

## **IMPORTANT NOTICE TO LEASEHOLDERS - INSURANCE CONTRACT COMMENCING 1<sup>ST</sup> APRIL 2023**

A five-year contract has been entered into with Protector Insurance commencing 1<sup>st</sup> April 2023. With regret there is a substantial increase in insurance premiums.

Tower Hamlets is legally obligated to insure under the terms of the lease, therefore leaseholders are unable to obtain buildings insurance independently.

We are unable to comment on the insurance arrangements for other Local Authorities or Housing Associations of whom have differences in their housing stock and may have the facility to insure under different arrangements.

As a local authority, we are obliged to comply with procurement legislation. An Open tender process was followed in accordance with the procurement legislation and the contract was advertised via The Find a Tender Service Platform. Any participating insurer is able to submit a bid.

The Council is satisfied that as landlord we have acted in compliance with the contractual lease obligations as well as the statutory Consultation Requirements and the Public Contract Regulations 2015.

Tower Hamlets has had no option but to reluctantly accept the 1 offer of insurance.

Unfortunately, as insurers are totally independent from the Council, the premium charged is out of the Council's remit and we are unable to change the current arrangements.

Many local authorities are finding it difficult to obtain affordable buildings insurance. The insurance market is in a period of contraction, meaning insurers are taking a more cautious approach. Several insurers have withdrawn from the leasehold insurance market and the few that remain are imposing significant price increases.

Under the current market conditions Tower Hamlets will not run another tender, doing so would incur further costs and could potentially result in either no bids or further increases in premiums.

The Council is very concerned about the costs being imposed by insurers and the impact this is having financially. The Council will continue to work with other boroughs to advocate change within the insurance market.

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For free benefit advice visit [gov.uk/benefits-calculators](http://gov.uk/benefits-calculators).

Our Financial Health Centre may also be able to assist. Tel: 020 7364 2200 Email: [fhc@thh.org.uk](mailto:fhc@thh.org.uk)