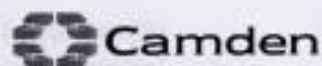


Date: 7th January 2011

Your Ref: Prop Ref

Our Ref: 10/021

Contact: 0207 974 5107



Home Ownership Service
Housing and Adult Social Care
Department
London Borough of Camden
Bidborough House
38-50 Bidborough Street
London WC1H 9DB

Tel: 020 7974 4444
Fax: 020 7974 6327

hos@camden.gov.uk
camden.gov.uk

Camden Street
London
NW1

Re: Long-Term Agreement for the provision of Insurance

Unit Address:

I am writing further to Camden's Notice of Intention dated 19th July 2010 for the provision of insurance. The consultation yielded many questions and suggestions regarding this contract which have been summarised within this second stage notice. I would like to thank you for your interest in these agreements and the comments that you made throughout the consultation.

In order to seek tenders for this contract an advertisement was placed in the European Journal. Four companies responded to the initial Pre-Qualification Questionnaire with all four being passed to the next stage. Of those four companies, two responded to the Invitation to Tender with firm tenders. The tenders are summarised on the enclosed notice. Following the tender analysis Camden is recommending that we enter into this agreement with Zurich Municipal.

Please find attached your formal notice. We ask that you take a little time to read this letter along with the enclosures.

Meeting Date

You are invited to inspect the tender documents for this long-term agreement in: **Committee Room 1, Town Hall, Judd Street, WC1H 9JE, on 25th January 2011, between the hours of 3:30pm and 7:30pm.**

When will the agreement come into force?

The current agreement runs out on 31st March 2011, the agreement Camden is proposing would only commence after this date.

Your Comments

You have the right to make any comments regarding these proposals and I have enclosed an observation form for this purpose. We would ask that you take time to complete the observation form should you have any comments or questions relating to this agreement. This will enable us to deal fully with your queries prior to entering into a new insurance contract.

When will I have to pay for these works?

Insurance is currently recharged to leaseholders in their annual service charge account. This arrangement will remain the same.

If you have any further queries relating to this matter please do not hesitate to contact me on 020 7974 5107

Yours sincerely



Jo O'Donnell
On behalf of London Borough of Camden
capitalservices@camden.gov.uk

Camden Council
City Hall
London
NW1 1NY

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**INSURANCE AGREEMENT:
NOTICE OF PROPOSAL TO ENTER INTO A LONG TERM AGREEMENT
FOR WHICH A PUBLIC NOTICE IS REQUIRED
Section 151 Commonhold and Leasehold Reform Act 2002 - Schedule 2**

To all leaseholders of the London Borough of Camden and all recognised tenants' associations.

1. Intention to enter into a long-term agreement:

This notice is given pursuant to the Notice of Intention for the provision of insurance providers for a period of five years, with an option to extend or rescind after two years.

2. Summary of Tenders:

We have obtained estimates by means of competitive tendering following an advertisement in the European Journal, the financial details of which have been summarised below.

A contract will not be issued until we have had due regard to any leaseholder comments which we receive during the observation period.

Coverage types	Rates for Zurich Municipal	Rates for Aspen
Normal insured perils including extended accidental damage with £250 excess for all claims except subsidence which is £1000 capped at £2500 per block	0.1725% of the sum insured	0.2165% of the sum insured

A panel consisting of a leaseholder representative, a Home Ownership representative, two members of Camden's Insurance Team, and a representative from Camden's Insurance Broker met to analyse these tenders. The panel scored Zurich Municipal at 90% and Aspen at 55%.

Zurich Municipal were significantly cheaper than Aspen and also scored highly by guaranteeing that the rate will not increase for the first two years. Both insurers were able to provide a toll free 0800 number for the reporting of claims, and Aspen scored higher on the provision of claims analysis and reporting.

Camden proposes to enter into a long term agreement with Zurich Municipal, PO Box 411, Fareham, PO15 7JY, for the provision of leaseholder buildings insurance. Your estimated annual contribution for this insurance will be **£327.78** (before fees).

