

**A GUIDE TO**

UNDERSTANDING  
COMMERCIAL LET  
PROPERTY  
INSURANCE

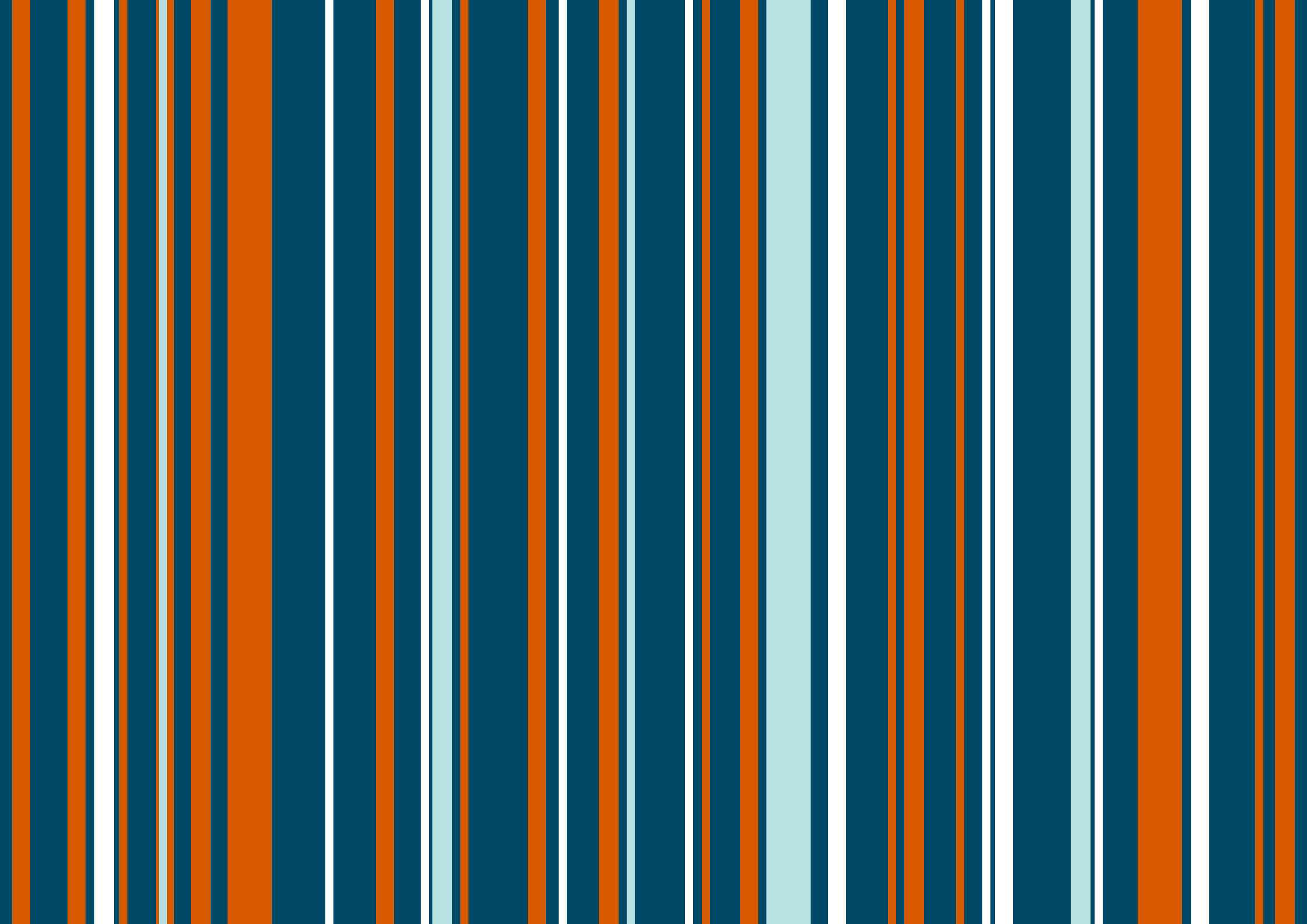
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# UNDERSTANDING "COMMERCIAL LET PROPERTY" INSURANCE

To help understand the Commercial Let Property Insurance product offer, we have put together this simple guide to the covers available, what they are and why a business owner or landlord would require them.



