



# Guidance

## RECOVERING AFTER RIOTS:

### ABI guidance for property owners and businesses

As the scenes that gripped many parts of England in August 2011 showed, riots can significantly disrupt lives. Thankfully riots are relatively rare, but it is important that as a homeowner or business-owner you know what options are open to help you get back on your feet as quickly as possible should you be unfortunate enough to be affected by a riot.

The August 2011 riots highlighted the importance of insurance cover to homeowners and businesses. Insurers played a vital role in helping people recover and paid out up to £200 million to customers.

The riots also highlighted the importance of a century-old piece of legislation, the Riot (Damages) Act in providing compensation to those affected. While there is no doubt that this legislation needs updated for the modern day, it plays a crucial role in ensuring that cover for damage caused by rioting continues to remain a standard part of property insurance, meaning it has remained both widely available and competitively priced.

The existence of the Act means there are different routes through which homeowners and businesses can claim compensation, depending on the level of insurance cover they have. The insurance industry has been working closely with Government and Police and Crime Commissioners to ensure that what can often be a complex process runs as smoothly as possible so that victims get the support they need. The Act only applies to a riot and doesn't apply to damage caused by civil commotion, strikes or political disturbances, which are covered as standard under most household and business insurance policies.

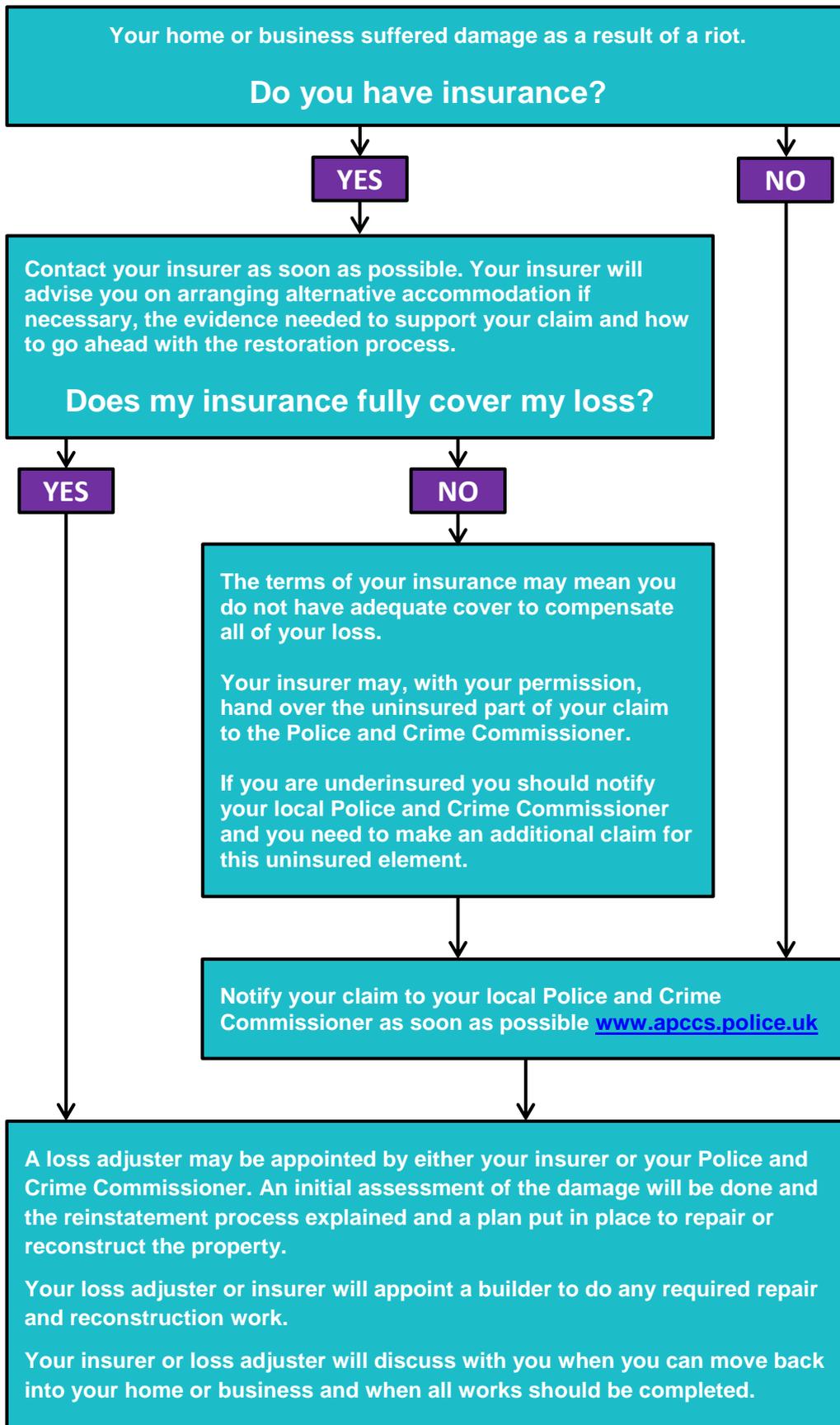
This guide explains how your insurance company will respond in an emergency riot situation and the support you can expect from your insurer in the days, weeks and months after a riot. It also outlines the options available for compensation from the police should your home or business be uninsured or not have enough insurance to cover fully the losses caused by riot.