The cost of the insurance has increased due to an increase in the number of and cost of claims submitted under this policy. The current rate is 0.16125% therefore the new rate of 0.1725% represents an increase of 7%. The buildings sum insured will also increase by 2% for inflation. However the initial indication from Zurich was that the rate would increase by 15% therefore by tendering the portfolio Camden has been successful in limiting the size of this increase.

3. Right to Inspect:

You are invited to inspect our full proposals and estimates for these works within the observation period in: **Committee Room 1, Town Hall, Judd Street, WC1H 9JE, on 25th January 2011, between the hours of 3:30pm and 7:30pm.**

4. Summary of Stage 1 Observations:

	Brief Summary of Observations	Response
1	The £250 excess charge is very problematic for me	The excess is in place to help reduce the cost of the insurance. If the excess was to reduce then the insurance costs would increase. It is not possible to purchase an insurance policy with a nil excess.
2	Small floods or damaged can often be caused from neighbouring flats but the excess means that £250 worth of repairs have to be paid for by the innocent party who has not caused the damage. The current £250 excess is therefore not suited in cases where a neighbour cannot control the actions of his neighbour and where to take legal action against the neighbour would cost more than £250 to recover the excess.	The council insures its tenanted flats separately from leasehold flats; therefore for most blocks it is not possible to insure the whole block under the same policy. Having a single excess is therefore not possible. Having a lower excess would also result in a higher premium being charged for the insurance as more of the claim would be paid by the insurers and the cost of claims dictates the premium charged.
3	Can I also point out that originally the policy with Zurich contained no excess and was relatively cheap. The excess only came into affect when Camden suddenly changed insurers without consultation of its leaseholders to an insurance group by the name of OCASIS. This decision was based on Camden being able to offer a slightly cheaper policy but with the introduction of an excess. Of course the cheaper price didn't last and very soon Zurich were back on board but, surprise surprise, with a model that now included an excess.	The original policy with Zurich that was procured in 2003 was relatively cheap and had a low excess. However due to rising claim numbers and costs the insurers broke the long term agreement at the end of the 2005/6 policy year and advised that they would not renew on those terms. As a result of this the council tendered the policy with a £250 excess to try and reduce the number and cost of claims and the policy was placed with Ocaso for a 12 month period. Consultation was not possible due to the length of time between being advised that the LTA was to be broken and the date of renewal. Unfortunately the increased excess did not result in lowered claim costs and the premium then increased as well. We therefore find ourselves in a very similar position now with claim costs increasing again and insurers being forced to break the long term agreement. The only difference is that we received more warning this time and have been able to consult and procure a qualifying long term agreement.
4	I would like a lower excess instead of the current £250 e.g. why not £50?	We are investigating options for the excess, however when the policy was last procured £250 was the lowest excess that we could obtain.
5	What is the excess in the policy?	The excess is £250 for all claims except subsidence where the excess is £1000
6	We were horrified to discover the excess charged by Zurich for leaseholders was £250. The insurance taken out by Camden our Landlords must be on a commercial basis but we hope whoever gets the next contract will be less demanding with leaseholders.	The insurance that Camden is about to tender for is for residential leasehold buildings insurance. This is how leasehold building insurance has always been tendered and Camden does not procure commercial and residential insurance together. With regards to your comment about the £250 excess; Camden's Insurance Department have spoken to their Insurance Broker about this and the response to this query was that even if a lower excess was available on the open market the premium cost would be significant. This is because in the event of a claim the insurers would generally always be exposed to the loss so the premium cost would have to be more than the saving in the excess.

