

- 15 **Insurance Issues** - The requirement to properly insure most people's major possession against losses arising out of fire, flood and tempest as well as subsidence. Accessibility rights in relation to maintaining your property. What to do in the event that you suffer a major loss and the importance of minimising your loss and being able to demonstrate that you have done so.

The Property Doctor

...Are you at a loss?

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This article is intended to raise awareness of the importance of taking the right steps when responding to adversity. It may never happen...but what if it did. What would you do?

Most of us that own or occupy property hold some form of property insurance...The form of insurance to which we are referring is 'buildings' and not 'contents' insurance. It is not possible to be precise about what is, or is not, covered by the many policies available in the market place. However, in simple terms, buildings insurance is a figure set to represent the cost of re-building your home (allowing for demolition of the existing building) in the event of total loss. This value can, on occasion, require specific consideration as some forms of construction fall out-with 'normal' building cost indexes. The assessed value is definitely not the same as the property value and could in theory be significantly lower or higher than the purchase price! The fire insurance valuation, as it is referred to, normally includes permanent fixtures such as kitchens and bathrooms but will likely exclude other bolt on fittings and white goods unless these are fully integrated. The most important point is to ensure that you are adequately covered. If not, any subsequent claim may be jeopardised. The shortfall in any insurance valuation is normally viewed on a pro-rata basis when compared against the cost of the remedial works.

However, when it comes to the causes of disaster in the home, we perhaps most often think of fire, flood and tempest. But perhaps we also ought to bear in mind insurance claims can be necessary in cases of subsidence (settlement) or for that matter rot.

So what should you do if the worst does happen? In some instances you may have to respond to a disaster before you have time to make a claim. The chances are, to initiate a claim, that you will either have to contact your insurer to ask for a form to be sent to you, or at least initiate the process by registering your claim by telephone. If the damage is significant and requires you to react rather than initiate the claim what should you do? First and foremost, minimise your loss. This is of principal importance. The insurer will likely question any failure on your part to limit your claim. For instance, if a fire, flood or storm causes damage to your property, you should as quickly as possible arrange for temporary works to stop the problem from becoming worse, thus reducing the potential of further damage. Minimising your loss should not involve putting your life at risk attempting e.g. to put out a fire. Instead it requires you to act in the best interest of your insurer.

As already intimated, not all claims arise out of a disaster. Rot or subsidence claims will arise over time and may be the result of a series of events. If you suspect a problem, the first thing to do is to put your insurer on notice, assuming of course the problem is visible. Even before this stage if unsure, take advice from Bruce Shaw or other professional. Obtain a report based on an inspection of the available evidence. Armed with that evidence you might then be better

able to inform your insurer and start the claims process. Be aware that not all subsidence claims and rot claims are successful. For instance, if the property has not been properly maintained then rot as a claim may not be admissible. However, rot arising out of an inherent defect or plumbing failure may sometimes be successful. This can, on occasion, appear to be as much down to individual policies as the individual dealing with the matter.

The insurer will likely appoint a loss adjuster/assessor to review the claim. This process will on most occasions involve a site inspection and their reporting back to the Insurer of any findings. The adjuster/assessor may take charge of the works and instigate repairs using 'in-house' resources or may agree to appoint the owners representative or agent. In any event, someone will end up taking responsibility for the restoration works. From your perspective you will want to know that these works are undertaken professionally and to requisite standards. On occasion, you may wish to appoint an independent party to act on your behalf in negotiating the claim or monitoring the works during their instigation. We at Bruce Shaw are familiar with the process and can advise, if so required.

During the works you may have to put up with considerable disruption unless of course the problem is so bad that you are relocated elsewhere for their duration. Either way inconvenience highly likely. One other point to note is the importance of documenting the entire process from day one. If the situation would benefit from photographic or video capture then make the most of these forms of record as pictorial evidence can prove very helpful later on in explaining what has happened. Consider using current newspapers or similar documents in the pictures to help date the event.

If you have any queries, or need to consult the Property Doctor please contact either Colin Bruce or Brian Shaw on 01383 824450 or by mobile (24 hours) on 07900 913975, Bruce Shaw Property Consultants Limited, 6 Forth Reach, Dalgety Bay, Fife KY11 9FF or visit us on-line at www.bruce-shaw.co.uk.