

Insurance notes

Prudential's SIPP Property Insurance Notes

Welcome

This document provides details of Curtis Banks' property insurance policy that has been arranged by their insurance broker, Aon UK Limited.

Insurance programme

Aon have arranged a single block policy with AXA Insurance for all assets which are the responsibility of Curtis Banks to insure.

Assets are insured until 30th April each year (pro-rata for acquisitions during the period).

What is the core coverage?

"All Risks" of physical loss or damage including Theft, Sprinkler Leakage, Breakage of Fixed Glass, Subsidence, Landslip and Heave.

The policy will also respond in the event of Damage following a Terrorism incident; or where Damage to property leads to an interruption in the rent. £25m public liability cover is in place to protect Curtis Banks.

Does "all risks" cover everything?

No. The principal behind an "All Risks" policy is that everything is insured, unless excluded. However, you should be aware of the following key exclusions – these are standard in the insurance industry.

- Faulty and defective design, materials and workmanship – these may be covered by a Latent Defect policy.
- Gradual deterioration, wear and tear, rust and corrosion, wet or dry rot, dampness, dryness, shrinkage, evaporation, marring, scratching, vermin or insects.
- Change in temperature colour texture or finish.
- Collapse of buildings and other structures – this exclusion does not apply if the collapse is due to an insured cause e.g. a fire or subsidence.
- War Risks.

Public liability cover is NOT provided for tenants or any activity they are engaged in.

What excess applies?

The policy excess is £100 following Riot, Civil Commotion, Storm, Flood, Impact, Theft, Accidental Damage and £1,000 following Subsidence, Landslip or Heave, there is a nil excess for all other losses.

This applies for all existing and acquired assets unless exceptional circumstances prevail. Storm & Flood are excluded from open sided barns.

Values insured

Where stated on the insurance certificate, all properties are insured with a day one reinstatement value unless specifically advised by Curtis Banks – i.e. where properties are due for demolition and there is no obligation to reinstate.

Insurers require that building values are assessed by a professional surveyor and a new insurance valuation is undertaken at least every 5 years. This is the responsibility of Curtis Banks' client. In the event the valuation is over 5 years old, any claim may be scaled back by insurers. The portfolio will be uplifted by the annual cost of inflation in intervening years.

Loss of Rent is insured based on the income received on 1st May, multiplied by the indemnity period (3 years). This includes the estimated annual rent at Void/Vacant units where information has been declared (an adjustment will be made for the period Curtis Banks would not have received income).

Policy changes and/or amendment

Please contact Curtis Banks should you require any changes to be made to your policy.

Empty and/or vacant property

It is important that Curtis Banks are advised when a property becomes either fully vacant or empty, but is still subject to a lease. No additional premiums will be charged by AXA when a property becomes vacant.

Curtis Banks' client should ensure that the following guidelines are followed at all times where a building is wholly unoccupied for 90 days:-

- a) regular internal/external inspections 35 days (or as required by AXA). A record of inspections should be maintained.
- b) all external doors are kept securely locked.

c) the Building is maintained in a good state of repair. Any defects in the state of repair of the building, or security/ alarm or fire protection are repaired immediately.

d) all combustible materials are removed from the premises and externally from the site.

The above should be completed by an approved security company.

What happens if there are building works at a property?

The policy provides cover for contract works up to a limit of £500k per contract where Curtis Banks is the Employer (only).

Please ensure Aon are advised of all works which involve;

- Structural changes.
- Use of heat/Hot Works.
- Modification to sprinkler systems.
- Any Asbestos removal.
- Any change to the building reinstatement valuation.
- Will have an impact to the rental flow (ie will result in an increased rent)
- Will exceed £500,000 contract value

Claims procedure

In the event of damage to Property, please contact loss adjusters Sedgwick who act on behalf of AXA

Tel: **0345 604 8981**

Email: curtisbanksclaims@uk.sedgwick.com

In the event of injury to members of the public, or damage to Third Party Property please notify AXA direct

Tel: **01204 815801**

Email: liabilityclaims.INS@axa-insurance.co.uk

Please copy the Aon inbox in the event of serious damage to property, or injury to third parties – curtisbanks@aon.co.uk

Important notes on making a claim

Report all claims or incidents promptly, failure to do so could invalidate your claim.

- Malicious damage or theft claims must be reported to the Police and a crime reference number provided.
- Mitigate your loss by undertaking emergency works, e.g. boarding up/making safe and water tight.
- Refrain from undertaking reinstatement works until approval is granted by Sedgwick and allow their contractor network to carry out repairs where possible which will reduce administration your side.
- Retain damaged items for inspection by Sedgwick and take photos of damage where possible. Include witness statements and details of any party responsible for causing the damage, for example impact damage by a vehicle.

- Retain CCTV footage of any accident/incident which could assist AXA in defence of a third party claim.
- Do not respond to any letters of claim from third parties, they must be emailed directly, immediately and unanswered upon receipt to AXA, failure to do so may prejudice the investigation. Do not take any action which could be construed as an admission of liability (sending an apology for example or repairing an accident location before prior discussion with AXA).

Curtis Banks' client/tenant is responsible for payment of any policy excess.

All other terms, conditions and exclusions are detailed in the policy wording.