

We are pleased to bring you a new solution to an old problem, which will crucially help protect Trustees from personal liability...

Problem: Property underinsurance can result in large underpayments of buildings claims and could result in litigation against trustees due to underinsurance. Here's what the Charity Commission say in terms of Trustees and underinsurance:

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Charity trustees have a basic duty to protect the charity's assets and resources from loss or damage and to manage the risk of a third party making claims against the charity's funds.



If the trustees ought to have bought more extensive cover, they may be liable to make good the shortfall out of their own pockets. To reduce the risk of a shortfall, the commission recommend that trustees initially obtain advice from a professionally qualified building surveyor about what the sum insured should be, and the surveyor should be asked to confirm regularly (perhaps every two years) that the current figure is adequate. If it isn't, the trustees should notify the insurer immediately so that an adjustment can be made.

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Our Solution: – Allied Westminster has put together an easy-to-use online service for VillageGuard clients whereby Aviva nominated chartered surveyors will provide a Property Rebuild Cost Evaluation. It has been carefully designed by Allied Westminster to offer a low cost alternative to Royal Institute of Chartered Surveyors (RICS) Valuations with the full backing and support of Aviva. Because thousands of Village Halls are insured through VillageGuard, we have been able to negotiate and structure the **entire solution for only £100+VAT** – a fraction of the cost of a full survey. Please note that Allied Westminster does not keep ANY part of the Evaluation fee, we simply seek accurate and meaningful cover for Village Halls, to protect the Trustees from any liabilities related to potential underinsurance.

Additional Benefits – Removal of the 'Condition of Average'* from VillageGuard Policy for 5 years. The Evaluation is backed by the insurer

meaning you will have the guarantee that buildings claims will be paid with no deductions due to any underinsurance. For even greater protection, we have agreed with Aviva that VillageGuard policies will also receive a 25% increase to the buildings sum insured free of charge for 5 years. A belt and braces approach to protecting both the Village Hall and the Trustees personally, for only £100+VAT.

Summary – Protect yourself and your village hall against underinsurance for the equivalent of only £24 per year.

If the Evaluation shows a lower rebuild cost than your current sum insured (as has happened with a number of our clients), we will arrange a **pro-rata refund of premiums from the date of Evaluation**. In addition to this, your sum insured may still increase as you will benefit from the additional 25% free cover and removal of the condition of average.

If the Evaluation shows a higher rebuild cost, we will provide details of the additional premium needed to increase the sum insured. Following payment, a new policy schedule will be issued showing the increased sum insured, including the 25% free cover and removal of condition of average.

After the evaluation, if you decide to remain underinsured you should be aware that any future claims will not be paid in full, as the 'Condition of Average'* clause will remain on your policy. Something this whole exercise aims to avoid.

A full Royal Institute of Chartered Surveyors (RICS) valuation following a site visit may be the best solution, but it can be very expensive, and if the survey is wrong you will need to take legal action against the surveyor if your insurer does not make a full claim settlement. We would therefore urge you to very seriously consider this **Property Rebuild Cost Evaluation Service** offer we have brought to Village Halls across the country.

What next?

To learn more about the **Property Rebuild Cost Evaluation Service** there is a unique/personalised log-in for [Village Hall Name]. You will be able to read more about it and get a feel for what is available without any obligation.

There is also an on-board communication/mail system to allow you to simply exchange messages and keep a log of communications for future

reference. That means that Village Hall communications are kept in one place, not scattered across Trustee's email accounts. We will be developing this log-in area and communications facility further over the coming months and years to help Trustees to manage the Village Hall insurance, as well as services such as the **Property Rebuild Cost Evaluation Service** and other new services as they become available.

If you have any questions you can call us any time on 01937 845245 or email: insurance@alliedwestminster.com

Kind regards,

Gavin J. Mitchell
Managing Director

***'Condition of Average'** is a standard insurance term used when calculating a payout against a claim where the policy undervalues the sum insured. In the event of partial loss, the amount paid against a claim will be in the same proportion as the value of the underinsurance. For example if sums insured are only 70% of what they should be, insurers can pay only 70% of your claim. That is ANY claim, not just a total loss.