

Read time: 6 mins

A guide to Let Property Insurance

A cross-selling opportunity for your business during the spike in buy-to-let activity.



BTL

Hello,

Life has become a bit harder for landlords over the past 18 months or so following the increase in stamp duty on buy-to let properties, the abolition of 'wear and tear' allowance for those letting furnished properties, and changes to the rules on how landlords can write off interest costs against income tax. While these measures led to speculation that Britain's buy-to-let boom will end, the fact is that many people still see property as a sound investment particularly at a time of low interest rates.

As we loom ever-closer to the two-year anniversary of the increased stamp duty surcharge, now is a better time than any to familiarise yourself with let-property insurance. It could be a cross-selling activity well worth your while. Let's explore the topic in greater detail...



Brian Coulton
Head of Source Intermediary

What is let property insurance?

Buy-to-let can pay off but it needs to be done properly. Whilst there are numerous things for landlords to consider, getting the right insurance in place should be near the top of their list. Without the right cover, unexpected events could leave the landlord seriously out of pocket. We've put together a quick guide to help intermediaries assist their landlord clients to fully protect their investment.

As a landlord it's imperative to have the right level of insurance in place to fully protect your investment. Trusting your tenants is one thing but having the procedures in place to protect yourself and your property if anything were to go wrong is another. It can be an expensive mistake with damning consequences.

Whilst everyday household insurance will cover the structure of the property, it will not cover many of the essentials for landlords such as loss of rent, buildings and contents insurance, legal expenses, home emergency cover and rent guarantee.



What does let property insurance cover?

Accidental Damage

Accidents happen in every home, and that's no different for tenants. We're all familiar with the dreaded red wine stain on cream carpets. Accidental damage is an element of cover that will pay to rectify damage. As it also protects the property's structure, floors and fittings it can provide valuable cover against things like water entering the property if the roof leaks.

Malicious Damage

No matter how rigorous the vetting process, landlords can find themselves with problem tenants who intentionally cause damage to their property. If they don't have cover for malicious damage inflicted by troublesome tenants, they will have to fork out for repairs and replacements themselves – something that could cost thousands if the damage is particularly bad.



Loss of Rent

Damage from flood or fire and the like can make a property uninhabitable. It would be unreasonable to expect a tenant to pay their rent if they're forced to move out. Loss of rent cover will cover the income lost by the landlord in such an event.

Rent guarantee

This is sometimes confused with but is very different to loss of rent insurance. Rent guarantee will cover loss of income if the tenant defaults on their rent payments. Even the most reliable tenant can find themselves short of cash if they fall ill unexpectedly or have an accident. In such instances, rent guarantee can prove invaluable to a landlord.

Unoccupied property

All landlords run the risk of their property being empty between rental periods or perhaps while renovations are carried out. Most insurers view a property as being unoccupied if no-one has lived there for 30 consecutive days meaning that the empty property is more vulnerable to risk due to burglaries, vandalism or weather-related damage. It's possible to extend cover with unoccupied property insurance to make sure it is still properly protected.

Did you know?
We can cover
LTD companies



10 reasons why let property insurance is worth your while

Failing to have the right insurance protection in place could lead to your landlord clients being out of pocket, inevitably jeopardising their investment altogether. Here's where you can play a significant part. We promise, there's lots in it for you too.

- 1 Getting the 'buy in' with one landlord can lead to repeat business as the landlord grows their portfolio.
- 2 A job well done for a landlord will encourage them to become your brand advocate, proposing your services to other associates.
- 3 BTL business is an excellent door opener to other personal products.
- 4 The market generally backs away from BTL business leaving the landlord to venture to the pitfalls of the Internet. Nothing beats genuine advice, so here's your chance to step in.
- 5 A portfolio is a great way of managing the entire book of your client.

- 6 The hardest steps with a portfolio are the first ones. Master that, organise the portfolio well and you'll be reaping the rewards each year at renewal.
- 7 A well-organised block policy will also make it easier as and when the landlord adds property to their estate.
- 8 If just 1 GI case can earn you roughly £100 per year in commission, imagine the benefits of selling to a multi property landlord. Several hundred pounds per year in commission. You're onto a winner!
- 9 Landlords have excellent contacts in financial services including letting agents. Make your business the go to business for all financial service needs
- 10 All landlord cases qualify for Source Rewards points which can later be exchanged for a variety of high street vouchers. Ka-ching!



Why choose Source for your let property insurance?

- ✓ Legal cover included as standard in each of our policies
- ✓ Rent Guarantee insurance available as an optional extra
- ✓ Home emergency cover from as little as £3.63 per month, offering your landlord clients' true peace of mind.
- ✓ Contents cover included as standard in selected policies*
- ✓ Loss of rent included on all buildings cover policies.
- ✓ Cover for unoccupied properties for up to 60 days from inception.
- ✓ Cover available for let properties undergoing renovation.
- ✓ Cover for malicious damage by tenants automatically included in selected policies*
- ✓ Cover options available for properties with up to 9 bedrooms.
- ✓ Competitive rates across all of our products.

*Selected insurers only

Non-standard risks we can cover

Unoccupied properties

Properties under renovation

Non-standard construction

Flat roofs

Listed buildings

Previous bankruptcy/CCJs/IVAs

Previous convictions

Holiday Homes

Multi-tenure

Limited companies

DSS lets

Student lets

Asylum seekers



Want to know about our let property offering?

Call our team today on
02920 265 265 or visit
www.thesource.co.uk

