

Theft during open house not covered by most insurers

Recent CCTV footage captured a theft which took place at a property while the house was on show to potential buyers.

This footage highlights the importance for homeowners in the process of selling their house to ensure that their belongings are properly insured against theft which may occur during an open house day according to Christelle Colman, CEO of MUA Insurance Acceptances, who says that it is vital that any homeowner who plans to have their house made open to members of the public on a show day to inform their insurance provider or broker about the arrangement.

"While a show day is usually one of the key processes of selling one's property, there are various insurance risks associated with a show day."

Should an expensive item go missing from the home during the show day, the homeowner will find that their insurance policy will most likely not pay out, as most insurance policies require signs of forcible or violent entry and/ or exit for the policy to pay out (unless there is actual CCTV footage that captures the crime), she explains.

"When homeowners open their house for potential buyers, they also face the risk of criminals pretending to be interested buyers entering the house who then investigate the house in search of valuable items to steal or to cause intentional damage to the home. It is also very hard to recognise signs of suspect behaviour among the house visitors on the day as the home is open for all members of the public to view and can become quite crowded at stages," states Colman.

In addition to theft, homeowners also face increased risk of accidental damage to their possessions during a show day. Colman states that accidents happen easily and a visitor can knock over an expensive artwork or drop their cell phone and damage the flooring tiles.

"When the insurance broker is aware of the open day, the broker will ensure that the correct level of cover is in place. If the broker is not able to apply the cover due to short notice, the homeowner will at least be made aware of all the potential risks associated with an open day and implement stringent entry measures on the day," she explains.

As a precautionary measure, it is advisable that homeowners lock all their valuable items away in a safe when they know a group of strangers will enter their home, says Colman.

"When it comes to expensive possessions such as jewellery, the majority of insurers require that items over a certain amount should be locked away in a safe when it is not in the owner's person. Items such as laptops and cell phones should also not be left unattended in the house and cupboards and drawers should be locked away while potential buyers are roaming around the house."

She advises homeowners wanting to sell their homes to only deal with reputable estate agents to arrange the open day, as the agents may have their own insurance cover in place to protect their clients against these unique risks of hosting an open house.

"The homeowners should also instruct the agent to get a full profile of each person they let into the home, as the best precaution is to take great care of who is allowed inside the property. If CCTV cameras are installed in the property, it is vital to ensure that these are switched on and are in a proper working order on the day of showing house to safeguard against any criminal activity."

She advises homeowners to be aware of any limitations in their insurance policy in order to be better prepared ahead of the show day and prevent or minimise personal financial losses. "Most insurance policies require the homeowner to take all reasonable steps to avoid, minimise or prevent loss as the insurer could repudiate their insurance claim due negligence," concludes Colman.

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