

## Home Insurance vs. Landlord Insurance

Landlord insurance is different to ordinary home insurance.

Although, some of the potential risks are similar, such as insuring the building against fire, storm damage and escape of water, there are extra risks that landlord insurance policies should include, to protect them against some surprisingly common issues.



  
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## **Contents Cover**

Landlords may overlook contents cover if they are letting their property unfurnished, as tenants are responsible for ensuring their own belongings.

But the fact is, they are still likely to be providing carpets or other floor covering, light fittings or white goods, all of which could be damaged by accident or intention.

Analysis of claims data from LetRisks revealed that tenants' misuse of the humble iron was the major cause of damage to floor coverings with an average claim of £380.

## Empty Property

As with some residential policies, most standard insurance policies will not cover a property if it is unoccupied for more than 30 days, which will invalidate the policy in the event of a claim.

It's worth checking that the policy includes short-term cover for when it's unoccupied, just in case it is not rented out for a couple of months or maintenance work needs to be carried out. Landlord insurance policies that do provide this cover, typically offer cover for up to 30 or 60 days.





# Loss of Rent

If it's not possible to rent the premises because the property is uninhabitable due to an insured incident, for example a fire or flood, then it's worth checking that a claim could be made for the shortfall in the rental income, under the buildings section of the cover.

If tenants are in rent arrears, in most circumstances the landlord will only be covered to reclaim the payments, if they have specialist Rent Guarantee Insurance.

Additionally, it's worth finding a policy that will not only compensate for lost rental income, but also offer legal assistance and cover for any legal costs incurred if an eviction is necessary. These costs can quickly add up and evicting a tenant can be a tricky process to get right, so having this type of cover can make a stressful time much easier.





## **Where there's blame...**

Liability insurance should be included within the policy, or offered as an option.

This could provide crucial protection where a tenant, the guest of tenant, or tradesperson working on the property claims for personal injury or damage to their possessions arising from an incident that is considered to be the landlord's fault.

It might be something as simple as a claim for a water leak that has caused damage to a tenant's belongings.

# Accidental and Malicious Damage

It's every landlord's nightmare; the tenants have left you with potentially thousands of pounds worth of damage.

As with residential insurance, a landlord policy will usually include the option to add **Accidental Damage** to the Buildings and/or Contents policy to protect from things like, spills on the carpet or ceiling damage caused by someone falling through the loft floor.

However, when it comes to Landlord Insurance, there will usually be the option to include **Malicious Damage** too, which covers damage caused

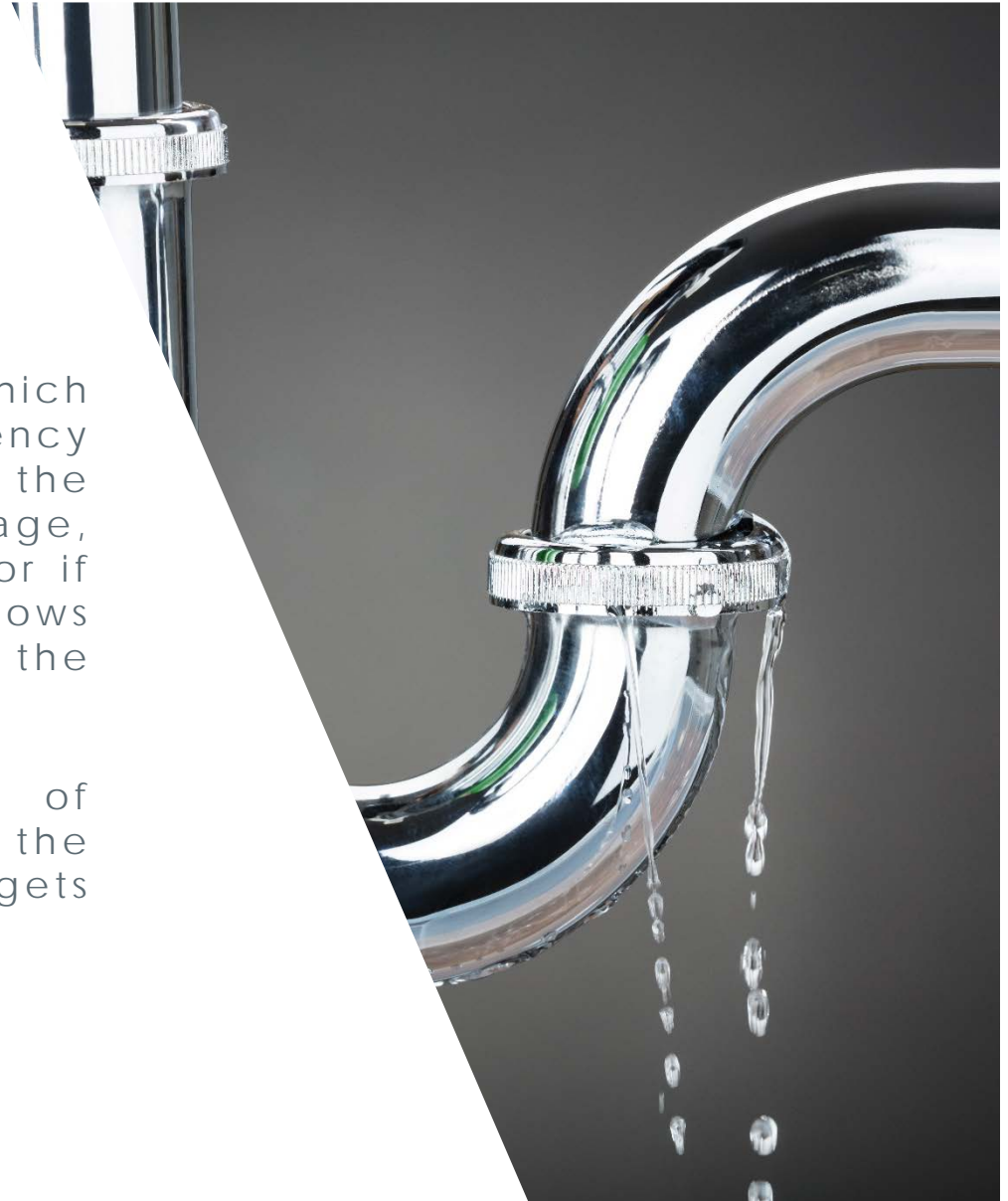
deliberately, for example, kicked in doors, smashed windows, graffiti on the property walls or broken fixtures and fittings.

There are some very important distinctions when it comes to Malicious Damage insurance for landlords. Some policies will only cover for **damage caused by third parties** who are not legally allowed to occupy the property. Others will cover malicious **damage caused by the tenants**, who are legally entitled to be there, so it's worth checking.

## Home Emergency

This is a handy cover option, which usually provides 24-hour emergency assistance for landlords if the property's plumbing, drainage, heating or power supply fails, or if damage to your doors or windows compromises the security of the property.

It can also cover the cost of alternative accommodation for the tenants while the problem gets resolved.



## **Insuring more than one property**

If a landlord has more than one property or intends to invest in more in buy-to-let properties, it's worth asking whether a property can be added to the policy as and when the need arises, or if a separate policy will be required.

This can be very helpful from an administrative perspective as, if additional properties can be added to an existing policy, it means a landlord always has just one renewal date.





For more information on Home or Landlord Insurance contact our Broker Support Team.

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