




Autumn Risk Guide

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A photograph of a city street during a heavy rain. The street is wet and reflective, with a person in the foreground holding a dark umbrella. Buildings line the street, and a flag is visible on the right. The overall tone is dark and moody, with a blueish tint.

Autumn has arrived, with wet leaves on footpaths and pavements, shorter daylight hours, and worsening weather conditions. It's a season when building maintenance issues and residents' and employees' safety tend to enter the spotlight. With this in mind, our autumn risk guide covers some key areas in more detail. After all, the more seasonal hazards you can mitigate, the fewer claims there are likely to be.

Page 3

Insuring major works to blocks of flats – what you need to know

Page 6

Tackling the hazards that cause slips, trips, and falls in blocks of flats

Page 9

Insurance terminology explained

Insuring major works to blocks of flats – what you need to know

Major works on a block of flats can be a considerable expense and, if not notified to insurers, leave the residents' management company (RMC) and/or the freeholder exposed.

Whether you're a freeholder or RMC, it's important to remember that when you're signing off on major works, you could be responsible for appointing the contractor and other professionals involved in the conduct of the contract. So, potentially, you're assuming responsibility and a duty of care when overseeing the works.

What insurance cover is required under the contract conditions?

When major works commence on a block of flats, you will manage the contract conditions to outline which parties are responsible for loss or damage, what insurance cover is required, and who needs to arrange the insurance cover. The most commonly used forms for building work are:

- **Joint Contracts Tribunal (JCT) Standard Form 2024**
- **JCT Intermediate Form 2024**

When a freeholder or RMC of a block of flats engages a contractor to work on their premises, there will normally be agreed terms. Most contracts involving an architect or similarly qualified person will be governed by **JCT 2024** terms and conditions. Under a **JCT 2024**, there will be options to be agreed upon before the contract is signed, one of which relates to insurance cover.

Section 6.7 outlines the relevant insurance options available in respect of who is responsible for arranging the required cover for the works and existing structures. The specific option required (either A, B or C) should be correctly noted under the Contract Particulars, and Schedule 3 of the contract defines the specific requirements of each option. Where works are being carried out to existing structures, Insurance Option C should be operative. This requires the employer to arrange a joint names policy for the existing structures (C.1) and a joint names policy for the works (C.2). Further amendments can be made by rewriting Schedule 3 to make these requirements less onerous and to provide better protection to the employer. However, in order to do so, a specialist insurance advisor should be consulted at tender stage (or as soon as possible thereafter) so that the relevant amendments can be attended to before the parties enter the contract.

If terrorism cover is required, specific attention should be given as to whether or not Pool Re cover should be the preferred option. The contract will need to be amended to reflect the operative choice (either Pool Re or non-Pool Re) to prevent a potential future breach of contract.

Non-negligence cover

Separate cover for non-negligence (**6.5.1 formerly 21.2.1**) is available where there are third-party wall considerations, such as an adjoining property or one in close proximity, which could be affected by the works. Some examples of this could be collapse, subsidence, heave, vibration, weakening or removal of support or lowering of groundwater. The architect or project manager will advise if this type of cover is appropriate and what level of indemnity the contractor requires. This limit should represent the estimated maximum exposure, including neighbouring property. Requesting that the contractor insure the non-negligence liability is a sensible option because the contractor can normally extend their third-party liability insurance to cover non-negligence. In practice, it means that if there is damage (for example, vibration) to an adjoining property, then the contractor's third-party liability insurance will meet the claim.

As the freeholder or managing agent, what should you do before works commence?

- Obtain and provide your insurance broker with a copy of the main Contractors All Risk (CAR) Insurance, if applicable, and the Public and Employers Liability Insurance documents.
- Check to ensure the main contractor carries out the same due diligence for any subcontractors they use.
- Provide your insurance broker with a copy of the proposed contract, detailing the operative terms and a detailed schedule of works, such as a full works specification, if possible.
- Provide details of the period of the works, including the proposed start date and the full contract value, inclusive of VAT.

