Providing tailored protection for commercial and residential properties

tmd insurance group

Chartered Insurance Brokers

OUR SERVICES

Property owners insurance

TMD has been arranging bespoke insurance solutions for property owners for many years, including buy-to-let landlords, owners of commercial, residential, and mixed-use properties, and large property portfolios. It has an in-depth understanding of the complexities of the property insurance market.

To ensure we protect your assets and deliver insurance cover that is tailored to your specific requirements, we work with trusted property insurance providers to source the solution that best meets your needs.

Relevant covers

As required, we can provide any of the following covers, packaged in one neat policy:

- **Accidental damage:** protecting your property against one-off, unexpected incidents, such as spillages or breakages, covering the cost of repairing or replacing items.
- **Buy to let:** this is a form of Landlord's insurance, protecting you against the risks associated with letting a property. In a single insurance package, covers include Property Owner's Liability, Buildings, alternative accommodation for tenants, and loss of rent.
- **Buildings:** commercial property insurance for your premises, protecting the physical structures from fire, lightning, explosion, subsidence/heave/landslip, malicious damage/vandalism, impact (vehicles/aircraft etc) flood, storms and damage.
- **Engineering insurance** covers plant and machinery, passenger and service lifts, air-conditioning units, hot water and heating supplies, electrical installations, and standby generator equipment.
- **Landlord's contents:** essential for landlords, particularly if the property is fully rented or part-furnished, typically covers carpets, furniture and electrical items against theft, loss and damage.
- **Trace & Access Cover:** covers the cost of locating and accessing hidden leaks or burst pipes before they cause costly damage.

→ **Property Owners' Liability:** provides cover if a third party has suffered damage, loss, injury, or illness while on or linked to your premises. With rising pollution incidents, there's also the option for Statutory Clean Up Costs cover, including legionella.

→ **Employers' Liability:** if you employ one or more people, you must, by law have Employers' Liability insurance providing financial protection against claims by employees for injury or illness that have occurred as a result of your business activities.

→ **Loss of rental income:** covering income you have lost due to tenants moving out and no longer paying rent due to an insured loss.

→ **Overseas property:** tailored insurance for your overseas property, whether a city apartment, ski lodge, beach house or otherwise, protecting you against all insurable risks while you are there, away or renting the property out to others.

→ **Legal expenses:** covering the cost of defending against potential legal action brought against your business. Disputes may include employment issues, criminal prosecution, debt recovery, contract matters and tax concerns. Evictions, rent recovery, property disputes (eg boundary or planning) are all available as extensions.

→ **Terrorism Cover:** providing protection against property damage and business interruption caused by acts of terrorism - essential for properties in high-risk urban areas.

New trends and risks

Whether you have residential, commercial, or mixed-use properties, it's important to be aware of the changing landscape and emerging risks, including underinsurance, increased rebuild costs, fire and flood, to name but a few.

Underinsurance

The golden rule is: ‘Focus on the cover rather than the premium’

Underinsurance is a growing problem, and it’s estimated that around 77%* of UK properties could be underinsured. This potentially affects property owners more than other business sectors, as contractual conditions under the lease require the building to be fully reinstated, irrespective of the claims settlement.

Property owners may be unwittingly underinsured, unaware that construction and materials costs have increased significantly, or alternatively, be looking to manage costs by reducing the premium. Whatever the reason, if your property is underinsured, you could risk significant financial loss in the event of reinstatement - impacting both your own and, potentially, your tenant’s business.

For this reason, it’s vitally important to employ the services of a qualified RICS-member surveyor every 3 – 5 years to accurately assess the property’s rebuild cost and ensure adequate insurance is in place.

*Source: Barrett Corp & Harrington surveys 2008 – 9

The average clause

Under the average clause, if you are underinsured, the insurer can reduce the amount of the claim by the same proportion.

For example, if your property is insured for reinstatement at £1.8m, but the insurer says the rebuild cost is £2m, that's a 10% shortfall, and the insurer could reduce any claim by 10%. You would have to cover the shortfall yourself and may also run the risk of invalidating your insurance.

Some insurers are now including a 'waiver of average' for buildings valued within the last three years by an RICS-member surveyor.

In today's economic climate, with high inflation and increased costs, the rebuild cost of your property may now be significantly higher than its market value!

The difference between market value and reinstatement cost

This is one of the most common discrepancies. The market value is the amount your property would sell for in the current market, while the rebuild cost refers to the cost of rebuilding your property from the ground up in the event of a disaster, such as fire or flood, and may include such costs as the demolition of the existing building, clearance of the ground, labour and materials.

Calculating rebuild cost

When calculating rebuild costs, you will need to consider factors such as the size and type of property, location, construction materials, labour, and estimated duration of the rebuild. Non-standard construction, such as a listed property, may have special architectural features, which could involve the use of specialist materials and skilled craftspeople to reinstate it to its original - or better - condition.

