Autumn 2026

Covernotes

Explaining issues that affect insurance

In this issue

- Underinsurance: Why "last year's figures" no longer add up
- Martyn's Law: What it means for you (without the legal jargon)
- Autumn risks: Why this season demands extra attention
- The renters' rights act: What landlords need to know (and why insurance matters)

Underinsurance: Why "last year's figures" no longer add up

Why underinsurance is rising

For many businesses, insurance values are set annually and then left unchanged. But in today's environment, that approach is increasingly risky.

A combination of inflation, labour shortages and global supply chain disruption has driven up the cost of rebuilding and replacing assets far more quickly than many businesses expect. In some cases, the cost of materials and equipment has increased significantly,[1] well beyond headline inflation, meaning historic values can quickly fall out of date.

At the same time, insurers are applying greater scrutiny at claim stage. Declared values are being assessed more closely against current costs and where these are found to be inaccurate, settlements may be reduced or restricted.

The result? More businesses are unknowingly carrying underinsurance exposure.

What do we mean by the "true cost"?

- Demolition and debris removal
- Professional fees (e.g., surveyors, engineers)
- Compliance with current building regulations
- Associated costs such as VAT and statutory requirements

If these elements aren't factored in, businesses can easily underestimate the real cost of recovery.

It's more than bricks and mortar

Underinsurance is often associated with buildings, but the risk is much broader:

Contents and machinery
Replacement costs for plant, equipment and stock have risen significantly. Supply challenges and labour shortages mean items may cost more and take longer to source or install, than originally anticipated.

Supply chain and recovery delays
Disruption to suppliers, materials or logistics can delay repairs, replacement and reinstatement, particularly where specialist equipment or imported materials are involved.

Business Interruption (BI)
Delays in sourcing materials or equipment don't just increase costs, they can significantly extend the time it takes to fully recover.

Business interruption limits and indemnity periods set in previous years may therefore no longer reflect realistic recovery times, leaving potential gaps in cover.

Inflation on claims costs
Claims costs can also rise because of material prices, labour availability, legal costs and more complex supply chains. These pressures may move faster than annual index linking or historic estimates, increasing the risk that declared values fall behind.

1. https://www.gov.uk/government/statistics/building-materials-and-components-statistics-june-2026/construction-building-materials-commentary-june-2026

Why this matters at claim time

Underinsurance is often invisible, until it's tested. If the declared value is lower than the true value at risk, insurers may apply "average", reducing claim payments proportionally. In practice, this can mean:

- A reduced claim settlement
- Unexpected out-of-pocket costs
- Greater cashflow pressure during recovery

In some cases, cover may also be limited to the declared value or revert to an indemnity basis rather than full reinstatement.

At a time when a business is already dealing with disruption, this can place additional strain on cashflow, staff and customer relationships.

What can businesses do now?

Underinsurance is often unintentional, but businesses can take practical steps to reduce the risk:

- Review sums insured regularly to reflect current rebuild and replacement costs
- Consider a professional reinstatement cost assessment
- Revisit business interruption indemnity periods to account for delays
- Check that contents, machinery and stock values reflect current replacement costs
- Sense-check whether index linking alone is sufficient in today's environment

Regular reviews are important because rebuilding, replacement and recovery costs can change quickly.

Underinsurance is rarely the result of poor decision-making; more often, it reflects how quickly costs and operating conditions can move on.

