

Any questions?
Moving overseas?

The Foreign and
Commonwealth Office
Foreign and Commonwealth
Office
FCO
TRAVEL
ADVICE

TAKE COVER...

Our guide to protecting your overseas home from the unexpected with the right insurance policy

WORDS ADRIAN HOLLIDAY PICTURES ISTOCK



Most overseas property owners are unlikely to have their property hit by lightning or wiped out by an earthquake. But it does happen. Just ask the residents of Abruzzo, the central Italian region devastated by an earthquake that killed almost 300 in early April this year. Tens of thousands were left homeless (some almost certainly without adequate building insurance cover) and many properties were razed to the ground.

Some British clients of insurance company Andrew Copeland International Limited were among those affected in Abruzzo, a beautiful mountainous area popular with buyers. Managing director Roy Thomas said: "It's been quite difficult as the loss adjusters weren't let in straight away because of the exclusion zones. The situation is made more difficult because of the nature of the buildings; many are pretty solid stone. One client has a huge crack on an internal load-bearing wall that we've got to replace, which will probably cost £40,000." Thomas says quite a few foreign companies don't provide insurance for earthquake damage – and many don't cover subsidence, either. "Some foreign companies may offer you insurance cover of up to £200,000. But in order to pay up they'll say you'll need a flood, a fire and a theft, all the same time."

British is better

The message from UK insurers we spoke to was that policies by foreign insurers for British owners of properties overseas are considerably inferior to policies from UK-based insurers. Yes, it sounds hugely biased, and a claim they are likely to make, but the UK insurance market is competitive and has a solid reputation for paying out promptly. "Cover from local markets is often quite cheap," says David Foster, director of Lark Insurance Broking Group, which specialises in buildings and personal overseas cover. "There's a vast variety of different wordings, depending on where you are, but UK protection is heavily regulated by the Financial Services Authority, which is duty-bound to point out onerous clauses. You've also got recourse to the Financial Ombudsman Service should you feel unhappy about the way your claim has been treated."

The issue of transparency is important – as are the myriad get-out clauses some overseas companies deploy. "If you're broken into abroad when you're in England, some policy small print may demand that you report the burglary within 24 hours of the burglary happening," says Foster. "In the case of storm damage, some policies will need you to actually prove that there was a storm on the date in

question." No such onerous conditions apply to most UK policies, he says. "We don't set these kinds of conditions. It's simply unrealistic."

Of course, if you are insured by a UK insurance company you're also likely to have expectations of basic standards of service and disclosure. "I own a flat in Paris and the policy for that renews every year," says Laurent Schonbach, an overseas insurance expert at Hiscox. "I don't get a cover letter every year about my level of cover, all I get is a bill. It's a very different culture. Most people from the UK would expect to know about better products or prices or services every year; culturally in Europe that's not really the case."

Lease in peace

Many people, of course, do let their properties out for a proportion of the year. However, some overseas-based

// The message from UK insurers we spoke to was that policies by foreign insurers for British owners of properties overseas are considerably inferior to policies from UK-based insurers **//**

ESSENTIALS

How much would insuring these two cost?



Four-bedroom stone-built house near Caulnes, France, valued at approximately €165K (£141K).

Cover offered: Home Building and Contents Insurance including occasional lets. Annual premium inc. tax: £411.78. Providing £147,043 building cover, £22,000 contents cover including accidental damage, £1,500 emergency travel cover, £5,000,000 liability cover, with £100 excess.

Quote supplied by Harrison Beaumont



Three-bedroom villa with pool in Menorca, valued at approximately €200K (£171K).

Cover offered: Overseas Holiday Home Building and Contents Insurance including occasional lets. Annual premium inc. tax: £425.59. Providing £170,000 building cover, £25,000 contents cover including accidental damage, £1,500 emergency travel cover, £5,000,000 liability cover, with £100 excess.

Quote supplied by Harrison Beaumont