# WHAT IS COMMERCIAL LET PROPERTY INSURANCE?



# OVERVIEW OF COMMERCIAL LET PROPERTY INSURANCE

Property Insurance policy designed to cater for landlords who rent commercial property to businesses, similar to BTL portfolio you can create a portfolio of properties under one easy to control policy, giving you a choice & flexibility from a panel of leading insurers. Some of our insurers also allow for mixed portfolio's of residential and commercial property.

## KEY POINTS OF COVER

- ✓ Quote online, with our team or refer your client
- ✓ Buildings cover, with options to include landlord contents, Loss of Rent & Alternative Accommodation, Legal Expenses and much more.
- ✓ Caters for industrial units, office blocks, retail units with flats above and much more
- ✓ Non standard options available
- ✓ Blocks of Flats

## **BUILDINGS INSURANCE**

Buildings Insurance covers exactly as it sounds, the physical property itself. It protects against Fire, Subsidence, Storm damage, and a range of other Insured Perils. Cover should be given for the reinstatement cost, not the sale value.

## **LANDLORD CONTENTS**

This section would insure the Landlords own contents of the let portions of the property against fire, theft, water damage and a range of insured perils. For example in a furnished let.

## **COMMUNAL CONTENTS**

Similar to Landlord Contents, however this covers the contents in the communal areas of a property that are shared between the different tenants. For example in a block of flats, any contents in the corridors and hallways.

## **LOSS OF RENT**

Following a claim and the property becoming inhabitable, the Insurers will protect the rent due from tenants until it is able to be let again. This is one of the most important aspects of a Landlord Insurance policy and is automatically included in the majority of Insurers' products.

## **ALTERNATIVE ACCOMMODATION**

In a similar way that the Loss of Rent section protects against lost rental income, this section provides cover to place tenants in an alternative accommodation, i.e. another let property or a B&B. Again, this is a very important section as the costs can get very high if the property is inhabitable for a while, especially in areas such as London. It is automatically covered by the majority of Insurers.

## **RENT GUARANTEE**

Rent Guarantee provides cover for any missed rental payments during the tenancy. I.E if the tenant defaults on their monthly payments, the Landlord would still receive the money. The cover will require tenant referencing to have been done prior to the tenancy, as well as credit checks and a rental record kept up to date. Landlords will also have to follow the policy requirements in terms of notice and evictions steps. Legal Expenses will provide assistance in eviction and advice, and is often an integral part of the Rent Guarantee product.



## **PROPERTY OWNER LIABILITY**

A standard aspect of any landlord Insurance is the Property Owners Liability section, which covers against Third Party Bodily Injury and Property Damage. This cover, usually £2m but available at £5m too, protects against claims against the landlord for negligence that led to an accident. For example a tenants trips on the stairs that are in a poor state of repair.

## **EMPLOYER LIABILITY**

This would cover, at the legally required £10m, claims from employees for bodily injury or property damage during their work for a landlord. This would only cover directly employed workers, i.e. a cleaner who works on a salary. It would not cover a building firms workers that have acted on a contract with the landlord and who invoice for their work.

## **LEGAL EXPENSES**

A cover that is not always automatically included, but that is strongly recommended is Legal Cover. This can provide advice and cover for the expenses involved in taking or defending against legal action in the course of letting a property. For example a problem tenant that has stopped paying and is refusing to leave the property. Legal Expenses policies will give much needed advice, and most importantly cover for the expenses.