7	Please specify any limitation to the level of accidental damage cover in owner occupied, assuming that owning the property with the Council as Landlord, places me in this bracket?	The limitations to the accidental damage cover are clearly stated within the insurance policy booklet, page 10, item 14, if you require another copy of this policy booklet please just Home Ownership know and we would be happy to post one out to you.
8	Could you please clarify accidental damage owner occupied properties only	Accidental damage to fixtures is included under the policy. This includes items such as toilets, basins etc. The policy does not cover chattels such as furniture.
9	In the event of an incident requiring the vacation of our property, what provision for alternate accommodation is made?	The policy provides cover for alternative accommodation (loss of rent for sublet properties) where damage has been caused by an insured peril and the property is rendered uninhabitable by the damage caused by the insured peril.
10	I do not think Zurich is a good insurance provider. They do not deal with claims properly. I can speak from experience having dealt with Zurich in relation to another property.	Insurers who wish to bid will have to satisfy a number of criteria including financial stability and solvency, experience in underwriting similar types of contracts, and the minimum levels of service. The aim is to procure a contract that is sustainable and stable at a reasonable cost. Once all tenders have been received from interested insurers these will be evaluated by a panel of experts including a leaseholder representative. Thereafter a Notice of Proposal will be posted out to all leaseholders; we estimate this will be around November 2010.
11	Camden's policy ought to include a substantial pro rata discount to reflect a far larger sum insured.	The large sum insured is one aspect but other aspects are the number and cost of claims received for the portfolio as well as risk profile of blocks of flats compared to houses. Generally blocks of flats are more vulnerable to leaks and escapes of water compared to houses.
12	My suggestion is that you put the various insurances out to tender ward by ward, I'm sure that this will result in a much more competitive market and lower prices for leaseholders.	The current cost of the insurance is dictated by the claims made against the policy. The officer time and cost of procuring insurance and managing contracts based on wards would be significant – instead of a single contract there would be multiple contracts.
13	It makes no difference as Camden don't like to make any claims on their insurance anyway	London Borough of Camden does make claims against the buildings insurance when required works are covered by the policy.
14	I most certainly do not hold Camden Council responsible for the behaviour of some of their tenants and leaseholders I do however, need to suggest that Camden deal differently with complaints about antisocial behaviour, malicious damage, riot and civil commotion. If the housing patrol were more visible / reactive and the complaints that get logged followed up, less malicious damage would occur, the antisocial behaviour on the estates would decrease & I'm sure a half way decent layer would manage to make some of the behaviours witnessed on the estate fall under riot.	The issues you have raised about Camden doing more to control behaviour of its residents have been duly noted. Please continue to contact your district housing office or the anti-social behaviour team if you see evidence of such activities going on in your block and estate.
15	Is it fair that I pay a charge premium because my freeholder owns so many properties and finds it more efficient to themselves to purchase a one size fits all single insurance policy	Under the terms of your lease the council is responsible for arranging buildings insurance and you are liable to pay a portion of the cost that is attributable to your property. This would be the case regardless of whether Camden purchased a single policy to cover all leasehold flats or individual policies.
16	Camden is responsible for insuring the building and should not pass onto the leaseholder any excess arrangements which were introduced without consultation recently	Consultation with Leaseholders is only required when the contribution to a Leaseholder is above the limits as set down in the current legislation. With that in mind, there could be times where arrangements can

