

# leaseholder




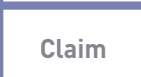


## Introduction

Welcome to our 2009 Summer edition of Leaseholder. Deacon were the first company to recognise the need for specialist cover for blocks of flats and first to create a newsletter especially for Residential Management Company like yours, dedicated to keeping you informed.

Deacon are proud to celebrate 20 years of leading the market by providing an unrivalled service and having a wealth of knowledge of both specialist products and service.



It's more important than ever to deliver value for a money – a high priority of all our clients. We are investing in all areas of our business; improving products to make sure more eventualities are covered and improving service and contact with clients. Claims is a crucial element of delivery and with 99% of our clients surveyed, our in-house claims handling being either very satisfied or very satisfied, we are delighted that we can provide faster results for our

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customers since we do not have to transfer correspondence back and forth to multiple parties.

I hope you enjoy our newsletter – please let us know about any subjects you would like to see covered in future issues.

Penny Jepson  
Head of Business

## Deacon Survey

**A BIG thank you to everyone that took the time to fill out and return the Customer Service Surveys.**

We had a great response rate and found that over 78% of our customers are either very satisfied or satisfied with the service they have received from Deacon and 80% were satisfied with the accuracy of our written communications.

These results are impressive after a year that has seen a lot of change within the business but we are very proud of the feedback we have received.

We have already taken steps to make positive changes based on results including:  
Claims – in line with the growth of the business, our Claims team have expanded

**Phone system** – we have invested in a new phone system to improve how calls are directed in addition to the direct dials we have

**Document review** – we are reviewing the quantity and quality of documentation that we send out and have seen an increase in the amount of customers requesting documentation as pdfs – which we have available

**Training** – we are constantly training our staff to ensure they are up to date with changes in the industry and fully compliant.



## Focus On...

### Aylsa Weiner Questions

This edition we catch up with Aylsa Weiner, Business Manager

How long have you worked at Deacon?

I've been with the company for 16 months now - I started in November 2007 and 2008 went really quickly.

Tell us about your career history...

I started my career in fashion and during my 4 years in the industry I worked as a Buyer and Branch Manager for two Benetton stores. Then I fell into Insurance, firstly Life, with Royal Insurance (now part of RSA) selling pensions, life insurance and related mortgage products, which was tough as my salary was earned on a commission only basis. I then made a career change to work for British Telecom, which was my first call centre experience. I then brought the two roles together and moved to LTSB Insurance where I spent 11 years in their direct general insurance call centre. During the last couple of years with Lloyds I created the teams for their customer retention initiative over 3 sites; Bournemouth, Newport and Mumbai – effective communication was the hardest challenge. My greatest achievement was receiving an award from Eric Daniels the CEO of LTSB for improving staff retention.

So how are you enjoying your position?

I think it's a good balance - constantly learning about the differences between my background of personal lines insurance and the more business to business environment of Deacon. I have a great team here and we are just starting to see the positive results from all the hard work that we implemented in 2008.

What are your plans for the future?

Continue in making the customer the focal point. It is key that we offer a unique service that offers good value for money in the current market and I believe our service offering cannot be matched. We started a journey last year by asking our customers what they liked and how we can improve - it is not always about the price itself but rather about keeping promises. The voice of our customer is influencing and changing the way we work and that is my main focus for 2009.

DEACON



What do you think are the main trends for the RMC market?

Upward – despite the downturn in the property market. Enfranchisement is becoming easier and more popular. Although there may be a slow down in the short term, this too shall pass!

OK, so now about you. If you could have any job in the world what would it be?

I would have to be in fashion as I've always loved Chanel. Personal Assistant to Karl Lagerfeld, I think that would be a challenge as he has the reputation as a hard task master, but the clothes allowance, jewellery and make up would be fabulous.

What's your ideal holiday destination?

Monte Carlo staying in the Grimaldi Palace.

What do you do to relax?

Sunbathe, preferably on a beach with a cocktail in my hand.

If you could have five famous people to dinner who would they be?

In keeping with my love of Chanel, it would have to be Coco Chanel and Monte Carlo connection Grace Kelly. Definitely my grandmother who died before I was born. Then two people I think would be really interesting George Clooney and Alan Sugar.

Thank you.

## Make sure you and your fellow residents keep up to date

If you would like any other members of your RMC to receive an email version of Leaseholder, please let us know by emailing [marketingrequests@deacon.co.uk](mailto:marketingrequests@deacon.co.uk) and they will be added to our circulation list.

[marketingrequests@deacon.co.uk](mailto:marketingrequests@deacon.co.uk)

## Claims

Here at Deacon, we have a reputation for being one of the UK's leading specialists in Blocks of Flats Insurance and are well known for our commitment to excellent customer service.

In order to build upon this reputation, Penny Jepson, Deacon Head of Business, has decided to completely revamp our Claim's Proposition. We are the only broker within our field to have our own In House Claims Team with significant delegated Claims Handling Authority.

