



A HOME AWAY FROM HOME

All You Need To Know About Insuring
UK Holiday Homes & Lets



Hello,

Let's talk about holiday homes...



Quick Fact: 495,000 people own second homes in the UK. Uses include holiday homes, holiday lets, rentals and working away from home.

Ministry of Housing, Communities & Local Government

Over the past few years, staycations have grown in popularity and the UK holiday let market is booming. New technology has also made it easier for everyday people to let their property while it's not in use. If you are considering renting your home out to generate additional revenue, read this guide first to ensure you're adequately covered.

UK Holiday Homes

Why do I need specific holiday home insurance?

Although a holiday home may look and feel like a regular residential property, the way it is occupied and cared for means that there are additional challenges when it comes to insuring it.

Why are holiday homes a significant concern for insurers?

One factor of concern for insurers relates to unoccupancy and the associated increased risks of weather-related events and burglary. Standard home insurance will not generally payout if the property is empty for more than 30 days a year, nor will it cover any rental periods. As a result, specialist holiday home insurance is required, and cover can vary from insurer to insurer.



What type of cover is available?

Buildings Insurance

Buildings insurance relates to the external structure of the property and would cover damage caused by a disaster such as a flood or fire. Demolition and rebuilding costs, site clearance and architects' fees need to be considered in the amount of cover required.

Contents Insurance

Contents insurance would cover the furnishings inside the holiday home, such as TVs, sofas and appliances. Consider the costs of buying all items as new when selecting the value of your contents.

Note: There are potential limitations to the cover for both insurances, so we advise you to check your policy wording carefully.

How can I avoid underinsuring my holiday home?

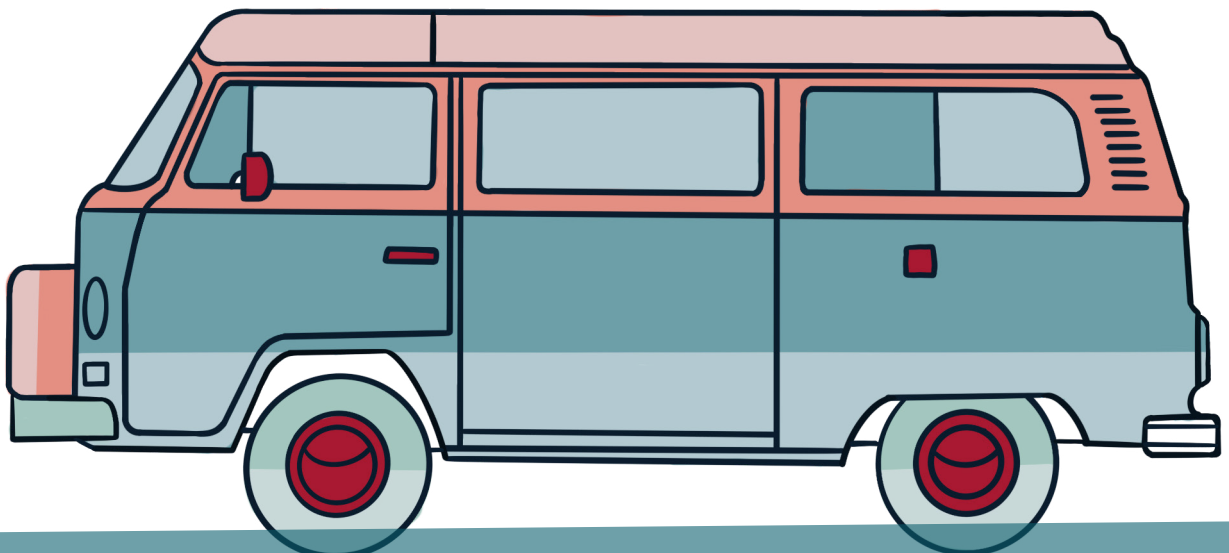
The sum insured is the maximum amount the insurer will payout, should the worst happen. So it's vital to have sufficient cover for the total cost of rebuilding a property, which is very different to its market value, and calculating the rebuild of a holiday home can be tricky.

How do I calculate the total rebuild cost of my holiday home?

It can be worth getting a professional surveyor to prepare a rebuild cost assessment. However, inclusive with the Source platform is a RICS valuation calculator that provides a mid-range estimate of the total sum insured. Your broker can assist with using this calculator. We strongly advise you to check the Buildings Sum Insured is sufficient and a fair representation of the total rebuild cost of the property, including all internal and external features, fixtures and fittings.

Pen
underwriting


Sentinel



UK Holiday Lets

What about insurance for a holiday let?

Following the global lockdown and restrictions on travelling, 'staycations' are becoming a practical and affordable way of holidaying closer to home, with many people opting for a getaway in the UK.

This surge certainly drives the appeal for renting out a holiday home to secure extra income. As a landlord, you will need to ensure that your holiday let covers additional risks such as loss of rental income and public liability insurance.



Quick fact: There were over 147 million overnight stays in the UK by British holidaymakers, in 2019.
VisitBritain 2019 Annual Report

What is public liability insurance?

When a holiday home is let out, it requires adequate public liability insurance. Whether an accident results in a few cuts and bruises or more severe injuries, this cover keeps you - the homeowner - protected against legal costs and any compensation payments that may occur. This aspect of cover is included as standard in Source holiday let policies.

What is loss of rental income?

Suppose a property is made uninhabitable by fire, flood or storm damage. In that case, any resulting loss of income could be catastrophic to the owner – particularly if it impacts peak periods such as the summer months. This additional cover can provide a lifeline, ensuring you don't lose out on the rental income you would otherwise have earned.

Let property insurers



UK Staycations

1

Lake District

In the shadow of England's largest mountain, Scafell Pike, is the crowning jewel of the English countryside, the Lake District. Mountains, lakes and pure unaltered countryside are just some of the idyllic scenery the national park area has to offer. This is fast becoming an area with properties in high demand due to the easy access to amenities, as well as the opportunity for ultimate relaxation.

2

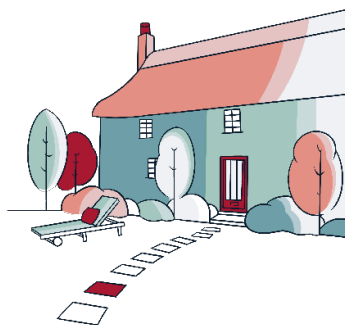
Cardigan bay

Host to a range of charming coastal towns and villages. Famous for its brightly painted town houses that line the coast, stunning castles and beautiful beaches. More recently it has become known as a foodie delight, including Aberaeron's infamous honey ice-cream at The Hive and the winner of the Best Restaurant in Wales 2019 – Cellar Restaurant and Bar.

3

Fort William

Located in the West Highlands of Scotland, in the surrounding areas of Britain's highest mountain, Ben Nevis. Explore the mountains, lochs, rivers and beaches of the Lochaber Geopark. Take a ride on the Jacobites Steam Train or catch a thrilling game of Shinty – one of the oldest sports in Scotland's history. Visit Ben Nevis itself, or the famous distillery at the foot of the mountain.



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