

LESSONS LEARNT FROM GRENFELL

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**Cartrefi
Cymunedol
Cymru**



**Community
Housing
Cymru**

Agenda

- Facts
 - What Happened?
 - Why?
- Insurance
 - Insurance Industry Response
 - Insurance Consideration
- Risk Management
 - Construction
 - Building management



Facts about Grenfell Tower

- Situated West London – Constructed 1972-1974
- Owned by Royal Borough of Kensington and Chelsea (RBKC)
- Managed by Kensington & Chelsea TMO (Tenant Management Org.)
- 24 storey block - 67.3m (220ft 10in) Tall
- Residential block
- Major refurbishment 2014-16
- Fire 14th June 2017
 - Started in fridge freezer
 - Spread out of window to cladding outside
 - Cladding burnt around and up the building
- 72 People lost their lives – 223 escaped



Insurance

- Owned & Insured by Royal Borough of Kensington and Chelsea (RBKC)
- Insurance Brokers – JLT Specialty Ltd
- Insurer – Protector Forsikring ASA
- Insured Value - £20m
- Property Claim settled within 2 weeks
- Liability claims ongoing
 - Various parties including
 - Kensington & Chelsea TMO
 - RBKC
 - Rydon as main contractor plus many subcontractors (over 100)
 - Whirlpool (manufacturer of the, alleged, faulty fridge freezer)

“From the very beginning of needing to formulate an insurance response to this terrible tragedy, Protector have stood side by side with RBKC and have worked in supportive partnership facing the unique and complex challenges together” Ray Chitty, Head of Insurance Service RBKC

Insurance

How has the insurer market reacted?

- In general, sensibly
 - No knee jerk reactions
 - Working with policy holders to understand property risks
- More information being requested on block of 18m or more such as;
 - Number of storeys
 - Date of construction
 - Construction type
 - Any cladding? If yes what type
 - Sprinklers installed
 - Fire safety information & FRA's
 - On going work to improve fire safety



Insurers expect this information to be available.

Insurance

Considerations for Social Housing Providers

- Sum Insured
 - How accurate is it?
 - When was it last reviewed?
 - Duty of a policy holder to declare a reasonable rebuild value
 - Some policies may contain an average condition
 - Reckless act by policy holder could see a claim avoided by insurers (could this be knowledge that the sum insured is ‘a guess’?)
- Alternative accommodation costs
 - Are they insured? For an adequate sum?
- Do others manage your buildings?
 - What are their responsibilities?
 - Do they carry appropriate insurances?



Insurance

Considerations for Social Housing Providers

- Public Liability
 - Have you got enough? How much is enough?
 - How many residents in one block
 - Chances of injury or death
- Professional Indemnity
 - Consider need for cover based on activities, particularly for third parties
 - Design of new builds or refurbishments
 - Commissioning of work
- Directors and Officers Liability
 - CHC scheme provides cover
 - Should top-up be taken?
 - D&O insurance market harder for construction companies to obtain

Risk Management

- Hackett Report – Key recommendation

“It is currently the case under the Fire Safety Order that fire risk assessments for high-rise residential buildings must be carried out ‘regularly’. It is recommended that the responsible person ensures these are undertaken at least annually and when any significant alterations are made to the building. These risk assessments should be shared in an accessible way with the residents who live within that building and notified to the fire and rescue service.” (Paragraph 1.84)



Risk Management

- Refurbishment and New Build
 - ‘Safe by design’
 - Type of construction
 - Sprinklers - building regs. in Wales require this
 - Major disaster event needs to be considered at planning stage
 - Escape routes
 - Emergency service access
 - Working with the fire service
- The majority of Social Housing providers have some good fire and Health and Safety processes in place;
 - Make sure things are recorded properly
 - Make sure records are available to necessary persons
 - Tell your Broker/Insurer how good you are!

Questions?



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