

A fire of unprecedented proportions

A major fire in a block of apartment buildings in Vanløse has emphasised how important it is for a homeowners' association to know whether residents are owners or tenants – and for residents to have the right insurance.

By Martin Wex

On Friday 25 March 2022, a fire broke out in the roof structure above stairwell 6A in the homeowners' association Grøndalsbo on Grøndals Parkvej in Vanløse. Only a few hours later, all 16 stairwells in the property were on fire. No one was injured, but the property burned to the ground, leaving 130 families without a roof over their heads.

WTW has been an insurance broker for Grøndalsbo for many years, and insurance broker Louise Finnerup from WTW was therefore in contact with the chairman and the administrator of Grøndalsbo the very same day to ensure that the insurance company received the relevant information and that the residents got the help they needed.

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Louise Finnerup | Insurance Broker

»Fortunately, no one was injured, so the most important thing for us was to ensure that the insurance companies were informed about the fire and that the residents knew what to do,« says Louise Finnerup.

On Sunday, a large meeting was held at the local school for all residents with the participation of the fire brigade, police, insurance companies and WTW, where Louise Finnerup had the opportunity to inform about WTW's role as a link between the homeowners' association and the insurance company. All residents subsequently had the opportunity to talk to their home insurance companies about how they should act in the near future.

»This is one of the largest fires in Denmark in recent times, where a large number of people suddenly lost their homes and a large part of their belongings. Therefore, many companies and public authorities have been involved, and it has been a big task to create a collective overview and coordinate our efforts. We have all dealt with fire damage before, but this was of completely different proportions,« says Louise Finnerup, who for a long period was relieved of all other duties in order to focus fully on helping the homeowners' association and the many concerned residents.

Owner or tenant

Grøndalsbo consists entirely of owner-occupied homes, but as some of the apartments were sublet, one of the major tasks was to get an overview of which residents were owners and which were tenants.

»From an insurance perspective, there are very different rules for owners and tenants when an incident is so serious that the property becomes uninhabitable. Unfortunately, it is also in these cases that it becomes clear why it is so important to have the right insurance, « says Louise Finnerup.

The homeowners' association's property insurance will typically cover the rebuilding of a new building and the homeowners' loss of rental income if the apartment is rented out. Therefore, it is crucial that the homeowners' association has an overview of how many of the association's homes are rented out, so that the insurance sum corresponds to the actual need.

When it comes to residents, there are generally five types of residents – each with their own insurance needs:

- **Owners who live in the apartment themselves and have home insurance** will have their lost belongings and rehousing costs covered by their own insurance company.
- **Owners who live in the apartment themselves but do not have home insurance** will have their rehousing costs covered by the homeowners' association's property insurance. However, their belongings are not covered.
- **Owners who have sublet the apartment** will have their loss of rental income covered by the homeowners' association's property insurance if they can present a valid lease.
- **Tenants who have a valid lease and home insurance** will have their lost belongings and rehousing costs covered by their own insurance company.
- **Tenants who do not have home insurance** will not have either their lost belongings or rehousing costs covered.

A bit of a research project

Finding the right people has been a bit of a research project, and it has not been possible to help all residents equally well.

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Louise Finnerup | Insurance Broker

»We have spent a lot of time tracking down the owners who have sublet their apartments and getting them to submit their leases so that they can have their rental losses covered. This has taught us, how important it is to have a good overview of the composition of residents. At the same time, we have some tenants who do not have home insurance and have now lost everything, which is obviously a very unfortunate situation, « says Louise Finnerup and encourages everyone – owners and tenants – to be thorough in their choice of insurance and to pay close attention to the terms and conditions.

»There can be significant differences in how long the costs of rehousing are covered by the insurance. It

can be anything from 12 months to unlimited, which is obviously very important when your home becomes uninhabitable for a longer period of time. It is also important to pay attention to the sum insured, as many

policyholders underestimate the value of their belongings and therefore have too low a sum insured. If that is the case, the entire financial loss may not be covered if you lose all your belongings,« says Louise Finnerup.

Good partnership

The homeowners' association Grøndalsbo has its building insurance with Købstædernes Forsikring, and Louise Finnerup has therefore worked closely with the insurance company's employees from day one.

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Louise Finnerup | Insurance Broker

»We have had a really good collaboration with Købstædernes Forsikring, which has been a valuable sparring partner throughout the process – and it is definitely my experience that they have gone to great lengths to help the residents in the best possible way,« says Louise Finnerup.

The property on the corner of Godthåbsvej and Grøndals Parkvej will now be restored to its original condition at the insurance company's expense, and it is expected to cost as much as DKK 300 million. However, the new building will not be exactly the same as the old one, as a lot has happened to the building regulations since the original building was completed in 1938.

»The insurance company will replace what was before, but you have to follow the building regulations that apply today. Therefore, the new building will look like the old one from the outside, but lifts and thicker walls will be added, and therefore the apartments will be smaller than before,« says Louise Finnerup.

The cause of the fire is unknown, but according to the Danish Institute of Fire and Security, inadequate fire protection – especially in the attic – caused the fire to spread so quickly throughout the property.