

EXECUTIVE NOTE

The Tenements (Scotland) Act 2004 (Prescribed Risks) Order 2007 SSI/2007/16

The powers to make this Order are conferred by section 18(3) of the Tenements (Scotland) Act 2004.

Policy objectives

Section 18 of the Tenements (Scotland) Act 2004 requires owners to have buildings insurance. This Order prescribes the risks against which owners must insure. The risks are based on those used by the Council of Mortgage Lenders as a contractual condition with mortgagees. Household insurers endeavour to meet the Council of Mortgage Lenders' requirements in offering cover so that customers can be assured that they are meeting their contractual obligations, although the precise wordings used by insurers in specifying this will vary.

An owner will not be obliged to insure against a particular risk, if, due to the location of the tenement or other reason an owner, after reasonable efforts, is unable to obtain insurance against a particular risk or the cost of obtaining that insurance is unreasonably high.

Consultation

The list has been drawn up in consultation with the Association of British Insurers and Council of Mortgage Lenders.

Financial Effects

The instrument has no financial effect on the Scottish Executive, local government or on business.

Scottish Executive Justice Department
23 January 2007