What should you do during the period of works?

- Inform your insurance broker if the contract value has risen, the duration of the works has increased, or the nature of the works has changed.
- Contact your insurance broker if the project has substantially ceased for more than 30 days prior to the end of the contract.
- Advise your insurance broker of any incidents that may give rise to a claim.
- Advise your insurance broker if there is any possibility that the works may cease for any reason for a period exceeding 30 days.

What should you do at the end of the works?

- Advise your insurance broker when the works are due to be completed. If 'practical completion' is signed, all cover under a Contractors 'All Risks' policy ceases immediately, which could leave you underinsured in the event of a loss.
- Provide your insurance broker with a 'completed' or post-works rebuilding cost sum insured for the building.
- When appointing a contractor, it would be prudent to consider the following:
 - How long has the contractor been trading?
 - What previous experience do they have in managing projects of your size and nature?
 - What is the company's size, including the number of employees (full or part-time) and ongoing projects, including the split between domestic and commercial work.

The freeholder's and leaseholders' responsibilities

The freeholder will not be allowed to carry out major works to the building without first obtaining all leaseholders' permission.

The Freeholder can, however, carry out works that will cost no more than £250 to every leaseholder in the block. In either case, it's recommended they notify their insurance broker.

If you manage a block where a leaseholder owns a flat undergoing refurbishment, the freeholder of the building must be informed so that they can notify their insurance broker. Even if the lessee only has contents cover under their own policy, they must inform their insurer of any works planned due to the increased risk of loss or damage.

Listed buildings

In addition, if you manage a listed property, Listed Building Consent is required to carry out any work on a listed building that will affect its value for listing purposes. This will almost certainly be necessary for any major works, but it may also be required for minor alterations, change of use of the property, or even repairs and maintenance.

Finally, please notify your insurance broker of any proposed works at the earliest stage, anything from general decoration to complete refurbishments.



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Tackling the hazards that cause slips, trips, and falls in blocks of flats

Slips, trips, and falls (STF) are not a trivial problem and are one of the most common causes of non-fatal injuries to the general public at blocks of flats/residential estates. Around 95% of major injuries arising from STF incidents involve broken bones. They also account for over half of all reported accidents to members of the public.

Current statistics for STF in the UK are sobering:

- Injuries due to STF cost employers more than £500m each year
- They account for almost 180,000 people being injured during 2022-23
- Slips and trips are responsible for over a third of all reported major injuries
- STF account for 20% of 'over-three-day' injuries to employees
- STF cost the health service £133m annually.

Risk assessment obligations

All blocks of flats must have a health and safety risk assessment of the communal areas. This is a legal requirement under the Management of Health and Safety at Work Regulations 1999. The flats themselves are considered private dwellings and, therefore, deemed 'domestic' and exempt.

It could be argued that the communal areas of a block of flats are not a place of work. However, the courts and the Health and Safety Executive (HSE) include communal areas in health and safety regulations. So, a risk assessment must be carried out if, for example, a cleaner, gardener, managing agent or repair contractor enters them.

Communal areas do not just refer to the internal parts of the building; they also include the roof, structure, and other external areas. When carrying out a risk assessment, remember to include all areas, including gardens, grounds, plant rooms, meter cupboards and lift motor rooms.

Slips and trips can result in serious injuries and may lead to significant compensation awards. Practical solutions are often simple, cheap, and easy to implement.

Conducting a risk assessment

A risk assessment should be undertaken by a competent /qualified person to identify possible slip and trip hazards:

- Look for slip and trip hazards
- Decide who might be harmed and how
- Consider the risks
- Ask yourself are there suitable controls in place?
- If not, determine new or improved controls and implement them
- Review on a regular basis.

Keeping risk assessment records

Unless the landlord has employees working on the premises, there is no requirement to record a risk assessment. However, it would be unwise not to do so because you're more likely to be prosecuted or sued for negligence if there is an accident and you have no proof that a risk assessment was carried out.

