

# affinity



Winter 2010

**Unoccupied Property**  
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## World Class Insurance

Welcome to the Winter edition of Affinity, the quarterly newsletter from Alec Finch Group.

In this edition we focus on property, keeping you abreast of building regulations for energy improvement and how to deal with unoccupied property. In tough times it is especially important to keep a close eye on costs and at Alec Finch Group, we believe in adding real value to client relationships by anticipating problems and giving clear and helpful advice.

**Paula Williams,**  
MD, Alec Finch Group

If you are seeking a world-class, innovative approach to the cover your business needs talk to us and we'd be delighted to show what we mean.



## Unoccupied Property

A feature of the current economic environment is a marked increase in the number of unoccupied premises. Whether this is a consequence of business failure or rationalisation, statistics show that the risk of damage to property is significantly increased once it is empty. In addition, property owners continue to owe a duty of care to visitors whether welcome or not. Vacant buildings are a popular playground for children, so continuing management is essential.

Annually there are in excess of 9,000 fires in unoccupied buildings in the UK, many attributed to arson, together with increased incidence of water damage as maintenance and management is less rigorous. As crime levels increase, non-ferrous metals particularly become an attractive target for thieves, and so lead and copper contained in pipework, cabling and roofing present potentially easy picking. The cost of such property damage is more than £100m, directly impacting the cost of insurance for thousands of commercial insurance buyers.

Remarkably, many policyholders fail to recognise the duties placed upon them by insurers when properties become vacant, or even to notify insurers of a change in occupancy. Insurers rigorously enforce the Unoccupancy Warranty and consequently turn down many claims. Therefore, it is important that policyholders are aware of their obligations and ensure that a lack of action does not prejudice them in the event of a loss.

So what are your duties? In simple terms:

- Notify your broker or insurer immediately a building becomes vacant
- Maintain in force security alarm and other physical protections
- Switch off all services except electricity supply to maintain fire or intruder alarm systems
- Drain the water installation and fuel tanks
- Conduct weekly internal inspections of the premises
- Repair any damage immediately and report damage to insurers whether or not it is insured
- Remove any combustible waste from the interior of the building and ensure that there is no accumulation of refuse/waste outside

If you are in any doubt, your Alec Finch Account Executive will be able to help and advise you.

Alternatively, call Mike Almond on 0161-242-4348 or e-mail [mike.almond@alecfinch.com](mailto:mike.almond@alecfinch.com)

## Energy Performance of Building Regulations 2007

The UK's enforcement of the EU Energy Performance of Buildings Directive reaches full implementation on 4 January 2011 requiring the inspection of "smaller" Air Conditioning Systems.

The act, already responsible for Energy Performance Certificates, and display versions of same for public buildings, includes a requirement for Air Conditioning systems to be inspected at regular intervals.

From January 2009, every system with a cooling capacity of over 250kW was required to have a survey completed.

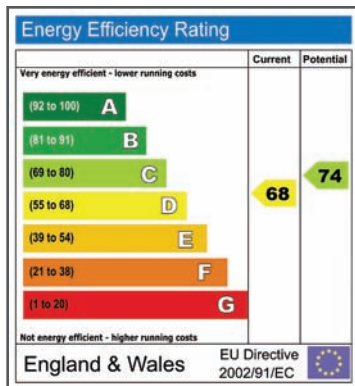
From January 2011 this threshold is reducing to 12kW. For clarity, this is the total cooling capacity, and may encompass a number of separate systems in the same building, where owned by one entity.

It is a legal requirement that this survey is completed at least every 5 years.

The survey will provide an assessment of the efficiency of the system and review the system sizing compared to the cooling requirements of the building. It will also make recommendation for improvements, replacements or alternative solutions.

Enforcement of the act will be by Trading Standards and fines for non compliance will range from £500 to £5,000.

**If you would like further information or help in arranging a survey of your air conditioning system, please contact your Alec Finch Account Executive or Jonathan Mason on 0161-242-4345 or e-mail [jonathan.mason@alecfinch.com](mailto:jonathan.mason@alecfinch.com)**



## Insurance Premium Tax Increase

As announced in the June 2010 budget the standard and higher rates of Insurance Premium Tax will increase from 5% to 6% and 17 ½ % to 20% respectively from 4th January 2011.

The standard rate applies to most general insurance classes although Life and other long term protection products continue to be exempt from the tax. The higher rate, aligned with the standard rate of VAT, generally only applies to insurance sold alongside consumer products, for example, extended warranties and personal travel insurance

**For further information contact Simon Worrall on 0161-242-4305 or e-mail [simon.worrall@alecfinch.com](mailto:simon.worrall@alecfinch.com)**



**Clive Oliver**  
Alec Finch Group

Alec Finch & Company Limited has appointed Clive Oliver to head up its operations in Halifax. Clive Oliver joined Alec Finch in 2000 where he subsequently became Client Servicing Manager to the Manchester operations.

Managing Director Paula Williams said "We have had a presence in Halifax for 15 years and are committed to developing our business in West Yorkshire. I am delighted that Clive

has accepted this position and look forward to working with him to both grow the business and maintain the high standard of service to our clients".

It is now three years following the acquisition of Alec Finch by the French Insurance Broker, Verlingue in 2007. Jacques Verlingue, President of Verlingue says "We have been very pleased with the progress we have made since the acquisition. Our commitment and our presence in West Yorkshire is strengthened by this appointment".