## **DIRECTORS & OFFICERS INSURANCE**

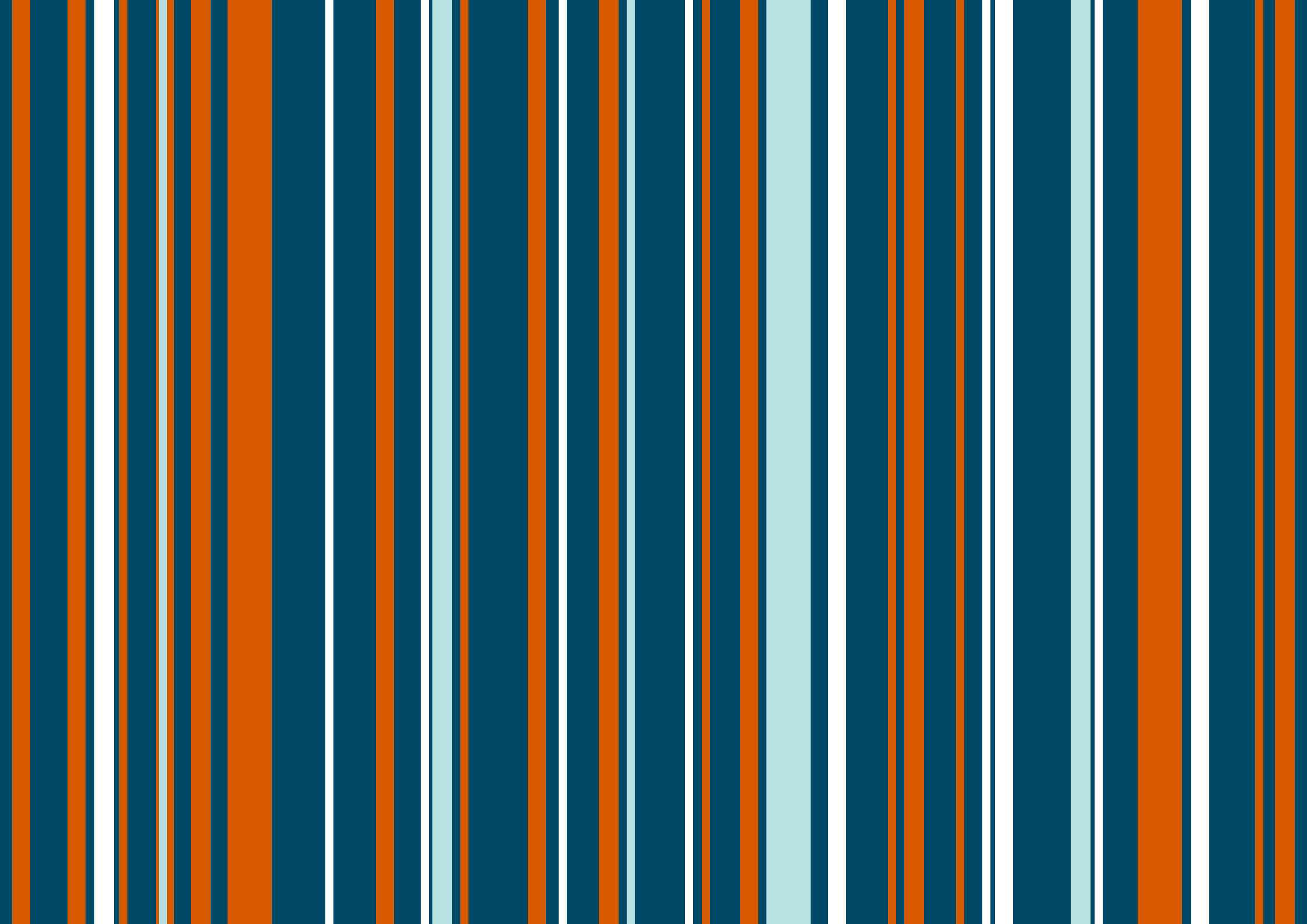
For Limited Companies and Management Companies etc, this product covers the cost of compensation claims made against the Directors and Officers of a company for alleged wrongful acts. These wrongful acts include; Breach of Trust, Breach of Duty, neglect, error, misleading statements, and wrongful trading.

## **TERRORISM COVER**

Terrorism cover gives Insurance cover against the Buildings, Contents & Rent of the policy, for acts of terrorism which is excluded as standard on ALL UK Insurance policies. It is only available in England, Scotland & Wales. It is recommended for those properties that are in areas that have a higher risk of terrorism.

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