

THE CHURCH OF SCOTLAND GENERAL TRUSTEES

Insurance of Empty and Disused Churches and Halls

When a Church or Hall falls into disuse, the Insurance Company should be notified at once because the cover and rate of premium will require to be re-negotiated to reflect the changed circumstances. This is the case even although a premium has already been paid for annual cover. The rates for empty and disused buildings are considerably higher than those applying to Churches and Halls which are in use for normal congregational purposes. Failure to notify the insurer of any change in the risk could prejudice the settlement of a claim or render the policy void altogether.

There are two policies available from the Church of Scotland Insurance Company Ltd. which give limited cover for empty buildings damaged by Fire, Lightning or Explosion. Both policies, the details of which are set out below, are subject to the satisfactory completion of an Empty Buildings Questionnaire and the buildings being maintained lock-fast and secure and inspected at least weekly. Insurance against other contingencies such as storm and water damage is not available once a building becomes empty and disused. The two forms of cover are as follows:-

1. The cheaper and more limited form of cover (Policy 8509) provides only for the cost of debris removal and the like up to the sum insured. No claim can be made under this type of cover for the carrying out of repair work. This cover is particularly appropriate to cases where there are no plans for the disposal of the building which is, perhaps, unmarketable or where the value of the site for redevelopment is the main value in the subjects. The rate at present is 20p% on the sum insured. The minimum premium is £50 per annum.
2. The more extensive cover (Policy 8510) provides for claims to be settled on actual repair costs up to the sum insured but if no repairs are carried out the claim settlement would be restricted to the diminution in market value plus the cost of debris removal and the like. This type of cover is appropriate in cases where buildings on a particular site are of value. In normal cases the rate will be 60p% on the sum insured. The minimum premium is £100 per annum.

Average does not apply and the sum insured is selected by the party placing the insurance, being dependent on the circumstances of the case.

The premiums are subject to the addition of Insurance Tax which was fixed at 5% with effect after 1st July 1999.