
UNDERWRITING AUTHORITY GUIDE.

Landlords insurance

This is not a consumer advertisement. It is intended for professional insurance intermediaries and should not be relied upon by private customers.



These pages provide underwriting information and outline your authority for the acceptance of Landlords insurance.

- The requirements outlined in this guide must be met.
- A completed and acceptable proposal must be obtained before granting cover.
- If the proposal falls outside this underwriting authority, you must refer the risk to our new business support team on 0370 900 8829 without cover being issued. Call charges will vary. Calls may be recorded and monitored.
- If cover is required for a) six or more properties in the same block or the same postcode, and/or b) five or more properties that are unoccupied, details must be referred to the Birmingham office.
- There is a maximum of ten properties on a new business policy submission. However, additional properties may be added to an existing policy up to a maximum of 25 on any one policy.
- Risks where the occupation of any of the applicants is a property developer or where the property is let to a company must be referred.
- The completed application and all relevant documents must be sent to us at our Birmingham office within ten days of the issue of cover.

Acceptance criteria

- Cover is available for up to ten private dwellings let solely for private residential purposes, which are:
 - a) owned by the applicant(s);
 - b) situated in the United Kingdom;
 - c) of standard construction, with walls of brick, stone, concrete or brick/timber frame post 1960, and roofs of slate, tile, concrete, asphalt or metal;
 - d) not a block of flats;
 - e) in a sound state of repair and will be so maintained;
 - f) not undergoing any renovation or construction work;
 - g) currently occupied or will be occupied within 90 days of the start date of the cover;
 - h) let on an assured shorthold tenancy under a written single tenancy agreement between the applicant(s) and the individual tenant(s) who will occupy the property, duly signed by all parties;
 - i) not let to the Department for Work and Pensions (DWP) or used for multiple lets;
 - j) not let to Local Authorities or Housing Associations or to tenants who are government referrals, asylum seekers or refugees, or used as holiday lets.Properties (including their outbuildings) must not in the last 15 years, have been:
 - k) affected by flood; or
 - l) affected by subsidence, heave, landslip or structural movement; or
 - m) underpinned or provided with any other structural support.

Previous losses

Your client needs to confirm the following statements are true:

If insuring **one, two** or **three** properties:

Neither you nor anyone else applying for this insurance has had:

- More than one claim or loss (whether insured or not) within the last 12 months in respect of each property to be insured; and
- More than two claims or losses (whether insured or not) within the last three years in respect of all of the properties to be insured; and
- Claims or losses (whether insured or not) totalling more than £2,500 within the last three years in respect of all of the properties to be insured.

If insuring **four, five** or **six** properties:

Neither you nor anyone else applying for this insurance has had:

- More than one claim or loss (whether insured or not) within the last 12 months in respect of each property to be insured; and
- More than two claims or losses (whether insured or not) within the last three years in respect of each property to be insured; and
- More than three claims or losses (whether insured or not) within the last three years in respect of all of the properties to be insured; and
- Claims or losses (whether insured or not) within the last three years totalling more than £2,500 in respect of any one property and £3,750 in respect of all of the properties to be insured.

If insuring **seven, eight, nine** or **ten** properties:

Neither you nor anyone else applying for this insurance has had:

- More than one claim or loss (whether insured or not) within the last 12 months in respect of each property to be insured; and
- More than two claims or losses (whether insured or not) within the last three years in respect of each property to be insured; and
- More than four claims or losses (whether insured or not) within the last three years in respect of all of the properties to be insured; and
- Claims or losses (whether insured or not) within the last three years totalling more than £2,500 in respect of any one property and £5,000 in respect of all of the properties to be insured.

Risks that fall outside these criteria will be considered upon referral.

Previous insurance cancelled/convictions

Your client needs to confirm the following statements are true:

Neither you nor anyone else applying for this insurance has:

- In the last 15 years, been turned down for insurance, given special terms or had your insurance cancelled or declared void.
- Ever been convicted of, or charged with but not yet tried for, any offence other than a driving offence.

Eligibility for legal expenses, rent guarantee and eviction of squatters cover:

- a) the tenant must be 18 or over;
- b) the monthly rent must not exceed £2,000;
- c) the policyholder or managing agent must:
 - i) not allow a tenant into possession of the home unless a tenancy agreement has been completed and signed by all parties;
 - ii) obtain satisfactory credit references, including verification of employer's reference and previous landlord's reference from a licensed Credit Referencing Agency before granting the tenancy. The tenant(s) must give permission for this information to be released to the administrator in the event of a claim;
 - iii) not enter into a tenancy agreement where the tenant is a student (i.e. a person in full-time education) or someone who is in receipt of Housing or other DWP benefits unless a person who complies with c) iii) above acts as a guarantor and has been legally assigned to the tenancy agreement;
 - iv) not allow any tenant into occupation until the first month's rent and deposit have been paid; and
 - v) prior to the granting of the tenancy, prepare a detailed inventory of the contents and condition of the home, agreed to and signed by the tenant.

