

GUIDANCE NOTE

INSURANCE REQUIREMENTS FOR JOINT/PARTIAL OWNERSHIP

APPROVED FOR CLIENT USE | MAY 2025



Clients who hold property in their SIPP under the Joint/Partial Ownership structure are required to arrange the insurance of the property as defined in the Declaration of Trust. Curtis Banks has minimum requirements for the level of insurance that must be held which are set out below.

It is important that the property is fully insured to offer protection both to the SIPP and the other beneficial owners in the event of a claim or loss. Under the terms of the Declaration of Trust the obligation to insure the property will rest with the nominated, non-SIPP, beneficial owner.

The policy must be insured with a reputable insurance company or underwriters and held in the name of all title holders and any outside beneficiaries under a composite-insurance arrangement. Curtis Banks must benefit from a non-vitiation clause and a waiver of subrogation rights.

Buildings cover

The policy must provide commercial “all-risks” buildings cover including but not limited to damage caused by fire, storm, tempest, flood, earthquake, lightning, explosion, impact, aircraft and other aerial devices and articles dropped from them, riot, civil commotion and malicious damage, bursting or overflowing of water tanks, apparatus or pipes, terrorism and all other normally insurable risks of loss or damage for a property of this type.

Any tenant’s improvements or contents other than landlord’s fixtures and fittings should be insured under a separate arrangement.

The building must be insured on a reinstatement basis for an amount not less than that reasonably considered to be the cost of full reinstatement. As a minimum Curtis Banks requires that an estimated reinstatement cost should be provided by a RICS-registered surveyor every 3 years with an inflationary provision included at each renewal in the interim period. A full formal reinstatement cost assessment is encouraged. Direction should be taken from the insurance provider to ensure the asset is appropriately insured. The policy should also provide a Day One Uplift provision of not less than 30%.

Loss of Rent cover

Loss of rent insurance provides a continued income stream following damage to the property by an insured risk rendering it wholly or partially unusable by the tenant for the usual purposes of their business. Under the terms of their tenancy agreement the tenant may be entitled to suspend or reduce the rental payments until such time as the property is reinstated or repaired.

The policy should provide cover for loss of rent for a minimum indemnity period of 3 years and with an insured value of the sum of the annual rent for all direct tenants of the Trustees.

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Property Owner's Liability cover

Property Owner's Liability is a form of public liability insurance that provides cover to the owners of a building. The policy obtained should include Property Owner's Liability insurance with a minimum limit of indemnity of £5 million.

Important points to consider

This information is based on our understanding of current legislation, including (but not limited to) FCA, PRA and HMRC regulation. It does not constitute any form of advice.

The value of pension funds may fall as well as rise. Your money is tied up until you take your benefits. Benefits can generally be taken any time after age 55, although this is due to increase to 57 in 2028.

Contact details

In the event that cover that meets the above requirements is not readily available or should you wish to speak to us about anything on this factsheet please contact the Property Insurance team.

T 01473 296 871

We may record and monitor calls. Call charges will vary.

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