

# Guide to Holiday Home Insurance

Letting your holiday home commercially has many benefits, however as with running any business it isn't without risk. It is therefore important to get the right **holiday home insurance** cover. Many holiday home owners may unwittingly be relying on normal home insurance cover or even more disconcerting have no cover at all.

Insurance brokers like **Boshers** of [www.boshers.co.uk](http://www.boshers.co.uk) understand the demands and needs of owners of **commercially let UK holiday homes** and have negotiated a specialist holiday home insurance policy with a leading insurer.

Mark Lavington, a Director of Boshers Ltd, suggests, "If you let out your holiday home, you should ensure that the insurer is aware; and that you do not fall foul of restricted cover when the property is not let. Look out for a policy providing cover in each of the following key areas:



## ✓ *Property Owners Liability*

Without question the holiday home owner should be concerned about the substantial risks posed by third party liabilities. In this litigious society anyone who owns a business can all too easily find themselves on the wrong side of a compensation claim that can **seriously damage their wealth**. Make sure that your Holiday Home Insurance policy includes **Property Owners Liability** of at least £3,000,000 of cover. It is vital that you are covered in this way for injury to individuals, such as your tenants, visitors or guests and damage to their property. Most, if not all, holiday letting agencies will stipulate in their terms of business that you have this cover in place in order that they will act for you. If you manage the property yourself it is equally important that you have liability cover. However, that said, cover is no substitute for **good risk management**. It is therefore imperative that a full **risk assessment** of your holiday home and its garden is carried out and relevant safety legislation adhered to.

## ✓ *Employers Liability*

As an owner of a UK holiday let you might think that Employer's Liability is unnecessary. However consider this; in the course of managing your holiday letting business you will more than likely employ, even if only on a casual basis, a cleaner, a gardener, a handyman, a painter and decorator, to name but a few. Therefore a quality holiday home insurance contract should provide Employer's Liability of £10,000,000 to cover death or injury claims in relation to anyone that you employ at your property.

## ✓ *Buildings Insurance*

You should not overlook the investment property itself - it is likely to be one of your major assets. To properly protect your holiday home property, you need to cover the buildings of your holiday home against all insurable risks for the full reinstatement cost, including any garages or outbuildings; fixtures and fittings; patios and driveways; garden walls, fences and swimming pools. You must not forget that you also need to include the cost of clearing the site in the event of complete destruction and the associated legal, architect and surveyor fees.

Most insurers will index link the buildings sum insured so that you maintain an accurate insurance value over time, but of course this is dependent on you getting the right value in the first place.

It's important to remember to get permission from your mortgage lender, your insurer and your landlord (in the case of a leasehold property) before you let your property for short-term holidays. This is very important as your insurance could be invalidated if you fail to do this.

Although your buildings policy usually includes theft or attempted theft; and damage by fire, lightning, explosion, earthquake, storm and flood; subsidence, heave and landslip; escape of water or oil, vehicle and animal impact; aircraft and malicious damage; a quality Holiday Home Insurance policy should not restrict cover whilst the Holiday Home is let and will also extend to cover **accidental damage**.

## ✓ *Contents Insurance*

The very nature of a holiday home is that it is a 'home from home' and therefore let on a fully furnished basis. In the past it was not unusual for the value of a typical holiday home contents to be relatively meager. Latterly as people's expectations have risen, as has competition within the holiday home market, it has become the norm rather than the exception that an owner spends tens of thousands of pounds furnishing their holiday home. LCD and Plasma TV screens, surround sound home entertainment systems, hot tubs and expensive garden furniture are becoming increasingly common. A policy that includes full accidental damage cover on a new for old basis will provide you with the peace of mind that your property is protected. The sum insured should be adequate to cover the replacement value of the contents in total.

It is advisable for owners to complete an inventory of contents together with photographic evidence and schedule of values in the event of a total loss. A tip for photographing your audiovisual electrical equipment is to also take a shot of the serial number, which can aid identification and recovery in the event of theft.

## ✓ *Loss Of Rental Income*

Your specialist **Holiday Home Insurance** policy should also provide **loss of rental income cover** for insured perils, which consequently render the holiday home uninhabitable. It may take up to two years to rebuild a property leveled by fire; you should therefore check that you are covered for sufficient loss of rental income for this period. After all, if you have a mortgage to pay or if you are relying on the income from your holiday home business to live on, loss of rental income cover will be invaluable.

Ensure you have a good understanding of your policy cover and in particular you understand your obligations regarding any warranties. You or an agent may need to inspect your property every 14 days whilst empty; or ensure that a minimum temperature is maintained during cold spells if the water is not turned off and drained. These are not only sensible procedures to reduce the risk of the potential for damage to your property but may also affect your ability to make a claim if not adhered to. Do check that you are still fully covered even if your property is vacant for long periods; some policies will reduce cover to a minimum or even exclude certain covers completely.

If your holiday letting is seasonal, you may have considered letting the property on a short hold tenancy agreement for six months. If this is your intention be sure to check that your Holiday Home Insurance policy allows for this.

For your own peace of mind check that your policy covers all of the above and remember that you only find out how good your broker and insurers are when you make a claim - so make sure that price is not your only deciding factor when selecting holiday home insurance. Compromising on cover to save money when insuring your holiday home is not an option - you wouldn't take unnecessary risks, would you?"

Boshers are Independent Insurance Intermediaries and have been arranging specialist holiday home insurance for owners of commercially let UK holiday homes since 1990. For further information and quotes visit [www.boshers.co.uk/holiday-home-insurance](http://www.boshers.co.uk/holiday-home-insurance) or contact them on 01237 429444.



**Holiday Home Insurance**  
Tailored policies for UK holiday lets

Quote and advice line:  
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This guide is intended for information purposes only. It has been written specifically

1. are not a main residence
2. are available for let throughout the year for short term holidays, when not being occupied by the owner for their own vacation use

Whilst some insurance considerations may be similar for:

- pure second homes for use by family and friends only,
- buy to let properties let permanently on a short hold tenancy, or
- main residences that are let temporarily for short term holidays

other factors not covered in this guide will apply and some areas of cover may be more restrictive or excluded altogether.

The content of this guide should not be relied upon as advice for individual circumstances. For advice on your personal insurance arrangements speak to professional advisers such as:

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