The risk assessment should be reviewed at least annually.



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Health and safety legislation

Under the Health and Safety at Work Regulations Act 1974, all employers are responsible for ensuring the safety of their employees and those not in their employment.

The Management of Health and Safety at Work Regulations 1999 describe the duty to conduct a risk assessment, and the Workplace (Health, Safety and Welfare) Regulations 1992 set out the specific responsibilities in respect of ensuring a safe workplace.

In addition, those in control of premises have duties under the Occupiers Liability Act 1984. This states that the occupier has a 'common law duty of care' and then goes on to define that as:

'A duty to take such care as in the circumstance of the case is reasonable to see that the visitor will be reasonably safe in using the premises for the purposes for which he is invited or permitted by the occupier to be there.'

This clearly extends to the control of slip and trip hazards.

Key questions to ask when evaluating a potential hazard

The following questions should be posed to determine whether a hazard exists:

- Is the floor surface in good condition?
- Are there holes, potholes, or uneven paving slabs on footpaths?
- Are there any changes in level on the path that are not easy to see, such as small slopes?
- Are fire escapes slippery when wet?

- Can floor conditions change quickly because of a build-up of waste, ice, snow, moss, mud, etc?
- Do people use unlit or poorly lit paths or yard areas?
- Are tripping hazards such as trailing cables routed away from walkways or covered or protected in some way?
- Are spillages cleaned up as soon as possible?

The importance of good housekeeping

The HSE estimates that 50% of all trip hazards result from poor housekeeping. Good housekeeping, therefore, is one of the best ways of preventing slips, trips, and falls.

Good housekeeping includes:

- Cleaning all spills immediately
- Marking spills and wet areas
- Mopping spillages or sweeping debris from floors
- Removing obstacles from walkways and always keeping them free of clutter
- Covering cables that cross walkways
- Keeping walkways well lit
- Making sure lighting in the communal areas is adequate and that if bulbs have blown, they are replaced immediately
- Making sure that stair nosings are secure, carpets are in good condition, and pathways and steps have anti-slip measures.

Remember to plan ahead. If you have external car parks and paths that become treacherous in snow and ice, order rock salt well in advance of expected bad weather.



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The myth of the 'magic inch'

Property owners often enquire about the extent to which they might be held liable for an accident caused by a trip on an uneven surface. A frequently asked question is: What is the height below which a change in level, hole, depression or other trip hazard will not render them liable?

The answer is that there is no safe limit, no hard and fast rule. Every compensation claim will be decided on its own merits and the particular circumstances of the accident.

For example, a one-inch flooring defect may not lead to liability if it occurred just before the accident and the property owner could not detect it and take corrective action to prevent the fall. On the other hand, a small tripping hazard of lesser size may result in a liability if it's present for an extended period, if its existence is known, and it's in a location where people frequently walk.

However, in the case of **James V Preseli (Pembrokeshire Council 1992)** James (J) tripped on a three-quarter inch gap between paving stones for which **Pembrokeshire Council (P)** was the responsible authority. It was held that P was not liable. The relevant question was not whether the pavement was in poor condition but whether the particular spot where the plaintiff fell was dangerous.

Not every defect in a highway is 'dangerous', and what was required in this context was the sort of danger that an authority may reasonably be expected to guard against. The court accepted that 25mm (one inch) was the point at which highway authorities generally considered a trip hazard to require repair.

Case studies

There is a wealth of case law, both civil and criminal, relating to trip claims; the following are representative examples. The HSE website contains many case studies illustrating both good and bad practices:

- A sunken paving slab in an unlit alleyway resulted in a pedestrian falling and fracturing their hip. They received £7,500 in compensation.
- A poorly maintained pavement resulted in a trip and fall accident that caused injury to a pedestrian's knee. Compensation of £4,000.

