

## **CLF/Camden Q & A about Insurance Costs**

Questions from Carolyn Morgan, May 1, 2024

Can you provide answers to the following questions as we would like to be able to answer queries from leaseholders contacting us.

1. Why did you only have tenders from two organisations when best practice in procurement is to have at least three?
2. Who was the insurance provider prior to this tender and why did they not participate in the tender?
3. What is the aggregate increase in all Camden leaseholder buildings insurance premiums from 22/23 to 24/25?
4. What is your agreement with the insurer regarding annual increases? If they are using a RICS index which is it? I found this index online <https://bcis.co.uk/insight/index-bcis-house-rebuilding-cost-index/> but it is indicating that for the first quarter of 2024 annual increases are running at about 2% pa, when my service charge estimate is showing a 24% increase for 24/25 compared to 23/24.
5. When will you go to tender again, as it appears that Camden leaseholders are paying above market rates?
6. Does the policy with Gallagher distinguish between high rise buildings in the Camden estate which could be at higher risk and the lower rise (3-4 storey) buildings that make up a large proportion of Camden properties? Are residents in lower rise buildings picking up a disproportionate share of the overall costs?

Answers from Simon Roberson, May 16, 2024

1. An open tender process was undertaken with any Insurer invited to quote. Some Councils within the consortium only received one quote & it is well publicised a local authority ( not in our consortium ) could not secure any cover.
2. Prior to 2023, NIG through Arthur J Gallagher were our provider & they were again awarded the contract in 2023. Prior 2018 Zurich Municipal were our provider.
3. The aggregate increase will be the same for all Camden Leaseholders for the period 22-23 to 24-25.
4. There is no specific agreement with increases. It is our responsibility to ensure all leasehold units are adequately covered & so each year we apply indexation to the sums insured in line with the Royal Institute of Chartered Surveyors BCIS House rebuilding cost index. Further increases can be applied by the Insurer to take account of claims & loss ratios.
5. This current contract is for 5 years & commenced in April 2023.
6. No, a flat premium applies across Camden per £000 based on the re-instatement cost assessment.