

Importance of Tenants Contents Insurance Schemes



Introduction

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To discuss the risks for the many residents with no home contents insurance and housing associations following large loss events such as the Grenfell disaster.

My Home Contents Insurance

The majority of your organisations use the
CHC My Home Contents Insurance Scheme

But...

Is this promoted to your residents and do
they take it out?

Risk to Housing Associations

Why should a Housing Association promote a contents insurance scheme?

- Social benefits
- Financial risk:
 - Recharges
 - Liability claims and dealing with those claims
 - Hardship payments
 - Alternative accommodation costs

Risk to Housing Associations

Shouldn't tenants be free to choose whether to insure or not, or who with?

- Yes but by solely leaving this to your residents many will not choose to or think they can't due to:
 - Less and less residents can now afford to insure
 - Many do not understand the benefits and how your scheme may suit them and their needs
 - Due to misconceptions around insurance as a whole

Risk to residents

Large loss events can be devastating to your residents:

- Loss of all their possessions
- Loss of basics such as food
- Loss of their home
- Affecting their ability to pay rent going forward due to having to replace belongings
- Affecting their long term financial circumstance

Developing an insurance culture

- It fulfils the organisations Financial Inclusion responsibilities
- It will reduce costs for housing providers
- Will reduce additional hardship for tenants following a serious event (flood, fire, theft)

What is an insurance culture

- Be aware that tenants will believe its too expensive and not a priority compared to food and clothes
- Be aware that things do happen which will negatively impact on tenants lives
- Be aware that tenants assets do need to be protected as the loss of these assets can have long term implications

Developing an insurance culture

Q) Are Housing Associations allowed to promote a scheme?

A) Yes, absolutely, In-fact there is a special exemption in the FCA Guidelines:

“Registered Social Housing Providers or Local Authorities do not need to be authorised by the FCA to arrange or advise on contracts of general insurance as they have a specific exemption” (Guidance note no.9 (2010) 3.2.

Solutions

1. Voluntary scheme – the current scheme that most of your organisations have.
2. Stock Scheme – a way to make sure that all of your residents are covered if the worst should happen.

Any Questions?