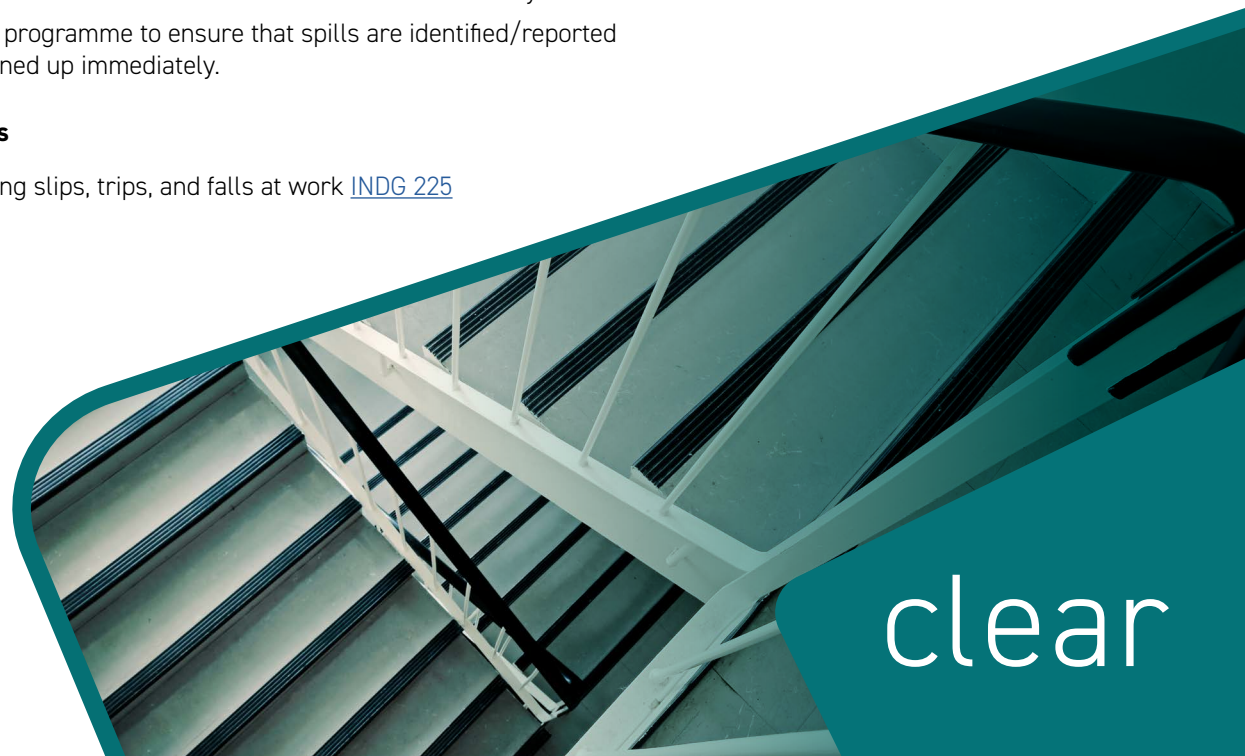
Key action steps

If you have a responsibility for premises:

- Ensure that new flooring surfaces are installed so that they are, as far as is practicable, free from tripping and slipping hazards
- Implement a sound housekeeping programme
- Conduct routine inspections to ensure all surfaces are free from slip and trip hazards
- Ensure that routine maintenance is carried out to remedy defects
- Set up a programme to ensure that spills are identified/reported and cleaned up immediately.

References

- Preventing slips, trips, and falls at work [INDG 225](#)



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Insurance terminology explained

Let's face it: insurance terminology can seem baffling and inaccessible sometimes. For example, terms such as 'endorsement' and 'warranty' have very different meanings within the context of an insurance policy than in everyday exchanges. Like other professions, insurance has evolved its terminology to ensure precision, clarity, and consistency. Unfortunately, to the unfamiliar consumer, 'insurance-ese' can come across as obscure and unnecessary jargon.

Our glossary of common insurance terms - and what they mean

While the following glossary is in no way exhaustive, we have included insurance terms you're more likely to encounter when taking out a policy or making a claim and—hopefully—demystified them for you.



