



HMO INSURANCE

HAVE YOU CLIENTS WITH HMOs?

HMO is a commonly used term throughout the private rented sector with many landlords now opting to include them as part of their property portfolios. Their attraction is partly based on rental yields which can be much higher for HMOs. The combination of increased tenant demand for flexible affordable housing and a declining average size of typical household are both leading to an increased demand for HMOs which is appealing to property investors.

WHAT ARE HMOs AND WHY ARE THEY DIFFERENT?

HMOs are properties that are rented out by at least 3 people who are not from one household (for example a family) but share facilities like the bathroom and kitchen. Special legislation applies to HMO properties with mandatory licencing requirements for large HMOs in England and Wales. The rules are different in Scotland and Wales.

If you have clients with HMOs. They will know that Health and Safety standards are governed by local authorities and are stricter than standard rental properties. Tenants' grievances are likely to be acted upon and so HMO landlords need to keep up to date on health and safety issues to remain compliant.

Key points for Clients managing an HMO:

- Gas safety – annual checks
- Electrical safety – checks required every 5 years
- Fire safety – smoke and carbon monoxide alarms fitted and maintained
- Rubbish disposal facilities provided
- Adequate cooking, cleaning and washing facilities provided and maintained
- Communal areas to be kept clear and clean
- Managing overcrowding issues

WHO NEEDS HMO INSURANCE?

Anyone who is operating a House in Multiple Occupation needs HMO insurance. Mortgage lenders and HMO tenancy agreements may require that HMO property owners have specific insurance in place. Many buy-to-let lenders insist on insurance that covers the building at the very least and might even make this a condition of the loan. HMO properties need to be registered with relevant local authorities and if this has not been done, the HMO insurance cover may be jeopardised.



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WHAT IS HMO PROPERTY INSURANCE?

HMO insurance is specific property insurance designed for properties with multiple occupancy in mind and designed to best protect HMO landlords.

HMO Landlord insurance protects property owners from financial losses connected to the rental such as theft, fire or weather damage. Cover can be extended to include unpaid rent and malicious damage by tenants.

Most policies start with building insurance and property owners' liability insurance with the option to add other covers such as accidental damage, legal expenses and home emergency cover or tenant default depending on individual needs. Our trained advisers are able to tailor the cover to suit individual needs.

WHAT HAPPENS WHEN HMOs ARE UNOCCUPIED

During 2020, restrictions on businesses and educational establishments such as universities has resulted in many HMOs being unoccupied. A high percentage of HMOs are students, and with the move to online learning and travel restrictions, many students have chosen to move to their parents' homes and continue with online learning.

Properties are classed as "unoccupied" if they are left empty for more than 30 days. Standard policies may not cover vacant properties due to the increased hazards, associated risks and potential higher claim cost. However, Towergate can help by providing unoccupied properties – even for HMOs.

RECOGNISING AND APPLYING YOUR KNOWLEDGE:

Whether you have successfully found a mortgage for them, arranged their protection or help them with their investment portfolio, you know so many details about them – their occupation, their investments, their income they receive from property portfolios. This key information is a great foundation for starting discussions about HMO and unoccupied insurance.

SETTING EXPECTATIONS AND DELIVERING

You can rely on us to deliver an extensive range of insurance services to your clients. We're not scared of complicated cover and never overcomplicate things. We make it easy for you;

HERE'S HOW:

- **It's just a referral** – There is little to no effort required from you and more importantly we take on all the regulatory responsibility and issue all documentation.
- **Ease** – Simply refer your clients on our portal www.towergatereferrals.co.uk and we give updates when we have quoted.
- **Commission** – We pay commission to you for the life of the policy. We issue all renewals and deal with mid-term adjustments.
- **We won't** cross sell any protection insurance – We don't offer it.

OUR COVERS

Towergate Riskline offer a wide range of commercial and non-standard insurance. Covers include:

- Commercial landlords
- Unoccupied properties
- Public liability and employers' liability
- Commercial combined
- Shops and Offices
- Professional indemnity
- Blocks of flats
- Property portfolios of any size

[For full list click here](#)

WHO ARE WE?

Towergate is one of the leading insurance intermediaries in the UK who provide a specialist range of insurance products, designed for business and properties. Our team of dedicated advisors are highly trained and will handle your client's quotations and offer suitably priced products from a range of insurers.

FINDING OUT MORE

If you would like to find out more about how to **refer your clients**, visit our website www.towergatereferrals.co.uk.

1 commission is paid on the premium net of Insurance Premium Tax at 12%, policies requiring placement through a Lloyds broker or similar specialist market may differ, for as long as you are part of a regulated firm or network with a valid Towergate Terms of Business Agreement.



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