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home insurance traps

Insurance companies are not renowned as philanthropists. If they see any added risk they are very quick to exclude a particular situation, to decline the cover altogether, or charge a loaded premium.

When homeowners leave their homes unoccupied for extended periods of time, insurers have found that the risk of break-ins, burglaries and property damage through robbery and vandalism increases.

An insurance policy is a contract whereby the insured party must disclose any substantial changes in conditions. Leaving the house empty for 60 days or more for any reason would generally fall into this area. If you do not notify your insurance company that the house will be vacant for an extended period, you could find yourself uninsured.

Every insurance company has its own specific criteria in relation to what constitutes a breach however in all cases it pays to be safe.

If you are moving and are perhaps leaving a vacant house for sale or rent or, before going on a holiday for over 60 days, you must notify your insurance company to advise of your absence and to obtain their consent for continuation of your insurance cover beyond 60 days. Your insurer may cancel your policy and /or refuse a claim if you do not.

The insurer will probably also require that you:

- keep the lawns mowed and the garden tidy,
- stop regular mail and newspaper deliveries,
- organise someone to check inside and outside the home at least once a week.
- make improvements to security.

When you disclose your absence from the property to your insurer, it is likely that your policy will need to be amended to reflect the new risk. You may also be required to pay a higher premium.

Executors have a duty to ensure that the property of the deceased is adequately insured. The executor also has a duty to make the necessary disclosures to the insurer including the likelihood that the property will remain vacant for more than 60 days.

A problem arises for executors when on the death of an owner, an uninsured property becomes vacant. If the property was not insured before the death, it becomes an almost impossible task to insure the vacant premises.

In conclusion, always keep your home adequately insured and if you are away from the house for more than 60 days, contact your insurer to advise and to obtain their consent to continue your insurance beyond the 60 days.

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