Advantages of ‘thinking green’

Local authorities are looking to reduce carbon emissions, and many are prioritising rebuild plans to follow a more environmentally friendly design, with improved thermal efficiency and on-site power generation. With insurers looking positively at those with a good business ethos and awareness of their environmental impact, many property owners are now choosing to reinstate their property more environmentally friendly following insured damage.

If you’re a property owner with a large portfolio, you can demonstrate your support for the environment by having a Corporate Social Responsibility (CSR) programme. This indicates you are responsible and proactive about managing risk and may well influence the underwriter’s view of risk - and, in turn, the premium. Also, organisations looking to lease a ‘green building’ may look more favourably on your property if it has more environmentally friendly credentials.

No rental property is occupied 100% of the time, and in tough economic times, unoccupancy is more likely. Squatting can affect all types of property, from luxury homes to unlet shops and warehouse units, and thieves are also a problem.

Unoccupied property

Whether visitors are there legally or illegally, the property owner has a duty of care to anybody on the property. So, if a squatter or thief breaks in and injures themselves, they can sue for injury or damage caused. Recent changes in law stipulate it's up to the property owner to show they have taken reasonable precautions to stop people trespassing. There's no single solution for preventing squatting, but insurance can safeguard a property owner's income streams against such events as illegal occupation and provide legal assistance to move them out. Cover can also be provided for fly-tipping.

As a property owner, it is essential to notify us immediately if your property becomes vacant or unoccupied. Many insurance policies impose specific conditions or restrictions on vacant properties, and failure to inform us could lead to reduced cover, higher excesses, or even claim denials. Insurers often require additional security measures for unoccupied properties, such as regular inspections, alarm systems, and utility management, to mitigate potential risks like vandalism, water damage, or squatters.

Solar panels

If you have installed solar panels on your property, it is essential to inform us to ensure they are adequately covered under your insurance policy. While solar panels offer significant benefits in energy efficiency and cost savings, they also introduce specific risks that insurers need to assess.

Key risks associated with solar panels:

- **Weather Damage** – Solar panels are vulnerable to storm damage, high winds, and hail, which can lead to costly repairs or replacements.
- **Fire Risk** – Poor installation, faulty wiring, or electrical faults in solar panels can increase the risk of fire. It is important to ensure panels are installed and maintained by accredited professionals.
- **Theft & Vandalism** – Solar panels can be targeted for theft, particularly in remote or unoccupied properties. Additional security measures, such as CCTV or anti-theft fixings, may be required.
- **Structural Integrity** – Installing solar panels adds weight to the roof, which may impact the structural integrity of the building. A professional assessment is recommended to ensure your property can safely support the installation.
- **Liability Issues** – If a panel becomes dislodged and causes injury or damage to third parties, liability cover may be required under your insurance policy.

The number of fire and safety audits is on the increase, which means landlords must carry out proper fire risk assessments, with the authorities determined to crack down on businesses that break laws. Fire safety legislation is increasingly concerned with blocks of flats, meaning residential landlords should carry out risk assessments as a priority. Commercial landlords must also understand their responsibilities, and landlords should ensure tenants are aware of the Fire Safety Order and cooperate in meeting the regulations.

We urge all property owners to review and comply with the security and fire conditions outlined in their insurance policies. Many insurers mandate specific protections, such as high-security locks, intruder alarms, smoke or fire alarms &/ or regular inspections & maintenance of the equipment by certified contractors. Non-compliance with these conditions could impact or totally negate your cover in the event of a claim.

Fire risk

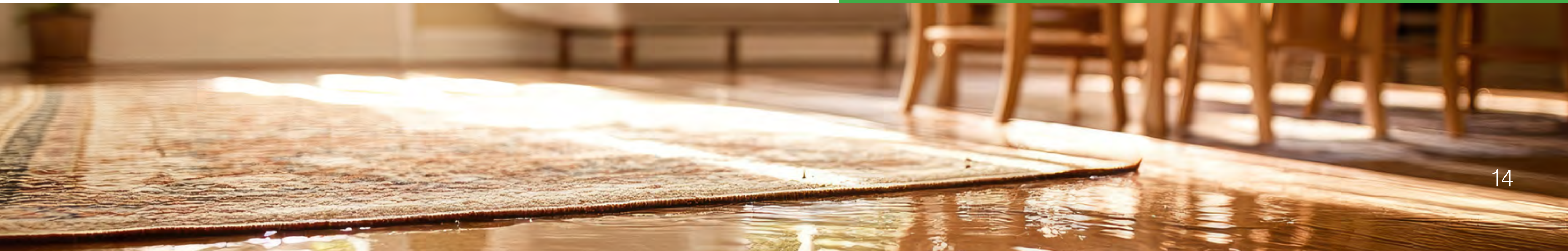
Flood damage

Recent floods have demonstrated the devastating effect that natural events can have on property, business and people's lives, and flooding is one of the biggest issues in insurance right now. With sophisticated mapping tools now available, it's important to look at a property's location, not just by a river, but also if it's susceptible to surface water flooding. In flood-risk areas, it's essential to have a flood-risk plan and take appropriate measures before flooding occurs, such as turning off utility supplies and relocating stock.

