



LOSS OF RENT & ALTERNATIVE ACCOMMODATION

The policy coverage varies depending on the type of property insured.

RESIDENTIAL PROPERTY

This refers to cover in the event that your leasehold/let premises cannot be lived in, or access to it is denied as a result of loss, destruction or damage insured under the Property Damage Section.

The standard cover is usually limited to 30% of the Building Declared Value and consists of:

- ◆ Loss of rent (including ground rent and management charges) **OR**
- ◆ Reasonable alternative accommodation for owners or lessees, including the temporary re-housing of cats and dogs belonging to any owner or lessee in a cattery or kennels
- ◆ Temporary storage of your furniture

COMMERCIAL PROPERTY

The intention is to indemnify the insured for the reduction in rent suffered during the indemnity period as a result of damage at the insured property, taking into account the effects of any rent reviews during that period.

The rental sum insured is based on the passing rent on the first day of each insurance, then multiplied by the indemnity period required.

The indemnity period is defined in the policy as the “maximum period from the date for which the Company shall be liable to pay any loss”.

As a general rule, the indemnity period should be the higher of:

- ◆ the period mentioned in the rent cessation clause **OR**
- ◆ the time it would take to demolish and rebuild the property if it was totally destroyed allowing for planning, tendering and actual reconstruction; plus the time it would take to beyond completion of repairs to find a new tenant if the original was able to determine the lease

Insurers will not pay for alternative accommodation costs for a property occupied by commercial tenants.