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26 September 2022

Councillor Ross Garrod
Leader of Merton Council
London Borough of Merton
Civic Centre, London Road
Morden
SM4 5DX

Dear Cllr Garrod

Thank you for your letter to the ABI's Director General, Hannah Gurga. I am responding on Hannah's behalf as the ABI's Director of General Insurance Policy.

As you know, insurers have taken the situation at Galpins Road very seriously and many of the ABI's members have gone above and beyond policy coverage to provide emergency payments and alternative accommodation in the aftermath of the explosion. I am pleased to see that residents have been able to start returning home and the recovery process get underway. This has clearly been a traumatic period for all those affected and insurers' priority at this stage is to ensure claims are progressed, repairs are carried out to a high standard and that customers are supported.

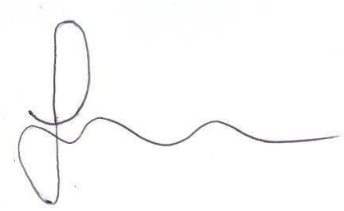
Thank you for passing on residents' concerns about future increases in premium following this incident. Where insurers have been providing additional support beyond policy coverage in response to the explosion, this has been carried out on a case-by-case basis, in discussion with the customer affected and in accordance with their needs and requirements. Where claims have occurred due to the damage, previous claims history is one, amongst many, factors that an insurer will consider when calculating the premium. Insurers take a wide range of factors into account when calculating premiums and decisions on renewal pricing will be made on a case by case basis in line with the insurer's risk appetite. The market for domestic home and contents insurance is highly competitive and if residents are concerned about the potential for premium increases, we recommend they speak with their insurer, start thinking about the renewal process at an early stage and shop around, or use a broker, to find the cover that most appropriately meets their needs.

On your query about excesses, the level of excess to be paid following a claim will be based on the policy coverage and the decision taken by the customer when the policy was taken out. If residents have concerns, in the first instance I recommend they contact their insurers to understand their policy coverage and any applicable excesses. Insurers understand the wider cost of living pressures affecting many households at this time and are committed to supporting their customers. If there is concern about being able to pay the premium or excess following a claim, customers should speak with their insurer to understand what support or alternative payment options they may be able to provide. If there are individual cases where there are specific concerns, please do pass these on.

I am pleased that the ABI team has been able to work with our members, the Council and local MP to provide support and clarity on individual cases throughout this incident. If there are any cases where there are issues or queries please do continue to let us know and we can investigate in further detail, where the insurer is an ABI member. If it would be beneficial for you, or the Council, to meet to discuss any insurance questions in more detail I would be happy to arrange this with the ABI team. In the meantime, I hope the information in

this letter has been helpful and if we can provide any further assistance please do not hesitate to get in contact.

Yours sincerely

A handwritten signature in black ink, appearing to read 'James Dalton', with a long horizontal flourish extending to the right.

James Dalton
Director of General Insurance Policy