

Shared Ownership Insurance Policy

May 2024

1 Introduction

- 1.1 As a business with 'People at the heart' Grainger Trust is open and transparent about the costs that it is legally entitled to pass on to all of its customers, including its Shared Ownership leaseholders.

2 Scope

- 2.1 This policy applies to all Grainger Trust Shared Ownership properties, and the company employees (both temporary and permanent) involved in the placing of insurance and the management of the shared ownership properties.
- 2.2 Grainger Trust's executive management are responsible for ensuring adherence to these commitments, overseeing their implementation and ensuring that any breaches of this policy are investigated.
- 2.3 We strive to be a responsible business; from our environmental efforts, being ethical in our approach to how we do business, our charitable partnerships, supporting our resident communities and employee fundraising efforts.
- 2.4 Our vision is to use our expertise, influence and passion as a force for good in our local communities and the wider world. We have a Responsible Business Committee that works to uphold our values in this area and this approach is embedded in our culture and policies. As a responsible business, we commit too being open and transparent about the sums charged in relation to our properties.
- 2.5 Grainger Trust must retain control over the placing and renewing of insurance policies to ensure that cover is continuous and adequate, due to our retained interest in the Shared Ownership properties. We are not able to allow Shared Owners to arrange their own insurance for this reason.

3 The Arrangement of Insurance on Shared Ownership Properties

- 3.1 The placement of Buildings Insurance for Shared Ownership properties is currently completed in conjunction with the placement of Buildings Insurance for all Grainger plc owned properties, and normally forms a small part of the overall Grainger plc Buildings Insurance policy placed. We place the insurance this way to maximise any economies of scale that are available as a result of the size of portfolio being insured.
- 3.2 The placement process is managed by our insurance brokers, Willis Towers Watson, who go to the insurance market to obtain the best possible premium for all properties covered by the policy as part of every renewal.
- 3.3 Grainger Trust (the landlord of our Shared Ownership properties) is also considered in isolation each year, to ensure that the pricing obtained by including Grainger Trust in the parent group's portfolio is actually lower than what could be obtained by placing a separate policy for Grainger Trust alone. We have placed separate policies in the past but currently lower pricing is obtained by including Grainger Trust in the overall Grainger plc Buildings Insurance policy. This is reviewed annually each time we renew so is subject to change.
- 3.4 The policy premium is then allocated across the portfolio on a property-by-property basis, based on a defined proportion of the declared rebuild value of each property. The overall total policy premium is paid to insurers by Grainger Trust, and the cost for each of the Shared Ownership homes is then recharged to the tenant by invoice in line

with the terms of their shared ownership lease agreement. Our insurance year runs from April to March and so these recharges are usually sent to Shared Owners in April of each year, along with a certificate of insurance.

- 3.5 Grainger Trust recharges the insurance premium to the Shared Owner at cost. We do not add on any administrative fees or brokerage costs incurred by Grainger, or receive any commissions on the premiums that are recharged to Shared Owners.

4 Information provided to Shared Owners about the recharging of insurance premiums

- 4.1 We ensure that Shared Owners are fully informed of their legal obligations around insurance.

- 4.2 Clause 3.3 of the standard Shared Ownership Lease ("the Lease") obliges the Leaseholder (Shared Owner):-

"To refund to the Landlord on demand a fair and proper proportion attributable to the Premises such proportion to be conclusively determined by the Landlord (who shall act reasonably) of the insurance premiums incurred by the Landlord in connection with the Premises."

- 4.3 Clause 2 of Appendix 3 of the Lease states:-

"Although initially the property is not owned outright, the Leaseholder does have the normal responsibilities of a full owner. This means, for example, that the Leaseholder will be obliged to pay 100% of the outgoings relating to the property and to keep the property in good and substantial repair and condition."

- 4.4 The Reservation Form provided to Shared Ownership tenants prior to entry into the Lease (upon reserving a property), in relation to insurance states:-

"While Grainger Trust continue to have an interest in your property and hold the freehold we are responsible for maintaining building insurance. You are only charged what it costs us to provide and it may change annually."

This policy was formalised for approval by the Grainger Trust Board in May 2024.

The Head of Grainger Trust is the owner of this document and is responsible for ensuring that this procedure is reviewed in line with the review requirements of Data Protection.

Document History

Policy Owner	Head of Grainger Trust
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Date of next review	May 2027
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