight away, we will acknowledge its receipt promptly and arrange for a senior manager to investigate the matter and provide you with a response.

We would hope to resolve the matter for you but if you wish you may write to the Customer Care Department of your insurer at the address stated above.

If your complaint is not resolved to your satisfaction or if you are unhappy with the way we handled it, you are able to refer the matter to the Financial Ombudsman Service.

We will provide you with details of how to refer to the Financial Ombudsman Service when we send you your final written response or at 8 weeks after receipt of your complaint (whichever occurs first).

Details About Our Regulator

Lockton Companies LLP is an independent insurance intermediary and Lloyd's broker. Our Registered Office is located at The St. Botolph Building, 138 Houndsditch, London, EC3A 7AG.

We are authorised and regulated by the Financial Conduct Authority ("FCA"). You may check our details on the FCA Register at <https://register.fca.org.uk/s/>, or by telephoning the FCA on 0800 111 6768 (free phone) or 0300 500 8082 from the UK, or +44 207 066 1000 from abroad.

OUR MISSION

To be the worldwide value and service leader in insurance brokerage, risk management, employee benefits, and retirement services

OUR GOAL

To be the best place to do business and to work



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