Where the tenancy commenced before this insurance started, we will not accept any claim where the insured event occurs within the first 90 days of the insurance starting.

Underwriting guidelines and policy limits

Buildings

Buildings cover is available on its own or with contents and/or legal expenses, rent guarantee and eviction of squatters, with the choice of either:

a) Standard Option:

as long as the home meets the following criteria, cover is automatically given up to £800,000. It must be a house or bungalow (not a flat or maisonette), and be built of standard construction (as shown in c) of the acceptance criteria). It must be built after 1849 and not have more than five bedrooms, or

b) Select Option:

if the home does not meet the above criteria or if the rebuilding limit of £800,000 is not suitable, cover may be arranged on a specified rebuilding cost.

Buildings insurance for individual flats and maisonettes is available subject to your customer's agreement to the supplementary declaration, which is provided with the application.

For an additional premium, your customer may be able to cover extended accidental damage (such as banging a nail through a pipe or putting a foot through the ceiling while in the loft) and malicious damage by their tenants. We will not pay the first £250 of any claim (in addition to any other excess that may apply), and the cover is excluded in certain circumstances, for example if any of the tenants in the property are students or where satisfactory credit references have not been obtained, or are not made available in the event of a claim.

Contents

Contents cover is not available without buildings except in circumstances where the property is a flat or maisonette and the buildings insurance is tied to another insurer.

Cover is available from £5,000 to £35,000.

The definition of contents restricts the cover to household goods, furniture, furnishings, fixtures and fittings. There is no cover for high risk property, the definition of which includes TVs, radios, computers, VCRs and other audio and video recording equipment, records, cassettes, compact discs and tapes. Cover for personal possessions in or away from the home is not available.

For an additional premium, your customer may be able to cover accidental damage (such as spilling coffee on your carpet) and malicious damage by their tenants. We will not pay the first £250 of any claim (in addition to any other excess that may apply) and the cover is excluded in certain circumstances, for example if any of the tenants in the property are students or where satisfactory credit references have not been obtained, or are not made available in the event of a claim.

Legal expenses, rent guarantee and eviction of squatters cover

This cover is optional with either buildings or contents. Refer to the eligibility criteria in the acceptance criteria section. Satisfactory credit referencing is a condition of this cover, and the tenant(s) must give permission for this information to be made available to the administrator in the event of a claim.

Refer areas

The Glogology quote and apply system may be able to quote for risk addresses that are situated in a buildings 'refer' area depending on the answers given to supplementary questions. If no quote is offered by the system, you need to call our new business support team with the details. If a valuers', surveyors', structural engineers' or other survey report is available, this should accompany the application. Submission of reports and/or forms does not guarantee acceptance of the risk.

If the system flags that the risk is situated in a 'flood refer' area, contact our new business support team with full details.

Excesses

We offer reduced buildings and contents insurance premiums if your client selects a voluntary excess. They can choose an additional £50, £100, £150, £200 or £250 voluntary excess.

This would apply in addition to the £100 policy excess or £250 excess for claims for escape of water and (if chosen) accidental damage or malicious damage by tenants.

There is an excess of £1,000 for claims for subsidence, heave and landslip on the buildings section.

If your client chooses buildings and contents, the same voluntary excess will apply to both covers. If a claim occurs that results in damage to both buildings and contents, then the excesses that apply to each section will be added together.

Multiple properties

The 'Landlords insurance' policy facilitates the insurance of multiple properties on a single policy, with a single premium and single renewal date. Portfolios will benefit from a range of discounts depending on their size. Your authority allows up to ten properties.

UNOCCUPANCY – IT IS VERY IMPORTANT THAT YOU INFORM YOUR CUSTOMER OF THE FOLLOWING.

When a property is not being lived in, there is no cover for loss or damage caused by escape of water, malicious acts or vandalism, theft or attempted theft, leakage of oil, or frost, or accidental breakage of fixed glass or fixed sanitaryware, or loss of metered water or loss or damage to contents in the garden unless the property is inspected at least every 14 days inside and out by the policyholder or their managing agent, the services turned off, and the system drained during the winter months. All doors and windows must be closed and all security devices put effectively into operation and keys removed.

In addition, the definition of a period of unoccupancy is a period in excess of 90 days after which, cover for malicious acts, theft, leakage of oil, breakage of glass and sanitaryware, optional accidental damage and malicious damage by tenants, loss of water or loss or damage to contents in the garden is automatically excluded.

Additionally, if the property is not lived in for between 40 and 90 days, an excess of £500 applies to the perils of malicious acts, theft, leakage of oil, and breakage of glass and sanitaryware.

There is no cover for escape of water or frost damage if the property is not lived in for more than 40 days.

'Lived in' is defined in the policy as 'Furnished for normal living purposes and slept in for at least five consecutive nights every month, or two consecutive nights every week.'

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