



### **Bedroom Tax – What this means for your insurance?**

Reforms to the Welfare System will cut the amount of benefit that people can claim if they have a spare bedroom in their Council or Housing Association home.

The power to do this is contained in the Welfare Reform Act 2012 and this is commonly referred to as the Bedroom Tax, Size Criteria or Under-Occupation Penalty.

If you have a spare bedroom and are likely to be affected by this measure, you may have considered letting your spare bedroom to a lodger. Your landlord has negotiated on your behalf changes to the cover provided under your Tenants Contents Insurance Policy to allow you to take in a lodger.

You must tell your landlord and insurer that you are going to let your spare bedroom to a lodger before doing so, but your Tenants Contents Insurance Policy will continue to insure you.

Your Tenants Contents Insurance Policy will not cover your lodger's possessions and they will need to arrange their own policy to cover their Contents. In addition, your policy will not provide cover for damage caused by Theft or Malicious damage unless there is evidence that force and violence has been used to get into or out of your home and while the home is lent, let or sub-let to anyone other than the family unless force and violence has been used to get into or out of the home.

Your lodger would need to take out a separate contents policy through your landlords insurance scheme separately for their own contents in their own name, even if they have a small amount of contents, we would not cover the contents for all individuals jointly under one policy.