

# **Buildings Insurance Premium for 1 April 2023 - 31 March 2024**

## **Frequently Asked Questions**

Your current insurer, Avid Insurance Services Ltd, notified us that their underwriting capacity had been withdrawn leaving them unable to offer renewal. They had previously indicated a renewal increase of 60%. However, this is no longer valid. The insurance will be placed with Protector Insurance with effect from 01 April 2023.

### **Why is the premium increasing?**

The residential leasehold buildings insurance market for local authority risks has seen significant change over recent years. Three of the four insurers who bid at the last tender in 2019 have now exited the market. Avid's original quote indicated a 60% premium increase.

We have negotiated a more competitive premium with Protector Insurance with an increase of approximately 26%. This includes a 17.5% increase in buildings reinstatement values to reflect current index-linking.

### **How long is the new contract?**

The cover will be placed within the Councils main insurance programme for a period of one year. The most cost-effective option is to proceed with the Protector £100,000 policy deductible and effectively provide a premium made up of external insurer premium and a charge for self-funding below the deductible, effective from 01 April 2023.

### **Why didn't we re-tender?**

Protector are now the only insurer offering residential leasehold buildings cover to local authorities in the London area.

### **Why didn't you consult before entering into an agreement with Protector?**

As this is a contract for service that runs for 12 months or less, it doesn't meet the criteria as a Qualifying Long Term Agreement and doesn't require formal consultation under current legislation. Avid advised that they could not provide cover in January, requiring new cover to be arranged in a short timeframe.

### **How do I make a claim from 01 April 2023?**

Claims arising 01 April onwards will be handled by Sedgwick International UK instead of the current claim handling firm, Questgates. Sedgwick are available 24/7 365 days a year. Details for making a claim will be updated on the website shortly [Insurance | Westminster City Council](#)

### **What is the new excess?**

The excess remains at £100, increasing to £1,000 for subsidence claims.

## **Claims which happen up to and including 31 March 2023**

Avid will continue to provide cover for any claims up to and including 31st March 2023 as usual. Any claims that are not settled by 31st March 2023 will continue to be managed by Avid and their claims handler, Questgates.

## **What will happen next year?**

We will consider all options and re-tender the contract for the 2024/25 year. Leaseholders will be consulted before a new multi-year contract is agreed.

## **What if I have financial difficulty meeting the increased costs?**

If you are concerned about paying your service charges please contact Leasehold Operations on 0800 358 3783 to speak to a dedicated leasehold advisor who will be able to discuss ways we can assist you with your invoice.

We also have a dedicated service charge support page on our website which can be found using the following link <https://www.westminster.gov.uk/housing/leaseholders/service-charges/service-charge-support>