



Leasehold Services
Colchester Borough Homes Ltd
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Dear Sirs

I wish to inform you that the building insurance arrangements have changed. Up until April 2006 each leasehold property had been insured separately by the leaseholder. This contravened the terms of the leases and lead to lapses in cover. Therefore Colchester Borough Council decided to purchase a 'Homeowners' block policy for all leasehold properties.

There is no individual schedule relating to the property, as it is part of the total sum insured under the overall Housing policy covering the Council owned or Leasehold properties.

Under the Housing Acts there are implied covenants that state the Council as Landlord is responsible for the structure of the building and would be required to rebuild or reinstate the property in case of destruction or damage by fire, storm, flood or any other cause against the risk of which it is normal practise to ensure. The property is insured for its full reinstatement value no matter what that might be and the policy will not be allowed to lapse under any foreseeable circumstances.

I enclose a copy of the current Summary of Cover that applies to the property. I can confirm the interest of the leaseholder and their mortgage company in the policy although no individual endorsements are made to the policy.

Insurance premiums of £16.98 p.a. are charged as part of the service charge and as such there is no individual receipt relating only to the insurance premium.

Should you require any further information please contact us on the above telephone number.

Yours faithfully

Nikki Bedford
Right to Buy/Leasehold Administration Team
Colchester Borough Homes