Under the guidance of our Claims Manager, Matt Wyatt, the team have recently concluded a major recruitment drive to ensure that we are fully resourced and trained to improve and enhance the service we offer. The new arrivals augment the existing wealth of experience and knowledge possessed by the current team and have already proven their value to the business.

The increase in the size of the team, combined with new operational and administrative initiatives means that the Claims Team can continue to beat existing market standards.

Matt Wyatt comments: "We are constantly striving to maintain and improve upon the excellent reputation that Deacon has earned over the past 20 years that it has been operating in the insurance sector. As a result, we carry out regular quality audits, customer satisfaction surveys and intensive training courses for our staff, in a



continuous bid to maintain our client base and keep ahead of our competitors." We are aiming to increase the delegated authority agreements with Insurers and to reduce the amount of time a claim is touched, thereby speeding up the process between opening and settling claims.

There are a number of other initiatives in the pipeline so watch this space!

## Energy Performance Certificates – the burning issue

Since October 1st 2008, changes to Government legislation have meant that all landlords will need to have an Energy Performance Certificate (EPC) available for tenants to see.

EPCs tell you how energy-efficient a home is on a scale of A-G, similar to the scale used for electrical appliances such as fridges. The most efficient homes – which should have the lowest fuel bills – are in Band A. The certificate also tells you, on a scale of A-G, about the impact the home has on the environment. Better-rated homes should have less of an impact on the environment through carbon dioxide emissions.

### Change of Tenant

EPCs are valid for 10 years and can be reused as many times as needed within that period. There is no need for a new EPC every time there is a change of tenant.

Landlords providing emergency accommodation are exempt, up to a point. Where a tenant requires accommodation because of an emergency there may not be enough time to arrange an EPC before renting out the home. However, the EPC must be provided as soon as possible after the property has been rented.

For more information please visit [www.direct.gov.uk/epc](http://www.direct.gov.uk/epc)



## Insurance terms translated

When it comes to insurance, there can be a lot of jargon used.

Below we have provided a list of commonly used terms that you may see in an insurance policy:

<b>Claim</b>	A claim is a legal action to obtain money, property, or the enforcement of a right against another party. You can make a claim if risks covered by your insurance policy have resulted in loss or damage to items covered by it
<b>Cover</b>	The items your insurance policy protects and the risks it protects them from. The items can range from your roof to your windows, and the risks are events ranging from storms to theft
<b>Day one uplift</b>	This is a feature of an insurance policy to protect against any increases in reinstatement costs following a loss during the period of insurance attributed to inflation affecting labour and material costs
<b>Delegated authority</b>	Delegated authority means the insurers have authorised the broker to undertake certain tasks on their behalf e.g. arranging cover and taking payment for policies
<b>Delegated claims authority</b>	Where the broker will act on behalf of the insurer to deal with any claims by verifying loss and cover and making any necessary payments
<b>Excess</b>	The part of an insurance claim that you pay
<b>Exclusions</b>	Items or risks that are deliberately not covered by your insurance policy. The policy will explain what these are and are usually found at the back of the policy booklet
<b>Indemnity policy</b>	Under an indemnity policy, the amount the insurance company pays out is reduced to account for the age of items – the wear and tear on them, and their reduction in value over time
<b>Insurance policy</b>	The legal contract between you and the insurance company, describing what is covered and for how long
<b>Insurer</b>	This is how the insurance company is often referred to. You are referred to as the policy-holder
<b>Liability</b>	Legal responsibility. If someone is hurt or their property is damaged as a result of your property, then you would have to pay them compensation
<b>Limits</b>	The maximum amount an insurance company will pay out for a certain type of item, such as loss of metered water. These are always explained in your policyLegal responsibility.
<b>Policy-holder</b>	Someone who has taken out an insurance policy
<b>Premium</b>	The amount you pay for your insurance
<b>Renewal Date</b>	The date your policy expires. You must renew your policy before or on this date to maintain continuity of cover
<b>Sum insured risks</b>	The maximum amount you could be paid under your policy. You need to make sure this is enough to replace your possessions (for contents insurance) or rebuild your home (for buildings insurance)

## Treating Customers Fairly

By 31st December 2008, the FSA has required all insurance intermediaries to be consistently Treating Our Customers Fairly and to demonstrate that they were meeting the Six Consumer Outcomes as follows:

1. Consumers can be confident that they are dealing with firms where the fair treatment of customers is central to the corporate culture.
2. Products and services marketed and sold in the retail market are designed to meet the needs of identified consumer groups and are targeted accordingly.
3. Consumers are provided with clear information and are kept appropriately informed before, during and after the point of sale.
4. Where consumers receive advice, the advice is suitable and takes account of their circumstances.
5. Consumers are provided with products that perform as firms have led them to expect, and the associated service is both of an acceptable standard and also as they have been led to expect

6. Consumers do not face unreasonable post-sale barriers imposed by firms to change product, switch provider, submit claim or make a complaint

Everyone at Deacon has worked hard to achieve this deadline and ensure that Treating Customers Fairly is embedded into our



processes and remains at the heart of everything that we do. Treating Customers Fairly is an initiative that will remain a key focus within Deacon and will continue to be reviewed and evolved during 2009.

