



Q & A INSURANCE COMMISSION

Introduction

We have prepared this guide to explain how we arrange property insurance on your behalf, as Factor.

If you need further information, please do not hesitate to contact insqueries@jamesgibb.co.uk

Who is this guidance for?

This guidance is for homeowners who receive insurance services from us.

What types of insurance do we arrange?

We arrange common buildings insurance, engineering (lift) insurance and public liability for managed properties, as a requirement of Deed of Condition provisions, or as instructed by our clients.

Are we regulated by the FCA?

Yes, all Managing Agents who transact insurance business for their clients must be regulated by the FCA. We are required to submit declarations in relation to premiums transacted and commission received. Our FRN number is 588203.

Do we charge you an insurance fee?

No, we do not charge homeowners any fee for insurance services. We do however receive a commission from your Insurer for the services which we undertake on their behalf.

How much commission do we receive from the Insurer?

We receive commission at the following rates from the Insurer.

Buildings and Property Owners Liability Insurance 23.62%

Why do we receive a commission from the Insurer?

We undertake a considerable amount of administration on behalf of the Insurer, issuing the majority of your insurance related paperwork. We collect a substantial amount of premium from a large portfolio of customers to pay to the insurer on their behalf often involving lengthy and detailed credit control process.

Claims are handled by our teams as the initial point of contact, we handle the first notification of loss, obtaining as much background information as quickly as possible in order to process your claim. During that process we liaise with you on the claims process, if necessary making contact with any other affected homeowners and organising appropriate contractor response. In more complex claims your Property Manager may visit the building to assist, wherever possible and



appropriate. The claims process will also be fully supported by professional 3rd party loss adjuster visit to affected property, where the loss is significant and the insurer deems this necessary.

Is insurance commission standard within the industry?

Yes, many Property Factors receive insurance related commission. Each factor will differ in the level of service they provide in relation to insurance related matters.

Does insurance associated work not fall under our management fee?

No, our management fee for your property reflects the core management service that we provide, as defined in our Written Statement of Service. The management of insurance claims and other insurance related administration does not form part of this core service. In such circumstances our management fee would be increased to offset the shortfall in our income for the provision of our management service.

Can we arrange insurance for owners on a “no commission” basis?

Commission received by us forms part of our remuneration for the services described. Placing policies on a no commission basis would result in us having to increase our fee to offset the shortfall in our income for the provision of our management service.

For further information the communal insurance cover and claims process please refer to our Insurance Guide on the James Gibb Website

<https://jamesgibb.co.uk/media/wyvgvimi/insurance-guide.pdf>

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