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All Risks Insurance

This type of insurance covers losses resulting from any unexpected event except those explicitly excluded from cover. This differs from **Named Perils Insurance**, which only applies to losses resulting from specified causes.

Average (Condition of Average)

In insurance, **Average** comes into play when the amount a property is insured for is less than its actual value (i.e., it is underinsured) and is typically applied when the amount of underinsurance exceeds 15%. If this happens, the insurance company will only pay a proportionate amount of any claim, which will be equal to the amount of underinsurance (i.e., if the property is 50% underinsured, then insurers will only pay for half the claim). This is called the **Condition of Average**.

Condition

A strict requirement in an insurance policy that, if breached, allows the insurer to deny liability (see **Warranty**).

Contract Works (or Contractors 'All Risks')

Contract Works Insurance provides cover, subject to certain exceptions, for building works during construction, as well as materials, equipment, plant, and temporary buildings. It is also known as **Contractors 'All Risks.'**

'Day One' Uplift

An insurance policy feature that protects against a possible shortfall in a claim payment should inflation increase the **Declared Value** between the start of cover (inception) or renewal, the incident date, and up to the date that any rectification works are completed. A percentage limit of between 10% and 50% usually applies.

To illustrate, if the building's Declared Value at inception or renewal is £1,000,000 and the inflation rate is running at 5% when the incident occurs and the claim is made, then the Declared Value at the time of loss is £1,050,000.

Declared Value (or Reinstatement Cost)

Declared Value is the insured's assessment of the cost of rebuilding a property insured at policy inception or renewal. This value, otherwise known as the **Reinstatement Cost**, should also include professional fees and the costs of debris removal and compliance with public authority regulations.

Declinature

Declinature refers to the refusal or denial of an insurance application or claim by the insurer.

Deductible

The **Deductible** is a specified amount a loss must exceed before a claim is payable. Only the amount over the Deductible is recoverable.

Employee

An **employee** is defined as:

- Any person under a contract of service or apprenticeship with the insured
- Any person who is hired to or borrowed by the insured
- Any person engaged in connection with a work experience or training scheme
- Any labour master or person supplied by the labour master
- Any person engaged by labour-only subcontractors
- Any self-employed person working on a labour-only basis under the control or supervision of the insured
- Any voluntary helper.

Employers Liability Insurance

Employers Liability Insurance protects businesses from financial losses arising from workplace injuries or illnesses suffered by their employees. This insurance is compulsory in Great Britain and can only be provided by an authorised insurer, with some exceptions.

Endorsement

An **endorsement** is an amendment or addition to an existing insurance policy that alters the terms or cover of the original policy. This can include adding, removing, or modifying cover.

Excess

Excess is the first portion of a loss or claim borne by the insured. An excess can be voluntary to obtain premium benefit or imposed for underwriting reasons.

Exclusion

An **exclusion** is a provision in a policy that excludes the insurer's liability in certain circumstances or for specified types of loss.

Inception

Inception refers to the actual date when an insurance policy becomes effective. From this date, the policyholder is covered according to the terms and conditions of the policy.

Index Linking

Index Linking is a mechanism insurers use to adjust the building's Declared Value on a policy to reflect changes in the economy, such as inflation or deflation. This adjustment is designed to avoid underinsurance but there is no guarantee that it will.

Indemnity

Indemnity is the principle whereby the insurer seeks to place the insured in the same position after a loss as they occupied immediately before the loss (as far as possible).

Insurable Interest

For an insurance contract to be valid, the policyholder must have a legally recognised interest in the insured item. This means that the policyholder must benefit from the safety, wellbeing or freedom from liability of the insured item and would be negatively affected by its damage or the existence of liability. This is known as the **Insurable Interest** and must exist at the time the policy is taken out and at the time of the loss.

Insurance Policy

An **insurance policy** is a document that lays out the terms and conditions of an insurance contract and serves as legal proof of the agreement to insure. It is issued by an insurer or its representative for the initial period of risk.

Insured

The **insured** is the person or company whose property is insured or in whose favour the policy is issued.

