Due to the high volume of enquiries, we have received via email and at the conference regarding insurance matters, we have complied a comprehensive Frequently Asked Questions (FAQ) document.

We hope this will help address the most common queries and offer reassurance around procedures and responsibilities.

Should you have any queries not covered below please let us know.

Topic	**Details**
Why does the Council arrange buildings insurance?	As the freeholder, the Council is legally responsible for insuring the structure of buildings sold on a leasehold basis. This is a requirement under the terms of the lease. Leaseholders cannot insure the building themselves as they only own the internal space of their flat. A single block policy ensures consistent cover, protects the Council's asset, and simplifies claims handling.
Why is the cost of household insurance for leaseholders high?	When a homeowner building insurance policy is taken out by an individual, premiums are based upon the property and its associated risks, e.g. location, age of build, area flood and crime risk etc., for that sole property in the name of the property owner. When a Local Authority arranges buildings insurance, it's for the Authority's entire Leasehold and Shared Ownership portfolio where individual properties or blocks of properties are not insured singularly. It is unlikely that any Local Authority will arrange their Leasehold and Shared Ownership buildings insurance in any other way. For this reason, the insurer will consider the Council's entire property portfolio and its associated risks and will quote accordingly. High premiums over the last few years are a factor of the continual hardening market for this type of insurance for Local Authorities, especially for London Local Authorities. Whereas only just some five or six years ago there were decidedly more insurers willing to quote, this number has reduced significantly as

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	fewer insurers show any appetite for the London leasehold property market.
Why has the Council changed insurers frequently?	In 2020 the Council's contract with its current provider came to a natural close and an Open Tender was undertaken. Four bids were received and Ocaso was Awarded the contract. In 2021 Ocaso elected to exit the UK insurance market and so a further Open Tender was undertaken. No bids were initially received and following a re-Tender Avid was awarded the contract. In 2022 Avid notified their clients that owing to a loss of capacity provider they were no longer able to provide insurance and Barking & Dagenham, amongst a large number of other Councils, undertook a further Tender and Protector were awarded the contract. No other bids were received. All Tenders were undertaken with the Public Contract Regulations appropriate for the time.
Future of buildings insurance for leaseholders	The Council's leasehold portfolio is growing, which will naturally increase premiums. The current contract with Protector runs until September 2026, with an option to extend for two years. No decision has been made yet. The Council continues to monitor the market for better options.
Can leaseholders suggest alternative insurers or quotes?	No. When a Council owns a building (e.g., a block of flats) but sells individual flats on a leasehold basis, it remains the freeholder. As the freeholder, the council is legally responsible for insuring the structure of the building. Legal obligation under the terms of the Lease dictates that the freeholder (the council) arranges and maintains buildings insurance for the entire block and to recover each leaseholder's share of the premium through the service charge. Leaseholders can't arrange their own buildings

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	insurance because they don’t own the whole structure, only their individual flat’s internal space, and it’s therefore necessary for the Council to protect its assets by way of insuring it.
How was the current policy selected?	A competitive open tender process was conducted in line with the Public Contracts Regulations 2015. Bids were invited via the OJEU procedure and evaluated based on price, service, and social value.
Was it subject to a tender or quote comparison?	A competitive open tender process was followed in line with the Public Contracts Regulations 2015 (PCR 2015) and bids were invited via the usual OJEU procedure. An evaluation process was undertaken following the tender process taking into consideration price, service and social value
Breakdown of premium cost including any broker fees or commissions , administration charges, tax or any other applicable fees.	The policy is a blanket-type policy covering all leasehold and shared ownership properties. Insurers quote for the entire property portfolio. The broker receives a fee of 3.5% directly from the Insurer. This is standard with any broking arrangement. Premiums are subject to Insurance Premium Tax (IPT) at 12%. There are no other charges or fees.