

## Home Insurance – Are you fully covered?

The MOD is strongly advising Service personnel and entitled members of the civilian component who occupy Service Family Accommodation (SFA) or Substitute SFA (SSFA) to review their current household insurance policy to ensure that they are fully covered to meet the terms and conditions of their 'Licence to Occupy'.

When licensees' sign a Licence to Occupy (LTO) SFA or SSFA, they are agreeing to abide by the MOD's policies and procedures which includes liability for any damage to the property. This is not the same as a Tenancy Agreement, whereby the landlord is responsible to insure against any damage. If you are found to be liable for damage to your SFA or SSFA caused by negligence such as; fire damage due to a chip pan fire, or flood damage due to burst pipes because you turned the heating off during the winter when away from your SFA or SSFA, you will be expected to pay.

A recent spate of cases has identified that most policies do not cover the liability damage to the structure of the property and as such, occupants of SFA and SSFA are being urged to make sure that their household insurance includes 'Licence to Occupy Liability' with a limit up to a maximum of £20,000 which was set by the MOD on the 1<sup>st</sup> August 2011.

Below is an extract from current regulations laid out in **JSP 464: Tri Service Accommodation Regulations (TSARS), Part 2: Overseas – Chapter 6 'Rules and Conditions for Occupation', Section I, Para 0605**, (a copy will be held at your Unit Admin Office).

**0605. Insurance.** Licensees are strongly recommended to arrange insurance for:

- a. *Their potential liability to DIO Ops Accommodation up to a maximum of £20,000. As personnel occupy Service Family Accommodation and Substitute Service Family Accommodation under a Service Licence to Occupy agreement (known as a Licence to Occupy) they are not classed as a tenant and, therefore, standard home insurance policies do not cover the potential liability. The Services Insurance & Investment Advisory Panel (SIIAP) has provided a web page detailing a number of insurance providers who can organise policies that have been designed specifically for SFA occupants. The web page can be found at [www.siiap.org/l2o](http://www.siiap.org/l2o) or here for the SIIAP home page [www.siiap.org/home](http://www.siiap.org/home).*
- b. *Their personal property and that of any spouse/civil partner or child(ren).*
- c. *Their liability to third parties in respect to injury to them and damage to their property.*

**You should seriously consider reviewing your current home insurance policy. Not having adequate household insurance may cause financial hardship and unnecessary stress.**