

**RESIDENTIAL PROPERTY TRIBUNAL SERVICE  
DECISION BY LEASEHOLD VALUATION TRIBUNAL for the  
LONDON RENT ASSESSMENT PANEL**

LANDLORD AND TENANT ACT 1985 Section 27A and Schedule 1 paragraph 8

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Ref :LON/00AE/LSC/2006/0420

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**Address:** 5 Kenmere Gardens, Wembley HAO 1TD  
**Applicant:** Mrs Efuru Obua  
**Respondent:** Woodville Properties Limited

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**Background**

1. On 5 December 2006 the Tribunal received an application from the Lessee for determination of liability to pay service charges in relation insurance provided by the Lessor's nominated insurer .

**The Lease**

2. A copy of the relevant Lease, for a term of 999 years from 25 December 1951, is on the file. The Lease obliges the Lessee to insure the premises with the Eagle Star Insurance Company Limited in the joint names of the Lessor and the Lessee. It appears that the Respondent has subsequently required the premises to be insured with the Royal and Sun Alliance Insurance PLC but upon what basis such a

nomination is made is not clear. The subject property is a 1 bedroom maisonette. The Lessee does not reside at the property but has sublet or otherwise parted with possession of the property, and this is not prohibited or restricted by the Lease save during the last 7 years of the term. On 7 December 2006 the Tribunal issued its standard Directions in Fast Track cases, including for the service of evidence by the parties on each other and on the Tribunal by 26 January 2006, and gave notice of the intention thereafter to determine the case without a hearing, unless a hearing was meanwhile requested (indicating that this might be done at any time).

### **The Case for the Applicant**

3. The Applicant states that until recently she has paid premiums of £24 per month, but that the premiums have been increased to £40.03 per month as from September 2006 and that she believes the new premiums to be excessive.

4. The Applicant believes that lower and more competitive rates can be achieved from other insurers and claims to have obtained quotations in the region of £21 per month for a similar property. By letter of 26 June 2006 the Applicant requested the Respondent to renegotiate the premiums with Royal Sun Alliance or to allow her to recommend another insurance company with a more competitive rate, and by letter of 28 June 2006 the Respondent refused to agree to a change in insurer and asserted that the increase in premiums was due to the fact that the maisonette was tenanted. On the file is a letter from the insurance company dated 12 January 2006 confirming this fact that "as tenanted properties are a higher risk we applied a loading to the premium and this results in the increase", an offering as a gesture of goodwill to reduce the premium (originally quoted at £453.25) to £334.25 and on 22 January the Respondent also wrote to the Applicant confirming that the premium included home emergency cover. In a further letter dated 25 January 2007 the Applicant stated that home emergency cover could be obtained for £54.00 bringing the Norwich Union quotation she had obtained to £253.99.

### **The Case for the Respondent**

5. The Respondent wrote to the Tribunal by email on 26 January 2007 stating that they felt prejudiced since the Applicant had not kept to the timetable in the Tribunal's Directions and had not provided like for like quotations. In addition to pointing to the letter dated 12 January 2007 from the insurance company referred to above, the Respondent commented that the Applicant's valuation of the flat at £70,000 had failed to take account of the fact that index linking showed that building costs for the property were now £74,950, which was the amount on which the Royal and Sun Alliance's quotation had been based. They also commented that the Respondent acknowledged that the quotation she had obtained from Norwich Union did not include home emergency cover, which she said would bring their quotation to "about" £253.99 but the reality was that neither they nor the Applicant knew what was "the accurate difference, if any...between the two insurance companies, but it is clear that any such difference is relatively small and with respect does not justify moving the insurance companies and putting the interests, not just of the upstairs

tenant, but of the other tenants in the block in jeopardy from future disputes". They added that the Tribunal would bear in mind that this situation had arisen because the Applicant was trying to maximise her return from a commercial investment.

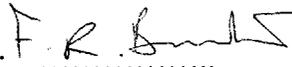
### **Decision**

6. On the basis of the evidence before the Tribunal there is no reason to suppose that the premiums currently charged are unreasonable. The insurance company has stated the reason for the loading of the previous premium, and the Applicant has submitted no details of the quotations she claims to have obtained, which may not have been on precisely the same terms as the current policy. In all the circumstances the premium for a tenanted property of the type and in the area before the Tribunal cannot be said to be unreasonable.

7. With regard to change of insurer, paragraph 8(2) of the Schedule to the Act permits a Leasehold Valuation Tribunal to determine whether the insurance available from the nominated or approved insurer is unsatisfactory in any respect or whether the premiums payable in respect of any such insurance are excessive. However the Tribunal has received no evidence to suggest that the insurance or the premiums in respect of the insurance of the subject property are unsatisfactory.

8. Accordingly the Tribunal determines that the insurance is not unsatisfactory in any respect and that the premiums are not excessive.

**Tribunal: Mrs F R Burton LLB LLM MA  
Mr F L Coffey FRICS  
Ms T Downie MSc**

Chairman: .....

Dated: 30 /01/07