

# Coronavirus

## Does working from home affect your house insurance?

#keepbusinessworking



COVID-19

**As Jersey manages the COVID-19 pandemic and its transition through a safe exit strategy people are being asked, where possible, to work from home in a bid to control and stop the outbreak.**

**We asked Tim Rattray Dip CII - Managing Director (Jersey) & Group Director of Insurance at Cherry Godfrey Insurance Services (Jersey) Limited what impact working from home might have on your home insurance and what you should do about it.**

### **1. Do individuals need to let their household insurers know if they are carrying out work from home?**

We all know how most insurers like to use their policy wording to decide whether a loss is covered or not (in grey areas, it's usually not) so my advice is to always let your household insurer know that you are working from home, just in case they have a particular exclusion in their wording – at least you will know before anything happens. I would imagine that most household insurers would prefer this because it means that the house is occupied and therefore, any theft exposure is extremely low.

### **2. Do individuals need to let their landlord know that they are carrying out work from home?**

Again, I am keen to give the relevant people too much information rather than not enough. I would therefore advise people to tell their landlords if they are working from home.

### **3. What information does an insurance company need from the individual regarding home working?**

All you would need to tell your household insurer is that you are working from home and that it's purely clerical and therefore, the risk exposure doesn't increase and there should not be any Additional Premium charged.

### **4. Is there normally a fee/premium attached to a policy that includes home working?**

I would always argue with any insurer who tried to charge an Additional Premium that the risk is now lower and therefore there should be no charge. However, some brokers or insurers may charge an Administration Fee to deal with the change.

### **5. What are the key elements an individual might need to add to their existing cover or taken out as additional separate cover that are not included in their normal household policy?**

Some basic household policies may not allow you to cover business equipment and so I would suggest talking to your employer to ask them to ask their office insurer to cover any equipment you may have at home, to that policy. I would like to think that most office policies automatically extend to cover business equipment in employee's homes but it's worth checking first.

Continued overleaf...



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### 6. What are the consequences of not having informed your household insurer that you are working from home?

You would have answered questions about the 'risk' when you first took out your household policy and one of those questions asks if you work from home. If you answered 'No' at the time and then you change to working from home, this is one of the classic 'get outs' for some insurers and they may then be able to decline a claim due to non-disclosure. It's always best to let them know that you are working from home and if they do have any problems or need more information from you, you can get it sorted before a loss happens rather than having an argument with them afterwards.

### 7. If insurance policies extend to those working from home while the government has forced businesses into lockdown, would the same policies apply to those working from home after the government has authorised a gradual return to work premises?

Again, all household policies differ from each other and so it is always best advice to contact your insurers whenever a change happens just to check how that change might affect your cover.

### 8. Are there any other considerations a firm or individual working on home premises needs to be aware of?

There has been a lot of talk that this situation will change how employees work in the future and there will be a lot more people working from home permanently. I feel that firms should try and carry out a risk assessment of people's working conditions whilst at home, otherwise I can envisage there being a lot more claims in future from bad backs because employees have been sitting incorrectly for a prolonged period of time. Just as firms make sure that employees are sitting correctly at work, they should try to make sure that they are sitting correctly at home as well. I have heard of someone

sitting on a settee with their laptop balanced on a toaster on the coffee table! If this was allowed to continue for a long time, that employee would be in serious pain and might claim against the firm.

### CONCLUSION

#### Employees should:

- Contact their household insurer to let them know they are working from home
- As relevant, contact their landlord to let them know they are home working
- Question why if asked to pay an additional premium by the insurer

#### Employers should:

- Check their company insurance policies to make sure any equipment being used by the employee during home working and belonging to the company is covered
- Carry out a risk assessment of people's working conditions at home to keep the employee safe and also to prevent any claims against the firm.

**Together we'll keep business working.**

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