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## The Riot Claims Process





## Emergency Steps

Insurers will do everything they can to help customers as quickly as they can, considering the scale and nature of the riots and its continuing impact on access to the riot-affected area.

If you think that your home or business has been damaged because of a riot it is important that you consider your safety first and report any crime to the police. Call 999 if you feel that you are in immediate danger.

It may be necessary to evacuate your property or business premises immediately so it is important to stay informed of latest developments by listening to local radio, TV or police information lines.

## I have insurance – what am I covered for?

Damage to your home or business as a result of riot, civil disorder or violent protest is covered as standard under most household or business insurance policies. Your buildings insurance will cover you for any damage or destruction to the fabric of your home or business. This includes the building structure (the roof, walls and windows) and any permanent fixtures and fittings such as fitted kitchen units and bathroom suites.

Buildings insurance does not cover any of your home's contents – for this you need contents insurance which can be bought separately or as a home and contents package. Contents insurance covers the cost of replacing your possessions if they are damaged, destroyed or stolen as a result of looting. Note – if bought separately your buildings insurance and contents insurance may be with different insurers and both will need to be contacted to make a claim.

If you have to move out of your home due to the damage your insurer will normally offer to provide or pay for the cost of appropriate alternative accommodation. If you are a business-owner with business interruption insurance your insurer will cover for loss of income for a given period of time in which you cannot carry on business as usual.

If your home or business is particularly badly damaged, perhaps as a result of fire, it may take a long time for the building to be restored and become habitable again. Your insurer or their appointed loss adjuster will do everything possible to restore your home as quickly as possible and will keep in regular contact with you to discuss progress.

There may be a variety of specialists needed to ensure your property is repaired to the required standard including loss adjusters, building surveyors, professional builders and decorators. This means, for complex claims, the whole repair process can take a long time. If there is a total loss and the building needs to be demolished then your local authority may also need to be involved to reinstate the property because of various requirements under building regulations and/or planning permission.



## I have insurance – what should I do?

You should **contact your insurer as soon as possible** if your home, business or possessions have been damaged. Most insurers have a 24-hour helpline. If you have separate buildings and contents insurers, contact them both. If you rent your home, contact the property owner as they are likely to be responsible for repairing any damage to the building.

Your insurer's claims process is designed to provide all the support you need. Insurers are experienced at dealing with claims during emergencies such as riot, major floods or severe winter weather. In the first instance they will ask you some simple questions to establish your details and the nature of your loss before advising on next steps. Your insurer is also likely to discuss with you whether you need alternative accommodation. As many claims are made in emergency situations, your insurer is likely to seek information to determine if you need priority attention, such as if you are ill, disabled, elderly or have young children.