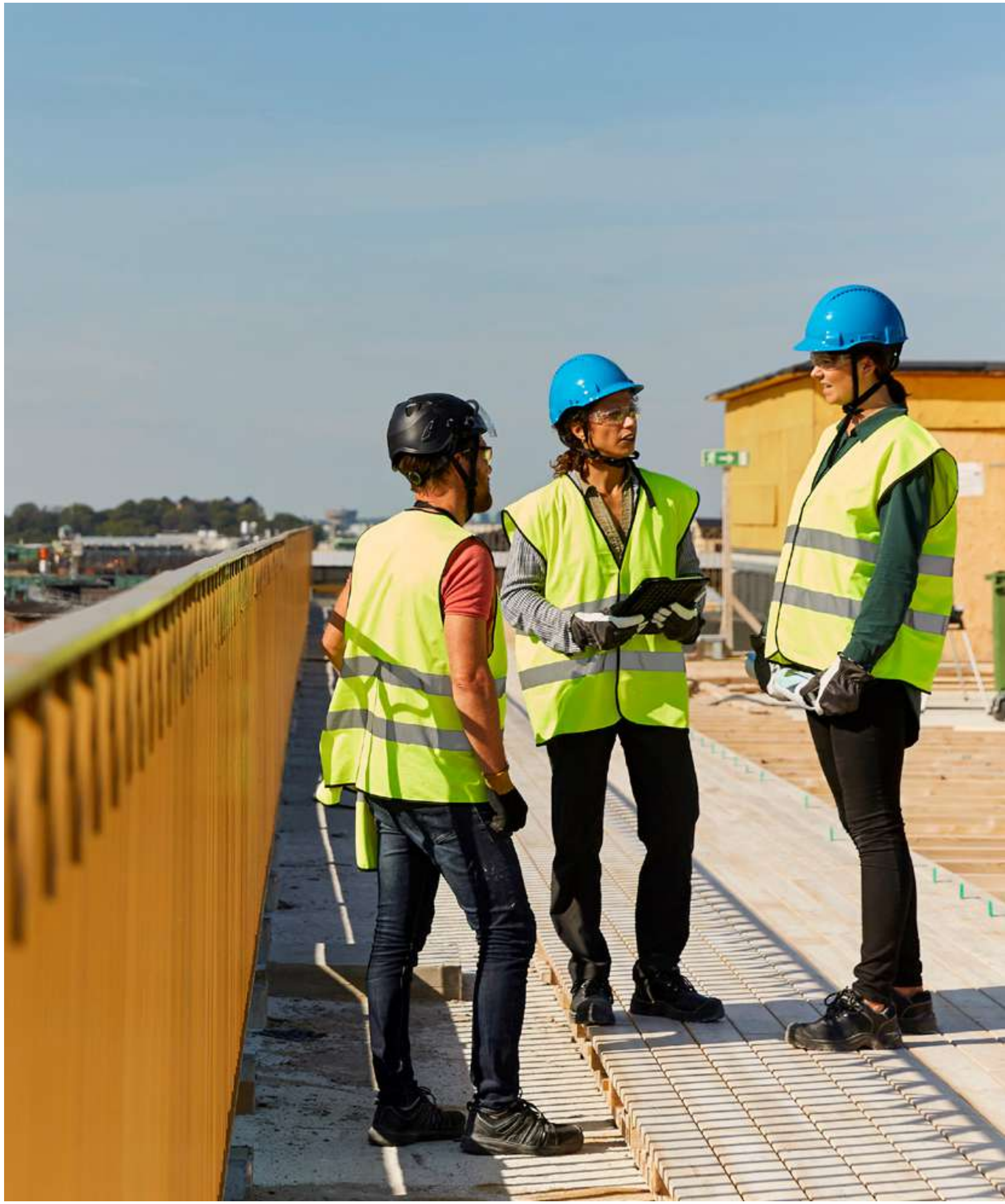
Relying on last year's figures can therefore create unintended risk, particularly where values have not been reviewed against current reinstatement and replacement costs.

Speak to your broker

Checking whether your insurance values remain appropriate is not always straightforward and in some cases may require input from a qualified valuation or reinstatement cost specialist.

Your broker can help you review your existing insurance arrangements, explain how underinsurance could affect a claim and discuss whether a professional assessment may be appropriate.

Insurance cover, limits and exclusions will vary by policy, so any review should take into account of your individual arrangements and circumstances.



Martyn's Law: What it means for you (without the legal jargon)

What is Martyn's Law?

