

## Don't overlook the insurance detail

Insuring a block of flats or a building converted into flats is very different to insuring other types of property. With flats insurance there is inevitably a need for the policyholder to fulfil the requirements of the lease whilst, at the same time, recognising the beneficiaries of the policy i.e. the flat owners. The roles of Property Managing Agents, Residents' Management Companies, Residents' Associations and Right to Manage Companies also need to be considered.

Having taken the time to study your quotes, selected the appropriate sections and read the brochures, you may be forgiven for believing you have the right insurance policy for your block.

### But what is hidden in the small print and what should you be looking for?

Unfortunately, many policies that are sold for blocks of flats are, in fact, based on generic property owners' policies and, as such, the policy wording may not be sufficient to meet your needs. Some of the major areas you should consider include:

- ◆ Is the Unoccupancy wording suitable or are flat owners left without cover due to circumstances beyond their control?

- ◆ Is the policyholder (or the Property Manager acting for them) expected to comply with impractical policy warranties or conditions, such as ?
- ◆ types and percentage of types of occupant?
- ◆ inspection of unoccupied flats?
- ◆ inspection of flat roofs?
- ◆ removal and storage of waste?
- ◆ Illegal cultivation of drugs?
- ◆ Is the sum for alternative accommodation adequate, taking into account flats of differing sizes?
- ◆ Bearing in mind that rebuilding a block of flats can take several years, is there a time limit on the period of indemnity?
- ◆ Is loss of rent available to flat owners who have let out their flats as well as to the policyholder?
- ◆ Is there a Non-invalidation Clause which prevents the policy being invalidated by circumstances outside the knowledge or control of the policyholder?
- ◆ Does the Liability cover offer protection to flat owners, occupants, Property Managers and all relevant parties to ensure that during their involvement with the property that they will not be held financially liable for damage to the block following a claim?
- ◆ Is the sum insured index linked on an ongoing monthly basis (including into the life of a claim) rather than just at renewal thereby ensuring vital protection against the effects of inflation?
- ◆ Is there an Average Clause which creates further financial loss in the event of under-insurance?

**Exclusively flats, it's our policy.**