As a business-owner it will help if you have a clear and accurate record of your stock so that you can provide evidence of any loss. If possible, do not leave cash at premises outside business hours. During business hours, remove excess cash to a safe and consider what security measures might best secure your stock.

Business Interruption Insurance will cover you for any periods when you cannot do business as normal because of damage to your property. This is usually offered as an extra when you buy buildings and contents insurance for your premises. You should keep business accounts up to date so that your insurer can more easily assess a potential shortfall in profit. You should also consider what contingency plans you can put in place to minimise business interruption should an unexpected event occur that causes you to stop trading.

In some cases, particularly if your home, business or possessions are badly damaged, insurers will appoint a loss adjuster to handle the claim. Loss adjusters are experts in assessing the loss or amount of damage and they may well contact you separately to visit your home or business and oversee the restoration as soon as possible. If your damage is relatively minor, your insurer may be able to handle your claim without a detailed assessment of the loss. The section below on 'Assessing the damage' explains the role of the loss adjuster in your claim in more detail.

Due to the complex nature of riot incidents it may be difficult for insurers or loss adjusters to enter certain areas because they are crime scenes. This may cause some initial delays in assessing what losses have occurred. Insurers will work closely with police to ensure that any appropriate action is taken and will keep you informed if there are any difficulties delaying the loss assessment.



## I don't have insurance – what am I covered for?

If you don't have insurance you may still be able to claim compensation from the police through the Riot (Damages) Act. This will only cover you for events defined as a riot, which will be determined by the relevant Police and Crime Commissioner or the Mayor's Office for Policing and Crime in London. The main element of a riot is usually deemed to be 12 or more persons assembled riotously or tumultuously. There is no limit on the level of compensation payable under the Act, however, it may be fixed at what the relevant Police and Crime Commissioner considers just.

If it is established that damage to your home, business or possessions was the result of a riot and you are not in a position to make a claim through an insurance policy then you should contact your local Police and Crime Commissioner's office for advice. The Riot (Damages) Act may cover damage to both the buildings and contents of your home or business. If you have insurance for your household but not its contents, then you will need to contact your insurer to deal with the buildings claim and the Police and Crime Commissioner to deal with the contents claim (or vice versa).

## I don't have insurance – what should I do?

You should **notify your claim to your local Police and Crime Commissioner as soon as possible** if your home, business or possessions have been damaged as the result of a riot. If you don't know your local Police and Crime Commissioner or their contact details then these can be found on the following website: [www.apccs.police.uk](http://www.apccs.police.uk). Your local Police and Crime Commissioner will then be able to establish if you are able to make a claim under the Riot (Damages) Act. You may also want to check the Government's website for advice: [www.gov.uk](http://www.gov.uk) as they may issue an emergency contact number to process potential claims under the Riot (Damages) Act.

It is important that you notify your local Police and Crime Commissioner within 42 days as you may not be able to make a claim after this deadline.

## Underinsurance

Underinsurance is when your insurance cover, or sum insured, is less than the value at risk. Underinsurance can adversely affect the amount you receive in settlement of your claim so it is important that customers are aware of any limits within their insurance policy.

After the August 2011 riots many people found that their homes and businesses were underinsured. The Riot (Damages) Act may provide for homeowners and businesses to be compensated for damage resulting from riots that exceeds the limit of your insurance policy.

Your insurer and/or loss adjuster should discuss with you when you first make



a claim whether there is a danger you or your business will be underinsured.

If it is the case that the terms of your insurance could mean you do not have adequate cover to compensate all of your damage or loss from a riot you should notify your local Police and Crime Commissioner in case you can make an additional claim for the uninsured element.

If you are underinsured your insurer can, with your permission, pass on any necessary details to your local Police and Crime Commissioner. For example, insurers or loss adjusters who have handled your claim to date, up to the limit of your policy, will be able to inform the police of the restoration work done so far, the estimated level of underinsurance and the potential for compensation from the Riot (Damages) Act for losses, if any, above the policy limit. Your local Police and Crime Commissioner will then assess whether your claim for the uninsured elements is valid under the Riot (Damages) Act.

