

These notes refer to the Commonhold and Leasehold Reform Act 2002 (c.15) which received Royal Assent on 1st May 2002

COMMONHOLD AND LEASEHOLD REFORM ACT 2002

EXPLANATORY NOTES

COMMENTARY ON THE SECTIONS: PART 1

Variation of leases

Insurance

Section 164: Insurance otherwise than with landlord's insurer

277. *Section 164* provides new rights for leaseholders who are required by the terms of their lease to insure with an insurer nominated or approved by their landlord.
278. Subsection (2) and (3) provide that the leaseholders may arrange their own insurance provided certain conditions are met. The conditions are that the leaseholder must insure the property with an insurer authorised to carry on business in the UK; the policy must note the interests of both the landlord and the leaseholder; it must cover the risks that are required to be covered in the lease; the amount of cover must not be less than that required by the lease; the leaseholder must provide the landlord with evidence of cover or renewal within 14 days of the insurance being taken out or renewed. Provision is also made for notification of insurance details to a new landlord if the freehold is sold.
279. Subsection (5) sets out the contents of the notice of cover which is to be supplied to the landlord under subsection (3). The notice, which must be in the form prescribed by regulations, must include the name of the insurer, the risks covered by the policy, and the amount and period of the cover and any other prescribed information.

Section 165: Extension of right to challenge landlord's choice of insurer

280. *Section 165* amends paragraph 8 of the Schedule to the 1985 Act, which deals with the leaseholders' right to challenge the landlord's choice of insurer, and extends the provisions of that paragraph so that it applies where the landlord has the right to approve the insurer.