

# Top tips on insuring your overseas home

Insuring your property may not be one of the most exciting parts of purchasing overseas, but ignore it at your peril. ROBIN WILLIAMS provides an invaluable guide to getting the best cover.

**With the decision to buy an overseas property made there are a number of things you will need to do, and obtaining the correct level of insurance to protect your dream must be one of your priorities. You wouldn't dream of leaving your property and possessions underinsured in the UK – so why take the risk with your property overseas?**

## Should I use a UK insurance company or insure with a local company?

Obviously one of the biggest issues to consider is the language, as you must understand your insurance policy. For example, if you have bought a property in Italy and do not have fluent Italian then it might be difficult to understand the level of cover provided by a policy sourced locally. This could prove frustrating and potentially costly if you don't actually have the cover you thought you signed up for. In this instance it may be better to use a UK-based insurer or broker so you receive documentation in English, understand the language, pay premiums and receive any payments in sterling.

Many local insurance policies tend to be cheaper than products offered by UK insurers. However tempting it is to try to save a few pounds, you should balance this by looking at the cover you are buying. UK insurers tend to offer wider cover and include useful extras like emergency travel cover – so if your property suffers damage, your costs for getting there to supervise repairs will be covered.

## How much should I insure for?

You should insure for the rebuilding cost of your property – this is often less than the market value of the property. You should take into consideration the cost of rebuilding all outbuildings, swimming pools, gates and fences, etc. Don't be tempted to cut corners and insure for less than the true value of rebuilding. If you have to make a claim then your insurer may not settle your claim in full if you

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haven't insured for the correct amount. A local builder or surveyor may be able to help you assess this, or if you had a survey undertaken when you purchased the property it may include an insurance valuation.

Condominium fees may include a charge for community buildings insurance but it is unlikely to extend to include fitted fixtures and fittings such as wardrobes, kitchen units or bathrooms – in this instance you will need to arrange cover separately.

If you own a pool check you have appropriate insurance. Most UK policies will include cover for swimming pools within the buildings cover; however, some Spanish policies, for example, exclude pools and outbuildings, so be alert. You should also be aware of local legislation. If you have a property with a pool in France, for example, by law you must have the pool fenced off with access via a gate; failing to comply may invalidate your insurance if you need to make a claim.

## How can I keep the insurance costs down?

Home insurance discounts overseas operate in much the same way as the UK: the higher the level of security, the greater the saving you can expect to make. The two most common ways of improving physical security are through the installation of a reputable alarm system and

protective bars over the windows.

It's also worth checking whether a higher excess on your policy will reduce your premium. Most policies have a standard excess of £50 or £100 – choosing a £200 excess may reduce the premium by as much as ten per cent

## What about letting my property?

Most property insurance policies will provide some level of cover if you plan to let, but check the details carefully, as some policies will only cover property let to friends or family, while others may not cover damage caused by tenants, or provide cover for valuable items if the property is commercially let.

Taking out contents insurance with accidental damage cover will give you peace of mind, and a rental agreement making tenants responsible for the first £50 of damage might encourage them to take more care with your possessions! Cover for loss of rent is particularly important if you are using rental income to contribute towards mortgage repayments, or if your property is operated on a commercial basis.

Alternative accommodation costs are also covered by a number of policies. So in the event the property is uninhabitable you or your guests can claim the cost of renting a similar home or a hotel stay. If an accident occurs to a guest or tenant then you may be sued – public liability cover within your building insurance policy will help protect you in this event.

So, just take a little time now to check the details of your policy against these pointers and you will be able to fully enjoy your dream, safe in the knowledge you've got it covered.

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Robin Williams is managing director of Harrison Beaumont Insurance Services Ltd, an insurance broker with a focus on the leisure-related market where it provides a number of specialist products.

+44 (0)870 127 1450  
[www.hbinsurance.co.uk](http://www.hbinsurance.co.uk)