### Avoiding underinsurance

Whatever way you buy your insurance, one thing remains the same: it is you who is responsible for making sure that what insurers call the “sum insured” is enough to cover the cost of repairing any damage to your home or business.

The sum insured is the maximum amount the insurance company will pay out, if everything you own is totally destroyed. You need to make sure that this is enough for you to replace everything.

By taking some simple measurements around your home and answering some questions you can calculate the rebuilding costs using our online calculator <http://abi.bcis.co.uk>. Check the sum insured under your current policy and if you think it is not the full cost of rebuilding your house contact your insurance company.

Similarly with your possessions, check if the policy limit is sufficient to replace every item with one of similar quality, new, at today's prices. If not, you should contact your insurer to adjust this.

### Assessing the damage

If your home or business is badly damaged, your insurer or responsible Police and Crime Commissioner's office is likely to commission a loss adjuster to assess the damage in detail and plan the restoration process. If you have insurance then your loss adjuster may help you arrange alternative accommodation if it is not possible to stay in your home. Depending on the extent of the damage, your loss adjuster will either visit you or liaise with you over the telephone. If your home or business is severely damaged, your loss adjuster may appoint a surveyor to provide additional expertise. The loss adjuster will effectively act as the project manager during the restoration of your home or business.



Many insurers employ loss adjusters because they are specialists at assessing damage, arranging appropriate alternative accommodation for long periods and planning the restoration of your home or business. Once your loss adjuster has completed their initial assessment, they should be able to provide you with a plan and an approximate timetable outlining what needs to be done to restore your property. This is sometimes referred to as a 'claims plan'.

In normal conditions, your loss adjuster would get in contact within 24 hours of you contacting your insurer and undertake any necessary visits within three days.

However, after a major incident like a riot this may not be possible and may take a little longer, due to the volume of claims and difficulties accessing areas that may still be crime scenes. Nevertheless, you should expect to hear from your loss adjuster within two days of contacting your insurer. If they need to visit, they should do so within seven days of the area becoming accessible.

### Repair and reconstruction work

If there is significant repair and reconstruction work required your insurer or loss adjuster is likely to appoint a building contractor. Insurers and loss adjusters will only employ builders that meet their criteria and are competent to do the work. Your insurer is responsible for the work of builders they appoint.

If you prefer, however, you may be able to use your own builder rather than use the builder recommended by your insurer or loss adjuster. If you do appoint your own builder, you will be responsible for ensuring that they are competent and for arranging any guarantees. Neither insurers nor Police and Crime Commissioners under the Riot (Damages) Act will pay to correct poor quality building work by builders you appoint.

Most contents insurance policies will pay for the full cost of replacing damaged items with the equivalent new ones. Under the Riot (Damages) Act, a new for old principle is not applied and contents are replaced at their current value, taking wear and tear into account.

### Moving back into your home or business

Your insurer or loss adjuster will discuss with you when it is safe for you to move back in to your home or re-open your business.

You may be able to move back in to your home while some of the repair work is on-going. Where re-plastering has been necessary, it is quite usual for people to move in before redecoration has been completed. Your claim is settled once all the work has been completed and the outstanding payments



have been made.

### What if things go wrong?

Insurance companies will do everything they can to ensure that your claim is handled as quickly and smoothly as possible. If you feel unhappy about any aspect then contact your insurer. If you are unhappy about the way in which your claim is handled, you should ask your insurer how to make a formal complaint to them. If you are still unhappy at the end of your insurer's complaints procedure, you can complain to the independent Financial Ombudsman Service on 0845 080 1800. If you are unhappy with how your claim has been handled under the Riot (Damages) Act you should get in contact with your local Police and Crime Commissioner, or the London Mayor's Office for Policing and Crime.

### Conclusion

Riots are thankfully rare in the UK. However, August 2011 showed how devastating the physical, emotional and financial impact on those individuals and businesses and communities affected can be when riots do happen.

In such circumstances, insurance is crucial in helping victims recover financially. This guide highlights the reasons why insurance is important and the options available to individuals and business-owners to get back on their feet as quickly as possible.