

# Fire and Perils Insurance



Fires do not discriminate—no matter your business' size, industry or location, the threat of a fire still looms. It only takes a few seconds and a few ingredients for a fire to ignite—and another instant for that fire to engulf your business and everything with it.

You cannot completely eliminate the possibility of fires; no matter what fire prevention strategies you invest in, the threat will persist. What you *can* do is bolster your fire prevention strategies and protect the longevity of your business by purchasing robust fire and perils cover as part of your commercial property insurance policy.

## The Cover

Fire and perils insurance is a standard and popular policy for business owners. The typical fire policy provides cover in the event of loss, destruction or damage to property caused by the following three perils:

1. Fire: typically excludes damage from an earthquake or subterranean fire, and damage from spontaneous fermentation or heating
2. Lightning
3. Explosion: typically restricts cover to damage caused by explosion of boilers or gas used for domestic purposes only

Individual policies may vary, and you may be able to negotiate extended fire cover with your insurer, but this scope of fire cover is the generally accepted baseline.

## The Extensions

While the 'fire' part of your fire and perils policy is standard for most insurers, the 'perils' part of your policy is much more bespoke—it encompasses a wide variety of risks that your insurer is willing to insure. Some insurers will let you pick and choose which extensions you want, but it is increasingly common for insurers to issue policies covering fire and all of the special perils listed below.

- Explosions: some insurers will extend basic fire cover to protect against explosions, but still exclude damage caused by explosion of boilers or gas used for domestic purposes only
- Aircraft
- Riots and civil commotion
- Malicious damage and vandalism
- Earthquake
- Subterranean fire
- Spontaneous fermentation or heating

Provided by Crendon Insurance Brokers Limited

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- Storm and flood
- Escape of water
- Impact
- Sprinkler leakage
- Subsidence, heave and landslip

### The Exclusions

Although the list of available extensions is long, insurers do not offer a free-for-all when crafting your fire and perils policy. They still must exclude certain perils to keep their insurance products cost-effective. Fire and perils insurers may refuse to insure loss, destruction or damage caused by the following exclusions:

- War risks
- Radioactive contamination
- Terrorism
- Pollution or contamination
- Marine policies
- Consequential loss
- Sonic bangs
- Cyber-related risks

### Stamping out Your Fire Risk

Although you can never totally eradicate your fire risk, by purchasing a reliable and bespoke fire and perils policy you can be sure that your business can rise from the ashes of a devastating fire. Trust the insurance professionals at **Crendon Insurance Brokers** to find you a sturdy policy that gives you peace of mind and the tools to recover from whatever perils come your way.