Martyn's Law, formally the Terrorism (Protection of Premises) Act 2025,[1] is intended to "improve organisational preparedness and protective security across the UK" and requires those responsible for premises to "prepare for potential terrorist attacks and help keep people safe in the event of an attack."[1a]

Martyn's Law received Royal Assent on 3 April 2025, becoming the Terrorism (Protection of Premises) Act 2025. The Government has indicated there will be an implementation period of at least 24 months from that date before the Act comes into force. This means there is currently no legal requirement to comply until commencement, although organisations that may fall within scope may wish to use this period to understand the requirements and prepare proportionately.[2]

In simple terms, it is about improving preparedness, so businesses are better placed to act quickly and effectively if an incident occurs.

Who is likely to be affected?

The law applies across the UK and introduces a tiered approach based on the number of people reasonably expected to be present:[3]

- **200–799 people (Standard tier)**
  The standard tier applies to premises that can reasonably expect between 200 and 799 individuals to be present. Requirements are centred on "simple, low-cost activities" to help reduce harm and save lives.
- **800+ people (Enhanced tier)**
  The enhanced tier applies to premises that expect 800 or more individuals to be present.

What it's really about

Martyn's Law is designed to be risk-based and proportionate, requiring organisations to take reasonably practicable steps based on their size, activities and risk profile.

There is no fixed list of security measures. Instead, organisations are expected to demonstrate that they have:

- Thought about the risks
- Put appropriate procedures in place
- Made informed, reasonable decisions

Why this matters for businesses

The legislation increases expectations around:

- Preparedness and response planning
- Staff awareness and procedures
- Accountability for decision-making and risk management

As Martyn's Law moves towards implementation, organisations should expect greater scrutiny of how decisions are made and documented, particularly for public-facing premises. This matters not only because of preparedness and duty of care, but also because the Act introduces a regulatory framework, with the Security Industry Authority (SIA) responsible for assessing compliance and using enforcement powers where required.[4]

Enforcement, penalties and the SIA's role

Compliance will be overseen by the Security Industry Authority (SIA), which will act as the regulator for Martyn's Law. The SIA's role is expected to include helping those responsible for qualifying premises and events understand their duties, assessing compliance, identifying non-compliance and bringing premises or events into compliance where required.[4,5]

1. https://www.gov.uk/government/publications/the-terrorism-protection-of-premises-act-2025/terrorism-protection-of-premises-act-2025-statutory-guidance
1a. https://www.gov.uk/government/publications/the-terrorism-protection-of-premises-act-2025/terrorism-protection-of-premises-act-2025-statutory-guidance#:~:text=1.4%20The%20Act,reduce%20those%20vulnerabilities
2. https://www.gov.uk/government/news/martyns-law-guidance-published-to-help-businesses
3. https://www.gov.uk/government/publications/martyns-law-for-education-settings/how-martyns-law-will-affect-education-settings
4. https://www.wtwco.com/en-gb/insights/2026/05/martyns-law-statutory-guidance-update
5. https://www.gov.uk/guidance/understanding-martyns-law-and-the-sias-role-as-regulator

The enforcement regime is an important part of the "why does this matter?" question. Potential financial penalties for non-compliance could be significant, with penalties of up to £18 million or 5% of worldwide revenue. The SIA has also indicated that its approach will be risk-based and proportionate, with compliance assessments that may include desk-based reviews and on-site inspections.[4,5]

For businesses, this reinforces the importance of keeping clear records of decisions, responsibilities and the rationale for any measures adopted. The focus is likely to be on whether reasonable, proportionate steps have been considered and documented, rather than whether every possible security measure has been implemented.

Where risk management and liability fit in

Martyn's Law is not an insurance requirement, but it is relevant to how organisations manage risk, accountability and potential liability.

It reinforces the expectation that organisations take reasonable steps to prepare for and reduce the impact of an incident, which may be relevant to how liability and management exposures are considered.

Businesses should consider how the legislation interacts with:

- Duty of care and liability exposure
- Management responsibilities and decision-making
- Public liability and employers' liability considerations
- Crisis response, continuity and incident management planning

Not all costs are insurable

Some impacts, such as reputational damage, operational disruption or crisis management costs, may not be fully addressed by insurance. This reinforces the importance of preparation, documented procedures and clear responsibility for decision-making.

What can businesses do now?

