A new approach to charging for insurance

We want to inform you about some important changes to insurance policies under the new Leasehold and Freehold Reform Act 2024, which may affect you. This act aims to ensure that insurance costs, which we pass on via service charge as part of your lease, are fairer and more transparent for everyone.

What is changing?

The new Leasehold and Freehold Reform Act 2024 requires a change in how you are given information about your building's insurance premium – including how it's calculated and any commission charges, which are set by insurance brokers.

Who is affected?

This changes affects all leaseholders and shared owners whose buildings insurance is arranged by Notting Hill Genesis.

Do I need to do anything?

No. This information page is just to explain how your premium and any commission has been worked out for this year, and going forward.

Why does my estimate for 2024–25 not match the premium stated in this letter?

We set the service charge in advance each year, in some cases this is before we have received actual costs.

For example for the 2024-25 service charge year, we set our service charge budget in November 2023 for the 2024-25 year. As part of this you may remember consulted with you to get any feedback before confirming the final budget in March 2024.

We use the best information available at the time to ensure these estimates are as accurate as possible. However, Insurance premiums are received in April each year, after the service charge has been set.

We have included the final insurance cost in the accounts you have been sent which shows how it differs from the original estimate.

Is the cost likely to change from previous years?

We have seen some changes after the new act came into effect. Insurance premiums were previously charged for the entire scheme as a whole, and then that cost divided by the number of homes. As a result of the new act, insurance is now charged per individual home, and in many cases this is resulting in a reduction in costs.

Does this mean we have previously paid too much?

No, the apportionment of the insurance premium in previous years was carried out in a fair and reasonable manner by Notting Hill Genesis and in accordance with legislation around service charges. The methodology that is applied now is different, however this has only been required following introduction of the leaeshold and freehold reform act 2024.

Who do I contact if I have any questions

If you have any questions about this letter, or anything else insurance-related, please speak to your property management officer, or for further information visit **nhg.org.uk/help-and-advice/insurance-leasehold**