



LANDLORD CASE STUDY

# WHEN LIGHTNING STRIKES



It's not every day you get a phone-call at work to say that your house is on fire after being struck by lightning. But when you do, it's good to know you have people on your side.

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After receiving this very call in July 2015, Mark Wilkinson\* couldn't quite believe what he was hearing. He was told that his house in Bearpark, County Durham was in flames and that a team of firefighters were currently at the scene. He hung up at first, assuming it was a work colleague playing a prank. But when the police called back, he soon realised that it wasn't a joke; it was a very real problem that required his immediate attention.

#### **A BOLT FROM THE BLUE**

Mark no longer lived at the house himself. Having moved in with his partner a few months earlier, he had decided to rent it out, hoping it might be a good investment. Although, right at that moment in time, he was starting to think he might have made a big mistake.

After receiving the news about the fire, he left work immediately and headed straight for the property to assess the damage. "I really wasn't expecting it to be so bad", he explained. "I thought there might be a few tiles off the roof or something. But as I got closer, I could see huge plumes of smoke. And when I arrived, there were two or three fire-

engines and all kinds of people milling around. It was really quite shocking.

"Luckily my tenants weren't in at the time, because the lightning went right through the roof and into one of the bedrooms. It blew all the electrics and damaged loads of pipes. The house was a mess with water damage, smoke damage and all kinds."

## A HELPING HAND

As you might expect, Mark's initial reaction was that of disbelief and shock. The house was clearly uninhabitable and as well as having a significant re-build project on his hands, he had his tenants to consider, not to mention a potential loss of rental income.

When his mind turned to insurance, the seeds of doubt were already starting to form in his mind. "It was a Sunday night when it happened," he recalled, "I called my wife and asked her to look for the policy documents, but she couldn't find them. I knew I had arranged cover, but you start doubting yourself. I must admit, I couldn't sleep that night for worrying."

Fortunately, Mark had taken his policy out with a financial adviser at his local estate agent, Ben Charles Durham Fs Ltd. They had recommended specialist Landlord's cover with Paymentsshield, knowing that it was well priced and that he would be covered should the property become uninhabitable. His adviser, Rachael Leonard, remembered Mark contacting her in a bit of a panic, "He couldn't lay his hands on the paperwork, so I found copies and reassured him that he would be covered with his insurance. I also passed on Paymentsshield's details so that he could get in touch."

Mark called the claims helpline that morning, not really knowing what to expect. "I'd never made a claim before" he admitted, "and I hadn't really thought about loss adjusters and the like, but the adviser was great. She went through all the details and explained that they would put the wheels in motion. I was still a little worried, because there was a lot of expense involved. But when the

loss adjuster came to see me, he was amazing and honestly, he couldn't have done more to help. He explained what was covered, how they would go about the repairs and just completely put my mind at rest - I can't thank him enough."

## GETTING BACK TO NORMAL

Obviously, the repairs to the house weren't going to happen overnight, which meant that Mark's tenants would need to be re-housed. Fortunately, his insurance covered the referencing fees to help them find a new property. And to Mark's amazement, it also covered his loss of rent while the work was being carried out. "I didn't even know this was

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included," he confessed, "It was a really pleasant surprise - over and above what I was expecting."

Mark still had a mortgage on the property and relied on the rent to meet his monthly payments, so knowing that he would continue to receive this income was a huge relief. But cost-wise, it was just the tip of the iceberg. Restoring the property was a mammoth task, which took the best part of four months to complete. Luckily for Mark, he didn't have to get too involved. Paymentsshield's insurance team managed all the details and kept him fully updated with progress.

Funnily enough, even though the house was on fire, the biggest cost was water damage due to all the burst pipes.

As Mark pointed out, "It must have cost thousands of pounds in the end. The claim paid for a new roof, plastering, electrics and plumbing. And because there was so much work being done at the time, I put some money towards a

new kitchen. It looked like a new house after all the work had finished. The only other addition from me was a small excess, but didn't have to pay that until the claim was complete."

## ALL'S WELL THAT ENDS WELL

Looking back, Mark was delighted with how the claim went. His tenants decided not to come back in the end, simply because they had settled comfortably into their new home. But it turned out to be a blessing. With all the work that had been done, Mark decided it was the perfect time to put the house on the market, which turned out to

be an inspired decision. After the boards went up in November 2015, the property sold in January 2016 - just a month and a half later.

Ben Charles Durham Fs Ltd managed the sale and Rachael Leonard told us that it sold for almost £20,000 more than its original valuation, which was taken just before Mark started renting. This didn't surprise Mark, "Everywhere was

brand new, so it was definitely the right time to sell.

He also agreed that the whole experience had changed his view of insurance companies. "I must admit, when it first happened I thought they might not pay out. You hear stories about 'acts of God' not being covered, but it wasn't like that. The whole claim was handled really well."

## THE BETTER THE ADVICE, THE LUCKIER YOU GET

It's very easy to get your head turned by cheap imitations in today's home insurance market. But an experience like this offers a whole new perspective. When we asked Mark whether he thought that all home insurance policies are the same, he had no hesitation in his response. "Definitely not. I would pay extra to get the right cover, because you get what you pay for. I now tell my friends how important it is to get it right."



Rachael Leonard agrees. "When people talk about going online, I use this case as an example. I ask them to check if the cover would help to re-house their tenants and pay the rental income while work is carried out. It's fine for professional rental companies, who can cover the short-term cost, but accidental landlords like my tenant rely on their rental income."

As a professional adviser, it's a problem that Rachael Leonard comes across all the time. "I tell my clients, don't just look at the premiums; look at what it covers. When people say that all insurance companies are useless, it's generally because they've taken out the wrong cover. Too many people just look at the price. But ultimately, the price dictates what type of cover you're going to get and not everything is like-for-like."

Admittedly, a lightning strike isn't exactly an everyday occurrence. But that's the whole point of insurance; it's there to protect people when the unexpected happens. Luckily for Mark, an act of god turned into a stroke of good fortune. But without the right advice and the right policy, he might not have been so lucky.

## PAYMENTSHIELD LANDLORDS INSURANCE

Our specialist Landlord's Insurance is offered on a building or building and contents basis and underwritten by a carefully selected group of the UK's leading insurers. It includes alternative accommodation for tenants, malicious damage and new for old replacement as standard.

- £1,000,000 buildings cover as standard
- Choice of £10,000, £20,000, £30,000, £40,000 or £50,000 Contents cover
- Up to £200,000 loss of rent and alternative accommodation expenses for tenants if the property is uninhabitable due to an insured event.
- Up to £2 million property owners liability cover

Accidental damage cover, landlords legal expenses, landlords emergency and rent protection can also be included as optional extras.

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