

## **BUILDINGS INSURANCE - GUIDANCE TO MANAGING PROPERTIES**

### **General**

Most leases of Council property provide that the Council will arrange and maintain Buildings Insurance cover and the Tenant will re-pay to the Council the cost of the insurance premium. There are a few exceptions to this and you should check your lease for details.

Copies of the insurance policy documents are available on the property pages of the Council's website - [http://www.moray.gov.uk/moray\\_standard/page\\_69986.html](http://www.moray.gov.uk/moray_standard/page_69986.html) -see the Documents section.

### **Unoccupied Property**

It should be noted that the current policy limits the perils insured for unoccupied properties to:-

- damage caused by fire, lightning, explosion, earthquake or aircraft/other aerial devices or articles dropped therefrom

Continued insurance cover for unoccupied buildings would be subject to the following Special Conditions:-

(a) such unoccupied buildings are secured against illegal entry and all external doors and accessible external windows are fitted with good quality locks;

(b) all services to be disconnected other than limited services required for security, guards, fire and burglar alarms shall be disconnected unless otherwise agreed by the Insurers in writing;

(c) all letter boxes shall be sealed to prevent insertion of material;

(d) perimeter fences walls and gates shall be kept complete and maintained;

(e) such unoccupied buildings shall be kept clear both internally and externally of combustible materials and not be used for storage;

(f) vegetation surrounding such unoccupied buildings shall be kept down; and

(g) the Premises shall be inspected thoroughly internally and externally at least once every thirty days (or at a frequency agreed by the Insurer in writing) by the Tenant/Named Insured or a responsible person appointed by the Tenant/Named

Insured and a record maintained of such inspections and any defects rectified without delay.

### **Insurer's advice**

The Council's insurers have advised that to avoid being considered as an unoccupied property the building should be used for its intended purpose at least every 30 days although they appreciate that some properties are seasonal in their use and this is not always possible. Where this is the case, the Insurers expect the property to still be used for gatherings/meetings etc at least every 30 days. It would not be enough just for someone to turn up and make a few security/maintenance checks, the property would have to be 'used'. In addition it is advised that there are occasional visits to ensure there is no escape of water and the property is fully secured.

### **Additional Council Guidance**

#### Steps to Follow if Considering Temporary Closure

- Follow the recommended actions for temporary closure and reopening below.
- If at all possible arrange occasional use at least once a month to avoid the property being considered "Unoccupied" by the insurers which will trigger reduced insurance cover.
- Set up arrangements for regular inspection of the property with a weekly frequency recommended and no less than monthly to avoid breach of unoccupied property insurance cover.
- Consider alternative uses during closure period to limit vacant period and trigger full insurance cover for as much of the closure period as possible. However be sure that any alternative use is within the uses permitted in terms of your lease – if you have any doubt or queries please contact the Council's Estates service for advice.

### **Recommended Actions on Temporary Closure**

In addition to the Special Conditions detailed above and normal day to day securing of the property a tenant should consider taking action regards the following matters:

- Clear the area around any buildings and remove combustible materials to a minimum distance of 2 metres.
- Drain down water systems including all tanks and pipes with system being blown dry with pressurised gas if at all possible.
- Gas/Oil boilers should be made safe at incoming supply.
- Deactivate all non-essential electrical items including turning main breakers and switches off to avoid risks whilst vacant. **Do not deactivate safety systems such as Fire Alarms or Frost Protection Heating.**
- Inspect the building for any defects which may create a risk of damage whilst the property is vacant and repair as required.

### Recommended Actions During Temporary Closure

- Keep clear the area around any buildings and remove combustible materials to a minimum distance of 2 metres.
- Ensure the property is regularly inspected for damage and to assess matters which may pose a risk to the property. Log all visits with names of party inspecting, times and dates of visit and log any issues noted.
- Action any issues identified during regular inspections.
- If any damages covered by the insurance policy are noted during a regular visit or usage contact Moray Council's Estates Service with details of damage, time and date found, details of person who found damage, including contact information, and any information on anticipated time of damage occurring if known. If damage is caused by vandalism or theft/attempted theft report such to the police and pass the crime number to the Estates Service.

### Recommended Actions on Reopening

- Recharge water systems and check for leaks as system recharges and repair as required. Also consider disinfecting the system as part of recharging procedure for hygiene safety.
- Reactivate the electrical systems and check for any failures or damages and repair as required.
- Inspect the building for any defects which may have arisen whilst inoperative and repair as required.

Note: Whilst it is not required that the water and electrical systems are deactivated and reactivated by a qualified electrician and plumber we recommend that this as best practise as it can lead to savings in damage e.g. poorly drained pipes/tanks. If a gas or oil boiler is properly deactivated, not simply disconnecting the fuel supply, this will require work to the boiler, which must be undertaken by a qualified and certified engineer.