		be introduced without the need for Consultation.
17	Please also provide the claims handling history of the respondents to your tender, for the last 3 year period?	We are currently at stage 1 of the consultation and the tender has not yet been run, therefore this information is currently not available. In addition we do not consider this information to be relevant and will not be asking for it for the following reasons: time taken to settle a claim depends on the nature and severity of a claim. A large fire will take longer than a claim for a broken window, each claim is considered on its individual merits and the evidence submitted by the insured to prove the loss was caused by an insured peril.
18	Is the tender for the leaseholders insurance entirely separate from the tender for Council tenants? Are the claims by Council tenants proportionately more than by leaseholders? Can you publish the number & value of claims by leaseholders against claims by Council tenants? Is this information freely available?	The insurance for leasehold flats is provided by a separate policy to that for the insurance for tenanted flats. The council does not insure tenanted flats for full perils like we do for leasehold flats (e.g. we do not insure for subsidence or escape of water) therefore it is impossible to do a like for like comparison for claims on tenanted flats compared to claims on leasehold flats. Damage caused by uninsured risks on tenanted flats are dealt with as repairs.
19	Can I enquire whether Camden is doing anything to investigate/mitigate the large number of leaks that are the cause of many an insurance claim that keep up the high excess cost?	The Insurance Team intend to look at where the escape of water claims are coming from and cross referencing against our public liability claims to see whether there are particular blocks where this is a problem. Camden could then look at whether capital works could be targeted at these blocks for replacement pipes etc.
20	It'll be good if the future insurer would provide an option to have the building and content insurance together. It would be nice to receive the service from one firm, which may be cheaper if combined.	The lease states the council insurance obligations, and this relates to the building only. The council has no insurable interest in a leaseholders contents and no mandate to procure contents insurance for leaseholders.
21	As a Leaseholder who has let out the flat, I have had to find landlord's insurance. When doing this, there was a gap between the cover provided by the Council's insurance, i.e. the structure up to the paint layer, and the contents cover provided by my insurance provider, which did not include fixtures such as kitchen units and gas pipes. Any fire insurance for the flat that covered the services etc was part of an overall buildings insurance which covered the structure as a whole.	A buildings insurance policy covers the structure of the property and also includes fixtures within the property. This includes decorations that are permanently fixed to the property such as paint and wallpaper, permanently fixed floor coverings, and other permanently fixed items such as pipe work (gas and water), fitted kitchens and wardrobes etc. The policy does not cover items considered to be chattels such as furniture and items not permanently fixed to the property such as kitchens that are not fitted as these would be covered under a contents policy.
22	Some insurance companies offer much lower quotations for e.g. both house and contents cover. Why do councils charge leaseholders so much?	The costs for the insurance cover is competitively tendered to ensure that the Council can provide the necessary cover for its buildings, whilst ensuring that it provides both Best Value and Value for Money for its Leaseholders.
23	I have concern regarding the speed at which the insurance costs are rising for leaseholders	Insurance costs are dictated by claims, and the number of claims and the cost of those claims is increasing significantly. The result of this is that the cost of the insurance is also increasing.
24	What specific provision is made for private, rather than council tenants under the terms of the cover?	The policy provides cover for properties that are owner occupied and properties that are sublet. The council insures separately housing stock it owns and is occupied by council tenants.
25	Will the new policy cover exactly the same as Zurich?	The new policy will cover the same as the previous policy

