

Email from V.P. Phillip Lowes.

Morning Ian

I refer to the above and our meeting with three brokers on the morning of the 29th December. The intent of our meeting was to clarify the cover presently in force, and ensure that the building sum insured applicable to Bellaluz is totally adequate, plus ensure that no average would apply in the event of a claim. Cover to be upon a full all risks basis together with deleting all excesses applicable to the existing policy and any potential new policy. Ensure that the committee representing Bellaluz are fully indemnified should a claim be made against an individual member of the committee or officer representing the committee of Bellaluz. Public liability to be at the maximum liability applicable in Spanish Law.

The first broker presented a quotation from Santa Lucia and I was impressed with the presentation and the cover provided within their document in comparison to last year's renewal schedule from Generali. One aspect that did worry myself a little was the valuation that their surveyor provided when you consider that all insurers were given the same foot plan of the Bellaluz Complex and I assume they would have used standard Spanish Chartered Institute value of building reinstatement on a square metre basis, there was a discrepancy in the indemnity limit of just over 3,500,000 Euros, therefore I consider a letter should be forwarded to the broker for Santa Lucia asking what multiplier did they use to ascertain the building valuation of 20,541,000 Euros. If there had been a difference of a 100,000 Euros, I would have accepted 17,000,000 Euros was in order however 3,541,000 Euros needs investigation.

Moving on to the presentation provided by Generali, the complete basis of their document from last year's schedule to this renewal has completely changed. Their schedule now provides the cover Bellaluz have requested and as you may recall I did emphasise the point that cover on the buildings was upon a full all risks basis with a nil excess on all claims.

Not only is the cover applicable to Generali upon the basis the community require per their itemised schedule in blue, the annual premium has reduced from last year even though the community have sustained a sizeable storm damage claim. The Generali surveyor provided the property sum insured and no average would apply in the event of a claim in 2017. Therefore, I would recommend renewal in the normal manner.

When approaching brokers confirmation that the Generali quote is acceptable, can we make mention to the fact that we may be able to offer contents insurance to each owner within the complex, emphasising that any claims would be dealt with directly through the broker and not our administration office. This would, I hope, eliminate any grey area, such as the value applicable to a refurbished kitchen or bathroom, when its value exceeds the limits detailed within our contents schedule (12,000 Euros).

Setting aside the possibility of new business, it must be explained to each owner that their policy document must extend to cover liability in respect of flood damage occurring from their private balcony or patio to properties situated adjacent or below. That maintenance of drains, gullies etc needs to be carried out at a minimum of once per quarter to ensure that all debris are removed and water can freely flow from the said private balconies. Any excess values applicable to kitchens and bathrooms are covered under their contents policy as an excess of loss clause i.e. kitchen value 15,000 Euros, excess cover 3,000 Euros.

Hope the above explains the matter, give me a call if you need any help.

Regards

Phillip