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## **BUILDINGS INSURANCE SEASCOPE MANAGEMENT LIMITED RESPONSIBILITIES July 2024**

This notice is to clarify Seascope Management Limited's (SML) responsibilities as far as providing buildings insurance cover. (Eighth schedule para 2 of the lease)

In addition, the Directors have been advised that there had been some inconsistencies in how incidents of damage or loss were handled by SML prior to 2021, so we can understand that leaseholders need clarity.

By definition this explanation will become quite technical in places, but it is important for leaseholders to understand what is covered and what is not. They can then make their own decisions on what insurances they do or do not take out.

SML are responsible for providing cover for the "Reserved Area" i.e. communal areas, corridors, the roofs, all drainage and hot and cold-water pipes running through the Reserved Area **other than those within an apartment**, and the external half of all walls to an individual apartment. In addition, both internal and external faces of the walls to the building which do not form part of an apartment, e.g. the stairwell walls, are SMLs responsibility.

Our current insurers in a number of recent claims have included damage caused to parts of an apartment the leaseholder is responsible for, on the basis that individual leaseholders are a party to the insurance SML have put in place. As is often the case with insurance we cannot get a clear indication from our insurer exactly what is covered and the extent of that cover. **The response from them has been that each claim will be considered on an individual basis.**



We will give some examples at the end of this note of the type of incidents, which party/parties would be responsible.

There are some points that we can clarify.

1. If damage or loss is as a result of anything SML are responsible for maintaining under the terms of the lease then SML will handle the whole claim with the involvement of the leaseholder and pay any excess. If for some reason the insurers refuse to pay the claim SML will bear the cost of any repairs/replacement etc
2. If the damage or loss is a result of, anything a leaseholder is responsible for maintaining, (seventh schedule, paras 3) and the damage/loss is solely within that apartment then **the leaseholder will be responsible for paying any excess on, or shortfall in the amount of, the claim.**
3. If the damage or loss is a result of, anything a leaseholder is responsible for maintaining, (seventh schedule, paras 3) and this affects another apartment or the reserved area then **the leaseholder must indemnify SML for all costs of making good any damage/loss (seventh schedule, paras 8, 9 & 21)**

As promised here are a couple of examples of incidents and which party/parties would be responsible for making good and the cost of damage/loss.

1. There is water ingress from either one of the main roofs, or a balcony, failure of hot/cold water or drainage pipes within the reserved area (i.e. not within, which includes those in the floor of, an apartment) or through an external facing wall.

SML would be responsible for handling the claim with the insurance company and making good any damage done within the reserved area or within any leaseholders' apartment or garage.

2. There is water ingress due to failure of hot/cold water or drainage pipes within an apartment (which includes those within the floor of that apartment)

The leaseholder of the apartment where the failure occurred would be responsible for handling the claim with the insurance company and making good any damage done within the reserved area or within their or any other leaseholders' apartment or garage. SML would facilitate the



initial approach to our insurers, and the leaseholder would manage the claim from that point.

The leaseholder would also be responsible for liaising with any other leaseholders that had suffered damage or loss.

In conclusion some leaseholders have decided to take out insurance, for both buildings & contents, and or service contracts for plumbing and electrics to cover what they are responsible for within their own apartments.

The Directors would suggest that leaseholders talk to their insurers, and or service contract providers and ask their advice on what level of insurance they would be prudent to consider. Having specific insurance to cover leaseholder responsibilities under that lease is not a requirement of our lease, it is down to individual choice.

If you have any further questions about insurances then please contact us, details of how to below. In addition the current insurance schedule is available on the website <https://www.smlapartments.co.uk/downloads>,

Best regards

The Directors



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