Following a flood, it's essential to allow water to escape and air to circulate by removing covers on air bricks and taking photographs of the damage. After the event, it's recommended you implement flood-resilient repair techniques to reduce future damage and disruption in the event of further flooding.

We work with FloodRe, a joint initiative between the Government and insurers, created to provide affordable flood insurance for Property Owners at the highest risk of flooding. With some insurers charging higher insurance premiums for homes that are likely to flood, FloodRe can help by providing flood cover that is more widely available and affordable.

For further details visit www.floodplanuk.org



To ensure you have the right level of protection, we encourage all property owners to assess their potential loss of income and select an indemnity period that reflects realistic reinstatement timescales.

Business interruption (BI)

BI insurance is crucial for property owners who rely on rental income, as it covers lost rent the event of an insured event, such as fire or flood, rendering the property uninhabitable.

Residential Let Property Owners: We recommend a 24-month indemnity period as a minimum, ensuring sufficient time for property repairs and re-letting. However, for higher-value or specialist rental properties, a 36-month period may be more suitable.

Commercial Property Owners: The recommended indemnity period is a minimum of 24 months. However, we now encourage clients to consider 36 months, as commercial leases often involve more complex rebuilding processes, planning permissions, and tenant reinstatement timescales. If your property has specialist tenants or unique usage requirements, a longer indemnity period may be necessary.

Key extensions include:

Denial of Access (Non-Damage): Cover if access is restricted due to police/fire cordons, protests, or dangerous neighbouring properties.
Utility/Service Interruption: Covers losses from outages of essential services like electricity, gas, or water.

IMPORTANT EXCLUSION INFORMATION

Notifiable diseases & public health closure

In light of the COVID-19 pandemic, most UK commercial property and business interruption insurance policies now exclude cover for notifiable diseases and public health closures, unless specifically stated in your policy documents.

We understand that every property owner's needs are different. With access to leading insurers and niche providers, we can tailor cover to meet your specific requirements. All covers are provided in one policy with one renewal date. Should you need to make a claim, we provide a fully managed claims service and are committed to keeping you fully informed throughout and reaching a satisfactory and speedy settlement.

Your policy is unlikely to cover:

→ **Loss of rental income or business interruption** due to a notifiable disease (e.g. COVID-19, Legionella, Avian Flu).

→ **Closure or restriction of access** to your premises by a public authority following a disease outbreak.

→ **Costs related** to deep cleaning, disinfection, or enforced shutdowns under public health regulations.

This means your policy may not cover loss of rental income or business interruption caused by disease outbreaks (such as COVID-19 or Legionella), enforced closures by public authorities, or costs related to deep cleaning and disinfection. For businesses in vulnerable sectors - including hospitality, healthcare, education, care and food production - additional protection may be needed.

Cover may now be available through Parametric Insurance. This is an event-driven policy based on pre-agreed parameters. When a specific trigger occurs, such as a pandemic, terror-related disruption, cyber event, severe weather or widespread travel disruption, a fixed payout is made, without the need to prove loss. As a result, payments are processed quickly and claims are handled efficiently.

TMD - a name you can trust

Established in 1971 and merging with North London Insurance Group in 2006, TMD is today one of the largest independent insurance brokers in the country. Over the years, we've developed a reputation for the quality, reliability, and excellence of our service. We always go the extra mile for our clients and bring something different to the table in terms of cover and risk management.

We understand that every property owner's needs are different. With access to leading insurers and niche providers, we can tailor cover to meet your specific requirements. All covers are provided in one policy with one renewal date. Should you need to make a claim, we provide a fully managed claims service and are committed to keeping you fully informed throughout and reaching a satisfactory and speedy settlement.

Whatever aspect of property insurance you require, whether you are a residential or commercial landlord and whether you own a single property or large portfolio, our team is on hand to help. With a full appreciation of emerging risks, latest trends, new legislation and market changes, we can help to keep you protected and advise on the most suitable insurance solution for your needs.

If you have any questions or need to update us on your property status, please contact our team as soon as possible. We are here to ensure you remain fully protected.

Call our property team

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Our business is your protection

www.tmdinsurance.co.uk

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