

Newsletter

Winter 2007

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News

We have recently taken a number of calls from clients who are closing down or retiring because of "all the new regulations". They have however been a bit vague when asked to elaborate on these changes.

Have you come across any new regulations? Then if so please let us know. We sympathise, over the past few years the insurance industry has been bombarded with new rules and regulations and buried under mountains of paper.

Insurance Premiums

Most commentators now agree that insurance premiums are set to rise, and we include an article on the back page explaining the reasons. Norwich Union has applied a 5% rate increase on all Sleepeasy policies from 1st November 2007.

Norwich Union has also reviewed their postcode rating areas, having produced a digital flood map of the country. This means the flood risk in individual post code sectors can now be assessed and the appropriate premium charged. Some premiums will actually fall, but conversely others will rise.

Be prepared for winter

Approximately 300 gallons of water (20 baths worth) can gush out of a burst pipe every hour! And keep going indefinitely until the flow of water is stemmed from the stopcock.

Prevention is better than cure so take a few minutes to locate your main stopcock NOW and make sure you can turn it on and off.

Lost in Translation

Don & Dot Bowness of Islay received the following email from Germany.

"Can I stay in your B&B for 4 nights? I'm alone, but I would also share a double-room with a strange person if necessary."

Don & Dot were tempted to ask "How strange do you want this person to be?" before courteously declining the booking.

Property for sale? Just send details and we will advertise it for you free of charge.

4 Star Self Catering Cottage Lochcarron

Traditional croft house on shores of Loch Carron in Scottish Highlands, 3 double bedrooms, lovely gardens down to the water edge.

Mrs Dennett 01706 826590 £285,000

3 Star B&B Bents West Lothian

Outstandingly large 7 bedroom, 4 bathroom house, equal distance Edinburgh-Glasgow. Sitting in 1/3rd of acre, private drive, parking 6 cars, large garage.

Carol Gray 01501 762659 £500,000

Victorian B&B West Lulworth

Established 14 years, 10 mins stroll on coastal path from Lulworth Cove. 7 letting rooms, parking for 7.

Val & Barry Burrill 01929 400256 £595,000

3 bed Holiday Cottage Windermere

Recently refurbished traditional cottage close to Windermere village, furnished and equipped, details on www.cottages-rental.co.uk

Robert Robinson 01422 833438 £295,000

3 bed Holiday Home Whitby

Recently built town house with own mooring close to River Esk, furnished and equipped, details on www.cottages-rental.co.uk

Robert Robinson 01422 833438 £265,000

Upmarket B&B Inverness

Stunning views of River Ness & its wildlife 5/6 en-suite bedrooms, large rear garden, parking 6 cars.

Norman Brown 01463 236221 £510,000

5 bed B&B Holyhead Anglesey

4 letting rooms, well established, parking 4 cars. Ready for immediate trading, everything included.

R. Monck-Mason 01407 760595 £242,000

Stop Press

2 guests disappeared from Mrs M of Yorkshire's B & B along with 4 flat-screen TVs. Luckily her Sleepeasy policy (unlike similar policies) covers her for theft by guest. However, Police warn other Guest house owners to be vigilant as this appeared to be a planned professional job.

INSURANCE NEWS

“I’ve seen reports in the media that insurance premiums are to rise, why is this?” Well, insurance companies must collect sufficient premiums to pay out claims, and major changes in society (and the world) are making claims more costly, and more frequent. Therefore premiums must increase. The main reasons are:-

Climate Change is thought to be the most likely cause of the storms and floods we have seen in recent years, and we can expect severe weather events to continue. We have seen six major events in the past 20 years, where we would expect one in every 100 years.

- 1987 Storm
- 1990 Storm
- 2000 Floods
- 2005 Carlisle Floods
- 2007 Sheffield and Hull Floods
- 2007 South West Floods



Other factors are the increase in land covered by hard surfaces, and the drive for development within the flood plain.

Claims Inflation is driving up the cost of keeping customers satisfied, year by year raw materials are increasingly in demand. No win, no fee arrangements are turning minor incidents into substantial claims. And Guest Houses especially are increasingly full of desirable features which are much more costly to replace, computers, plasma TV’s etc. and with every new en-suite bathroom the risk of flooding from burst pipes increases.

Business Continuity with a more complex business world to deal with customers’ business can be lost more quickly than ever, yet getting back up and running can take longer. Reinstatement following a claim may involve planning permission, were the local authority apply updated building regulations, taking into account current legislation on energy efficiency and environmental considerations. This can impact on reinstatement costs and time. One recent claim for reinstatement of a leisure club was extended by three months to cater for planning laws.

New Legislation Following the fire at the Penhallow Hotel, Newquay the Fire Brigades Union have expressed concern that the hotel was in charge of its own fire safety precautions after fire certificates were scrapped last year [under the Regulatory Reform Order].

More Frequent Claims are becoming the norm in many areas, driven by diverse factors from plastic pipes (they’re more likely to burst) to the compensation culture.

Good News for Sleepy Policyholders’. We have always worked closely with our underwriters Norwich Union, trying to protect our clients from steep increases by charging realistic premiums. We have therefore negotiated a modest 5% premium increase from 1st November 2007. This is our first premium increase in 2 years (apart from any building indexation). We believe this proportionate & planned response should avoid any knee jerk increases in the future.

And Finally

John Stevens of Cirencester writes. Some years ago working at the stunning Swan Hotel by the River Coln in Bibury, Cirencester, I watched a taxi disgorging a couple of excited Japanese guests with suitcases almost as big as themselves. They insisted they had a reservation with us, but we could find no record. They then asked where the lake was. I explained that it’s a river, they looked even more perplexed.

On reading their itinerary I found they were definitely booked in at the Swan Hotel, but in Windermere not Bibury.

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