26	<p>Escape of water: is this peril only covered for escape of water from fixed tanks? it needs to be covered for all escapes of water e.g. from kitchen appliances, pipes, baths, washbasins, rainwater, leaking roofs etc. Are ALL escapes of water covered?</p>	<p>The policy covers escape of water from fixed tanks, fish tanks, pipes, and appliances caused by bursting or freezing. There is no limit on this section of the policy. Its limited to the sources as described. A roof leak is not an escape of water and could be covered under a number of parts of the policy such as storm, falling branches, or extended accidental damage depending on the cause of the leak.</p>
27	<p>Trace and access following escape of water: is the making good clause with a £5K limit purely for the trace and access work? or does it cover the damage of the escape of water itself? if the latter then please note my observations above. Please specify clearly the clauses relating to damage through escape of water, by what means - and if ALL escape of water is covered. We need to be covered fully for the costs of reinstating all damage by escape of water howsoever caused.</p>	<p>The £5k limit applies to claims for damage caused in repairing leaks, e.g. where a wall or floor has had to be broken open to access a leaking pipe in order to repair it, even though the wall or floor is not actually damaged by the water leak.</p>
28	<p>Within the last year I have had to make a claim on my buildings insurance, I found Zurich to be extremely helpful, efficient and quick in dealing with their side of the problem. If at all possible I would ask the council to consider using them again, or at least to ensure quality of service is a key element in decision making not just cost</p>	<p>The council will be operating a competitive tendering process to appoint an insurer in line with European public sector procurement rules. Insurers who wish to bid will have to satisfy a number of criteria including financial stability and solvency, experience in underwriting similar types of contracts, and minimum levels of service. The aim is to procure a contract that is sustainable and stable at a reasonable cost.</p>
29	<p>The insurance with Zurich Kosmos was one of the best agreements Camden Leaseholders have & I hope it will not be changed. In actual fact I do understand the insurer's problems & think that Camden could do much more to elevate their and their leaseholders / tenants problems.</p>	<p>Unfortunately leaseholders are not able to nominate an insurer for this contract. This is because the total value of this agreement exceeds the notional value of the European Union procurement rules. This means that this contract must be advertised in the European Journal but all insurers across the EU who qualify under these guidelines are welcome to apply.</p>
30	<p>We do not agree with the decision to retender, Zurich Municipal are first class and very well respected, very efficient in handling claims and this is the opinion of both tenants and leaseholders</p>	<p>I am very pleased to hear that you have been happy with the service provided to date by Zurich, however the decision to retender was taken as Zurich indicated that they were are unable to continue with the rate agreed to as part of the current long term agreement.</p>
31	<p>I normally get stuck with not being able to prove it is the fault of Camden or the tenants and having to meet the cost myself</p>	<p>If the damage has been caused from the property above, the owner or occupier may be liable for the cost of the damage but only if the owner or occupier has been negligent or in breach of a duty. If there is no negligence or breach of duty they are not liable.</p>
32	<p>If the current insurance policy was for a period of 3 years why is the amount charged to leaseholders varying from one year to another and the estimated charge each year at such variance to the actual charge</p>	<p>The current policy was procured for a period of 3 years but as insurance contracts are annual contracts, there have been annual renewals within the contract period. The amount varies between different years as the sum insured is adjusted annually for inflation purposes as the cost of rebuilding generally increases over time.</p>
33	<p>I understand that premiums relate to claims. However the structure of the policy places an unfair burden on the people in the lower floors as water always flows down, we suffer more claims and then incur greater insurance excess costs through no fault of our own. This is like saying if anyone crashes in to your car, despite it being entirely their fault, you have to make a claim and pay an excess. The principle behind your position is entirely at odds with common practice in every other area of insurance, and unfair.</p>	<p>We do not agree that the structure of the policy places an unfair burden on leaseholders in the lower floors. Water damage can affect properties on upper floors as well as lower floors, and properties on upper floors are at greater risk of damage from other causes such as storms or subsidence (cracks open up at the top of buildings first).</p>

34	Can you confirm if the lift is covered by this policy	The lift is not covered by this policy
35	As I understand there are 3 main players in the London Market for such cover, one of whom has indicated its position by rejecting the opportunity to extend, yet as I further understand the current rates in the market are favourable for the purchaser? What method of challenging the premium offered will be undertaken by the Council to ensure the maximum cover for the minimum cost?	The existing insurer has not rejected the opportunity to extend. They were prepared to extend cover but only with an increase in the premium rate. This rate increase broke the long term agreement. The policy is being procured by way of a competitive tender in compliance with council procurement standing orders and EU rules on public sector procurement.
36	Does the 3 year term with potential for the additional 2 years include the council's right to terminate in response to a) favourable market conditions, b) poor performance by the insurer?	The policy is being procured for a 2 year period with the option to extend for 3, rather than 3 plus 2. The council can break at the end of year 2 for any reason. The policy will be underwritten as a long term agreement and this means that we can only break at the end of year 2 or at the end of the contract at year 5.
37	If insurers are not prepared to continue at the current rate this represents a break in the agreement for which there must be a penalty. Can you assure me that any money accrued in penalties will be used in full against any future insurance premiums to leaseholders?	The current policy is underwritten based on a long term agreement for a period of 3 years with the option to extend for a further 2 years. Within this annual renewals take place as insurance contracts are 12 month contracts. Under the terms of the long term agreement insurers are able to break this if claims deteriorate as has happened. In addition the break has taken place at the end of year 3 which is the agreed time when either insurers or the council could break the contract. Therefore there is no breach of contract.
38	I would like to see some form of benchmarking clause to ensure if market conditions change the cost of insurance drop the contractor will follow market trend Atypically ask them to show us at agreed intervals they remain competitive against benchmark I would also like to see performance based penalty, if they don't perform to agree timescale, there is a penalty on them	Bench making clause as proposed is not available in the insurance market, and even if it were it would have to include premiums rising as well as falling based on market conditions. It is unclear what type of performance penalties could be applied in this contract but in any event clauses of this type are not available in the insurance market and in Mr Well's view are not appropriate to an insurance contract.
39	Is there some sort of public liability insurance so we don't have to pay for damage caused by others to our individual and to the communal property such as damage caused by people and traffic using the pub and the music studio behind us and by future developers carrying out building works e.g. when developing the laundry immediately behind this building.	Public liability insurance covers you if your negligence causes injury or property damage to a third party. The policy includes public liability insurance cover. Damage to your own property is covered under the policy itself. If a third party causes damage to your property and you don't want to claim under your buildings insurance, you would need to claim directly against the third party for your costs.
40	What does 'Legal Liability as Owner – Limit of Indemnity £2,000,000' mean	This is public liability insurance for the leaseholder as owner. It covers claims made by third parties where they allege the leaseholder's negligence as owner of the property has caused injury or property damage, e.g. by causing a leak into another property by failing to maintain pipe work.
41	Please could I be advised as to whether the proposed level of cover in the insurance schedule will pay for any damage to another property, whether below me or adjacent, or tenanted or leasehold, as a result of an incident in my property. The most obvious example would be an egress of water as the result of a burst pipe or other such incident.	Have been in contact with our Insurance Manager, and he informs me that the policy already includes cover for the items you raised. It is covered under the Public Liability part of the policy.
42	Does subsidence, ground heave and landslip include damage caused to boundary walls.	Subsidence damage is covered under the policy. Damage to pathways, garden walls etc is covered as

