

Protecting Unoccupied Property

In a time when redundancies and repossessions are widespread, your firm may be forced to manage unoccupied property. The insurance risks and liabilities associated with owning unoccupied property can be extensive, and to ensure you are adequately protected, it is important to know these risks. In addition to purchasing comprehensive insurance cover, there are numerous preventive strategies for maintaining unoccupied properties to reduce risk and liability.

Potential Risks

There are a host of risks and concerns associated with owning unoccupied property. Unoccupied buildings are an obvious target for theft, trespassing and vandalism. For example, the rising cost of copper has given rise to an increase in the theft of copper pipes from unoccupied properties. In addition to any loss or property damage that may occur, keep in mind that the owner of a property can be held liable for criminal activities or accidents that take place on the premises.

In addition, unoccupied properties are susceptible to undetected damages, such as fire, water damage, electrical explosions, wind or hail damage, and mould. Many of these incidents occur in unoccupied buildings due to small, undetected maintenance issues (where someone in an occupied building would have recognised and handled the problem before it caused a larger loss).

In certain facilities, there may also be environmental hazards that the owner needs to consider. Facilities that are used to store chemicals or other pollutants should ensure that such materials are removed or securely stored – the owner may be held liable for any hazardous materials that contaminate groundwater or other nearby natural resources. Also, underground fuel tanks present serious challenges and thus should be frequently and carefully inspected by professionals.

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Other Ways to Mitigate Risk

In addition to extending cover, there are some simple steps that owners of unoccupied property can take to limit their risk and liability.

- **Prevent vandalism.** Maintain an “occupied” appearance to the property – mow the lawn, have post forwarded or picked up regularly, and install light timers and/or a security system.
- **Limit liability.** Make sure property is free from significant hazards (broken railings or steps, broken windows, etc.) that could cause injuries to anyone on the property – this could

Provided by Credon Insurance Brokers Ltd

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include police officers, maintenance workers, fire fighters or even trespassers.

- **Avoid damage.** Performing regular maintenance on the property can decrease the odds of damage. Make sure the heating system and chimney are cleaned and inspected regularly. Have the plumbing system winterised to prevent frozen pipes. Periodically inspect roof, insulation, attic, basement, gutters, and other areas of the house for any necessary repairs, mould, damage or other problems. Consider installing smoke detectors that are tied to a centrally monitored fire alarm system so the fire service will be notified in case of an alarm. Remove all access material and combustibles from in and around the building.

Because of the increased risks and liability associated with an unoccupied property, these types of insurance tend to be costly – ranging from one and a half to five times the cost of a property insurance policy. It is important, though, to look beyond the price and consider the suitability and comprehensiveness of the cover being purchased.

For more information about unoccupied property insurance and other strategies to help protect your assets and mitigate loss, contact **Crendon Insurance Brokers** today on 0121 45 45 100.

Insuring Residential Properties

Most insurance companies include a clause that a home or buildings policy will be void if a home or building is left unoccupied for more than 30 or 60 days (depending on the policy). This leaves the property owner financially vulnerable for all the risks previously noted. However, many insurance companies do offer unoccupied property insurance (also known as unoccupied building insurance or unoccupied dwelling insurance).

Unoccupied Commercial Building Insurance

Unoccupied commercial buildings are more difficult to insure because they present greater risks, including increased chance of theft, malicious damage and burst pipes. It is important to disclose all relevant facts when seeking insurance, including the reason for the property's vacancy and a schedule of any works to be done on the property.



RISK INSIGHTS Property Management