Insurance Premium Tax (IPT)

The Finance Act 1994 introduced this tax on most general insurance risks located in the UK.

Limit of Indemnity

The **Limit of Indemnity** refers to the maximum amount that an insurer will pay out for a claim under a policy.

Loss Adjuster

A **Loss Adjuster** is an independent claims expert who acts as a consultant to insurers. Their role is to assess the extent and value of a claim. Although paid by the insurer, a member of the Chartered Institute of Loss Adjusters is required to act with the claimant's legitimate interests in mind.

Loss Assessor

A **Loss Assessor** is a person who acts on behalf of the claimant, negotiating the settlement of a claim in return for a fee paid by the claimant.

Lloyd's Broker

A broker approved by the Council of Lloyd's can enter the underwriting room at Lloyd's and place business directly with underwriters. Lloyd's brokers must meet stringent integrity and financial stability requirements set by the Council of Lloyd's. Additionally, they are required to submit a special accountant's report annually to the Council of Lloyd's regarding their financial position.

Material Fact

In insurance terminology, a **Material Fact** refers to any fact that would influence the insurer in accepting or declining a risk or in fixing the premium or terms and conditions of the contract. It must be disclosed by a proposer or by the insurer to the insured.

Named Perils

A **Named Perils Insurance** policy provides cover only for the specific risks or events explicitly listed in the policy. These events, known as 'perils', might include fire, theft, vandalism, or storms. If a peril is not named in the policy, any damage or loss resulting from that peril will not be covered.

Policyholder

The **policyholder** is the person or company in whose name the policy is issued (see also Insured).

Public Liability

Public Liability refers to the insured's legal liability to persons who are not parties to the contract of insurance and are not employees of the insured. Cover relates to injury or damage (including trespass) only. It is also known as **Property Owners Liability** and/or **Third-Party Liability Insurance**.

Reinstatement

Where an insured property is damaged, settlement is usually made through the payment of a sum of money. However, a policy may give the insured or the insurer the option to restore or rebuild ('make good') the property instead.

Standard Construction

Standard construction refers to buildings built using conventional methods and materials, such as stone, brick, slate, concrete or timber.

Statement of Fact

A **Statement of Fact** is a document that details the information upon which the insurance contract is based. It plays a crucial role in underwriting by documenting the risk details the insurer uses to determine policy terms and conditions, cover and premium.

Subrogation

In Contracts of Indemnity, **Subrogation** refers to the right of an insurer to stand in the place of the insured and exercise all rights and remedies available to the insured, whether already enforced or not.

Sum Insured

The **Sum Insured** is the maximum amount payable in the event of a claim under a contract of insurance.

Terrorism

In the Terrorism Act 2000, **Terrorism** is defined as:

(i) actions involving serious violence against a person, serious damage to property, serious disruption of the electronic system,

(ii) which is designed towards seriously influencing the government or intimidating the public and

(iii) is made for the purpose of advancing a political, religious, or ideological cause.

Third Party

In insurance terminology, a **Third Party** refers to a person claiming against the insured. The First Party is the insurer, and the Second Party is the insured.

Underinsurance

Underinsurance occurs when an insurance policy fails to provide enough cover to meet the financial loss of a claim. If a loss occurs and the risk is underinsured, the policyholder may have to pay a substantial share of the costs out of their own pocket, leading to potential financial hardship.

Warranty

A **warranty** is a strict requirement in a policy imposed by an insurer. A breach entitles the insurer to deny liability.

Wear and Tear

'**Wear and tear**' refers to the amount deducted from claims payments to allow for any depreciation in the insured property caused by its normal usage.

This glossary is necessarily condensed. You can find more extensive glossaries and resources below:

[Glossary | ABI](#)

[One Smart Place Glossary of Insurance Terms](#)

[Jargon buster - BIBA](#)

If you'd like to learn more about managing your risk, please visit our [residential property webpage](#) or call 020 7280 3450 to speak to one of our property broking team.

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