	fences, paths, gardens, gates, drains and boiler house.	long as there is also damage to the main structure that is insured under the policy.
43	Does the policy cover subsidence caused by the underground, tunnelling or operation of the high speed rail link	Camden's Insurance Manager has stated that the policy covers subsidence regardless of what has caused the subsidence.
44	There has been trouble with subsidence in the building where I live. Although the monitoring went on for several years and the building has not been under pinned yet I was impressed by the seriousness that Zurich and LBC took the claim. The premium at the moment is cheap for what you get and even if the costs for Zurich went up a lot, for me it would be worth it because of the quality of the service with them and the fact they do deliver.	I am very pleased to hear that you have been happy with the service provided to date by Zurich. However the decision to retender was taken as Zurich indicated that they are unable to continue with the rate agreed to as part of the current long term agreement.
45	I hope the council manages to appoint a competitive and strong insurance company.	The council will be operating a competitive tendering process to appoint an insurer in line with European public sector procurement rules. Insurers who wish to bid will have to satisfy a number of criteria including financial stability and solvency, experience in underwriting similar types of contracts, and minimum levels of service. The aim is to procure a contract that is sustainable and stable at a reasonable cost.
46	Is it true that very few insurers are willing to offer cover to Camden	There are a limited number of insurers who are prepared to insure local authority risks.
47	The Landlord should take proper advice from several brokers, instead of relying on tender method. If the Landlord puts the wrong policy specification out to tender, the quote will be inappropriate. It would be far better to go for a single bulk building policy in the manner of Westminster.	The council's procurement standing orders and EU public sector procurement rules require the council to procure the insurance by way of a tender process.
48	Does the Council carry separate terrorism cover, in terms of the potential impact on housing stock?	Terrorism cover is included, subject to exclusions for nuclear, biological, or chemical contamination
49	Is damage from continuous heavy traffic to all buildings and walls, fences etc including boundary walls, fences, gates etc covered?	The policy covers damage from specified perils named under the policy. Damage caused by "continuous heavy traffic" is not a named peril under the policy and this type of peril is not available from insurers.
50	Is all damage associated with tree's e.g. from roots to include damage to outside walls, fences and other structures covered?	The policy covers damage caused by tree roots under the subsidence insured peril. In addition cover from falling branches etc is covered under the Extended Accidental Damage peril.
51	Any damage at all not just caused by everyday wear and tear to building, external walls, fences boiler house, drains, etc.	The intention of the policy is to cover damage of a sudden and accidental nature caused by specified perils named under the policy. Everyday wear and tear is a maintenance item and is not insurable.
52	I am currently in the middle of a claim with Zurich and am concerned that I may be unable to complete the process if a new insurer is instructed before the decoration work can be undertaken.	I can confirm that the current level of cover with Zurich will expire on 31st March 2011 as stated on your insurance statement. All current claims accepted by Zurich will be completed regardless of the switchover in insurance company.
53	I have checked the insurance rate at an adjacent Local Authority landlord, with similar London post codes. They are 0.6 pence per £1000 of insurance cover. LB Camden are 1.6 pence per £1000 of insurance cover. Terms, cover, excesses are similar. It is unreasonable to opt for a policy arrangement that is 2.6 times more than necessary.	Camden's insurance is procured by competitive tender in compliance with council standing orders and EU rules on public sector procurement. The council is unable to comment regarding the cost of insurance at other boroughs.

