



Stackhouse Poland

Buying a new home

When to insure



Richard Kerton, from award-winning independent insurance broker Stackhouse Poland, shares some useful advice to help you ensure your new home is properly protected.

In England and Wales, when purchasing a new property you will reach the point of exchanging contracts, this is the legally binding act that ensures no one can pull out of the deal, all the checks and searches have been carried out and the deposit paid.

It is also at this point the buyer becomes legally responsible for insuring the property. In a chain situation, the seller is also the buyer therefore needing to cancel the insurance on the property they are selling and insure the property they are buying.

Unless specifically requested by the solicitors that the seller is to retain responsibility, then it is a normal condition of sale that the buyer takes responsibility.

“For our clients property values often exceed the limits of a standard insurance policy found on a comparison site, so having the right policy in place is paramount.”

Even if you have the contracts amended, it is not wise to rely on the sellers insurance for a number of reasons:

- they may not have it insured in the first place, causing a potentially long and drawn out legal battle;

- they may not be adequately insured; having under valued building replacements values could see a short fall in your claim of hundreds of thousands of pounds; or
- they might not have adhered to their policy wording and the insurance becomes void as a result.

For our clients property values often exceed the limits of a standard insurance policy found on a comparison site, so having the right policy in place is paramount, and is often a requirement of some lenders where the mortgage loan values are high.

Following are some tips on insurance when buying a new property;

Re-Build Values – Most buyers will have a survey on the new property, it is important at this stage to ask the surveyor to include an insurance value for the property to mitigate any under insurance risk.

Timing – Don't leave it to the day of exchange! Although insurance can be purchased and in place the same day, typically for larger, high value or non-standard properties you will need to allow some time to obtain the right cover. You should start the insurance process immediately following the surveyors report with the re-build value.

Buying a new home

When to insure

Rounding Out – It is also worth having your contents reviewed at the point of engaging the insurance broker. If you're cancelling the existing buildings cover, you might want to leave the contents covered for the period between exchange and completion, and then add to the new policy on your move date.

Or, you can add them to the new policy noting the different risk address and the risk address changed for completion.

Find out more

If you are buying a new property, or would like an independent review of your existing arrangements, please get in touch. Call us on **0330 660 0401** or email us at privateclients@stackhouse.co.uk.

www.stackhouse.co.uk