# Terrorism

Sadly nowadays, terrorism presents a constant threat to the UK and whilst it is not always at the forefront of our minds it is important to understand the insurance implications. It seems that not everyone is clear on how coverage is placed, how much it costs and what it actually covers which is why we have chosen to cover this important issue in Leaseholder and ensure you are adequately informed of the risks.



## How Does Terrorism Insurance Work?

In the past, a basic level of terrorism cover was built into policies as a standard feature and additional cover was available to purchase on top of that. However this is no longer the case. In 2003 Insurers elected to exclude damage to property following terrorist acts and now cover must be specifically purchased as additional cover through a Pool Reinsurance Company, also known as Pool Re, who are a mutual insurer set up by the British Government in association with leading insurers. If losses ever became so large as to exhaust its reserves, Pool Re would draw funds from the UK government to meet its obligations. Pool Re, in turn, pays a premium to the government for this cover and would be required to repay any funds drawn down in this way from its future income.

## What Does It Cover?

What exactly is considered a terrorist act? Well, any incident thought to be related to terrorism must be confirmed by the Government or Treasury, so it isn't that simple to define.

However Pool Reinsurance use the definition of an Act of Terrorism contained in the Reinsurance (Acts of Terrorism) Act 1993:

*"...acts of persons acting on behalf of, or in connection with, any organisation which carries out activities directed towards the overthrowing or influencing, by force or violence, of Her Majesty's government in the United Kingdom or any other government de jure or de facto."*

It should be noted that, whilst an event has to fall within this definition for an insurer to make recovery from Pool Re, the policy issued by the insurer is often written in much wider terms. Incidents that do not fall within the definition of an act of terrorism under the Pool Re scheme may nevertheless be covered under the relevant insurance policy. For example, most property policies routinely cover malicious damage.

For further information on Terrorism Insurance, please call one of our team on **08000 92 93 94**.

## How Do You Purchase It and What Are The Costs?

Cover can be purchased through your buildings insurer who will be a member of the Pool Re mutual reinsurer. Deacon are authorised to quote on behalf of the majority of insurers we place business through.

Properties are rated on their locations, therefore a property situated in inner city London is at greater risk of a terrorist attack than one situated in Cornwall, for example, and will therefore attract a higher premium.

## How Could This Affect Leasehold Property?

Unfortunately it is a fact that terrorism attacks are becoming more frequent and therefore you could find your property damaged or be denied access to your home following a terrorist attack.

Also, it is important to check your lease as there may be a condition imposed that states you must have terrorism cover provided at a certain level. So what would happen if you chose to ignore this? You may be held personally liable if damage were to occur due to a confirmed act of terrorism.



## Declared Value & Sum Insured – What is the Difference?

**Have you ever found yourself struggling to understand what the differences are between the Declared Value and the Sum Insured? We have decided to clarify this hot topic following an increase in the number of enquiries relating to this subject.**

Declared Value can be described as the total cost to rebuild the property at policy inception, including all internal fixtures and fittings and professional fees but not including the value of the land the property is built on. This is often defined at the outset of the policy and confirmed by the Insured.

Some Blocks of Flats policies feature a “Day One Uplift”. This is often set at various percentages, depending on the insurer you have selected, and is in place to cater for any increased rebuilding costs following loss or destruction during the policy period, which is attributed purely to an increase in inflation throughout the period of insurance.

Therefore, the Day One Uplift provides protection should additional amounts be needed to reinstate the property due to an increase in the costs of labour and materials following destruction of the property.

The Sum Insured is the Declared Value including the “Day One Uplift” percentage.

An example of this is outlined below:

Declared Value as supplied by the client = £1million

Day One Uplift agreed in the policy = 50%

Total Sum Insured as shown on the insurance schedule = £1.5million

In this example, if a claim were to occur on the last day of the policy cover, the policy would provide for up to an extra 50% for rebuilding costs which had resulted during the year purely as a result of rebuilding cost inflation.

It is important to insure for the declared value and not the sum insured as this could be more expensive.

To prevent any deductions being made from claim settlements it is important that the correct declared value is provided at the inception of your policy.

Still uncertain as to how much you need to insure your block for then see below.



## Building Sums Insured

**If you are the company secretary for your block and have the responsibility to arrange your insurance you need to know you're insuring for the correct value.**

**Example:**

**A property should have been insured for £1,000,000 but was only insured for £500,000. In this example the policy only covers 50% of the correct value; therefore in the event of a claim the insurers would be perfectly entitled to proportionately pay only 50% of the claim.**

**Many UK property owners could potentially be underinsured and only become aware of the fact when making a claim.**

Calculating an accurate reinstatement value of your building requires specialist knowledge so, Deacon have teamed up with a leading national Insurance Valuation specialist, with offices throughout the UK, to provide a competitively priced valuation service so you can make sure this doesn't happen to you. With their network of offices in the UK they are committed to delivering quality service, client satisfaction and continuous improvement

So give our team a call today, to arrange a valuation  
08000 929394



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