54	At the moment the Landlord does not insure the building, as required by the pre-1990 lease contracts. Individual dwellings are over-insured and the building as a whole is under-insured. I would refer the Landlord to the sort of bulk insurance policy for £4 billion of unspecified property that City of Westminster had with Zurich. This results in adequate buildings insurance for main risk of fire etc. and the premium for individual lessees is much lower.	Camden insures leasehold flats in accordance with the terms of the leases granted and the policy complies with the requirements of the Council of Mortgage Lenders. Camden is satisfied that individual flats are correctly insured. If you would like to review the sum insured for your property then you may provide the council with a valuation from a qualified valuer or chartered surveyor and the sum insured can be amended. The comment that building is uninsured is incorrect. Camden insures its own flats so the building is not under insured. In addition the leases do not specify how Camden must insure tenanted flats that are council owned.
55	It seems that the Landlord benefits from the policy without making a contribution. For example, the recent fire in the common part two years ago at Bucklebury would be covered. Individual excesses for each flat. In Bucklebury the excess is £250 per dwelling. There are 70 flats in the building. So the effective excess £17,500 on a buildings repair job. It is therefore impossible to claim for fire risk or malicious damage in the common part unless the cost is £17,500+.	The policy does not cover tenanted properties owned by the council. It covers properties sold under RTB and other properties disposed of by the council. As these properties are owned by leaseholders and under the terms of the leases the cost of insurance is recharged to leaseholders, there is no requirement for the council to contribute to the cost of the insurance. The current policy has a cap in place for subsidence with an excess of £2,500 per block. In the past we have also asked insurers to quote for a cap on common parts claims, but none of the insurers tendering were prepared to quote for this.
56	Individual claims to the insurance company from each dwelling raise the premium. It is cheaper to make a single buildings claim on a single high value policy.	There is no guarantee that insuring whole blocks would result in a reduction for leaseholders.

5. Observations:

We invite you to make written observations in relation to the proposed works by sending them to:

Jo O'Donnell
London Borough of Camden
Home Ownership Services
Ground Floor
Bidborough House
38-50 Bidborough Street
London WC1H 9DB

Or email capitalservices@camden.gov.uk quoting 07/005 and 26787.

Observations must be made within the consultation period of 30 days from the date of this notice. The consultation period will end on **7 February 2011** and all observations should be received by this date.

Signed on behalf of Camden as landlord:



Jo O'Donnell
 Consultation & Final Accounts Principal

6 January 2011

**STATUTORY NOTICE UNDER SECTION 151 SCHEDULE 2 (STAGE 2)
COMMONHOLD AND LEASEHOLD REFORM ACT 2002
SECTION 20 UNDER THE LANDLORD AND TENANT ACT 1985
(AS AMENDED)
WRITTEN OBSERVATION**

Please complete this form and return it by **7 February 2011**

To: **Jo O'Donnell
London Borough of Camden
Home Ownership Services
Ground Floor
Bidborough House
38-50 Bidborough Street
London WC1H 9DB**

Or email: capitalservices@camden.gov.uk quoting
subject line.

10/021 in the

Leaseholder Name :
Property Address :
Contract Reference : 10/021
Contract Name : Insurance Long-Term Agreement

Please tick which box applies to you.

I have no observations on the proposed works

I wish to make the following observations (please detail these below)

Signed by _____

Dated _____