

RENEWAL OF INSURANCE POLICIES 2025

Dear Customer,

We have recently sent you a Request for Payment for your proportion of the cost of insurance for your demise and common parts for the 12-month period commencing 1st June 2025.

During the last year we have continued to see increased competition in the insurance market. This, along with increased insurer capacity, the market is seeing more favorable terms and pricing emerge.

While a majority of renewals in the market have been processed with low single-digit percentage changes, challenges persist with increased weather-related claims and general escape of water losses and so insurers have typically only been offering discounts on previously loaded premiums.

At Landsec, our dedicated insurance team continues to maintain an advantageous position in the market, working with our brokers and insurers to ensure our premium is always competitive. Having suffered some larger losses in 2022 and 2023, the last 12 months have seen our claims

experience return to previous years. As a result, we have achieved a discount on the rate used to calculate the premium on our Property cover.

Despite seeing an increase in rebuild costs of 3.5% across our portfolio, most of our occupiers will see either a discounted, or broadly flat renewal premium recharge which we believe is a great result and demonstrates that our premium continues to be fair and reasonable and offers good value for money.

For the minority of tenants experiencing an increase, this will be attributed to an increase in the total sum insured; and/or unresolved risk management issues

In respect to unresolved risk management issues, Landsec remains committed to managing risk effectively and helping our customers with their risk management to help control insurance costs medium and long term.

If you have any questions about why your insurance premiums have changed, please do not hesitate to contact our Insurance Team by e-mailing Francesca.Hunter@landsec.com.

Finally, we are aware of the recent case of London Trocadero (2015) LLP v Picturehouse Cinemas Limited & Others [2025] concerning the treatment of insurance commissions. Landsec is open about its approach to commissions which reflects best practice in accordance with the RICS professional standard: Service Charges in Commercial Property and are used to cover administrative and other costs, including reinstatement valuations, and declared within our service charge information and amount to approximately 13% of the total premium.

Yours sincerely

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Group Insurance Director