You don't need to wait for full implementation to take action. Practical steps include:

- Confirm whether your premises fall within scope (200+ capacity)
- Put in place basic response procedures (e.g., evacuation, lockdown, communication)
- Ensure staff understand how to respond in an emergency

- Review whether your risk management, incident response, governance and record-keeping arrangements are aligned
- Consider whether liability, management and regulatory exposures are understood and documented

Taking early, proportionate steps can improve resilience, support compliance planning and help businesses evidence the decisions they have made.

For many businesses, the key point is not whether they need expensive security measures, but whether they can show they have considered the risks and put proportionate procedures in place.

Speak to your broker

If you operate public-facing premises and want to understand how Martyn's Law could affect your risk profile, speak to your broker. A broker can help you:

- Consider whether liability and management exposures have been reviewed
- Discuss whether your insurance arrangements remain appropriate for your risk profile and operational reality
- Support a joined-up approach to compliance, risk management and insurance considerations

A review today may help your business identify practical steps and evidence proportionate decision-making as the legislation takes effect.

Autumn risks: Why this season demands extra attention

A riskier autumn landscape

Autumn has always brought changeable weather, but the scale and nature of these risks is evolving.

Across the UK, businesses continue to face weather-related risks such as flooding, storms and ground movement. Recent government reporting has highlighted the impact of sustained wet conditions and multiple storms, while flood risk mapping shows that a significant number of properties remain exposed to flooding. These risks can create uncertainty for businesses when reviewing property protection, maintenance and insurance arrangements.[1,2]

For businesses, autumn is no longer just seasonal, it's a key point for reviewing risk.

Key autumn exposures

While every business is different, several risks tend to come into sharper focus during autumn:

Trees and subsidence

Ground movement is influenced by wet winters followed by dry summers, causing soil to expand and contract. This increases the risk of subsidence and structural damage, particularly where trees affect soil moisture levels.

Flooding

Flood risk is both widespread and growing. Around 6.3 million properties in England are now in areas at risk of flooding from rivers, the sea or surface water.[2]

Flood events can lead to significant disruption, financial loss and prolonged recovery.

Storm damage

Storm systems are increasingly associated with heavier rainfall and stronger winds over wider areas, meaning a single event can affect multiple regions. Combined with saturated autumn ground conditions, this heightens the risk of:

- Roof and structural damage
- Water ingress
- Localised flooding

Why wider weather patterns matter

Global weather systems can affect atmospheric circulation patterns, which may influence how and where rainfall and storm systems develop. While the impact on the UK will vary by season and event, these wider patterns can contribute to greater uncertainty in weather planning. For businesses, this reinforces the importance of reviewing flood, storm and business interruption exposure before the winter period.[3]

Why this matters at claim time

Autumn risks often become clear only after a loss. Common issues highlighted in claims include:

- Flood cover not aligned to actual exposure
- Subsidence limits below rebuilding costs
- Business interruption periods too short for modern repair times

Flooding in particular can have long-lasting impacts, with recovery often taking longer than expected.[4]

Where insurance fits in

As weather risks evolve, businesses may need to review whether their insurance arrangements remain appropriate. Businesses may find that:

- Cover extensions (e.g., flood or subsidence) do not reflect current exposures
- Policy limits are based on historic assumptions
- Business interruption periods no longer align with today's recovery timelines

Insurers are increasingly factoring changing climate risks into pricing and coverage structures. Insurance cover, limits and exclusions will vary by policy, so businesses should review their individual arrangements with their broker.

1. https://www.gov.uk/government/publications/flood-forecasting-centre-annual-review-2024-to-2025/flood-forecasting-centre-annual-review-2024-to-2025
2. https://www.gov.uk/government/news/environment-agency-publishes-major-update-to-national-flood-and-coastal-erosion-risk-assessment
3. https://www.wtwco.com/en-gb/insights/2024/09/el-nino-and-climate-change-fuel-brazil-floods
4. https://www.gov.uk/government/news/environment-agency-publishes-major-update-to-national-flood-and-coastal-erosion-risk-assessment

What can businesses do now?

Autumn is an ideal time to review your position:

- Assess exposure to flood, storm and subsidence risks
- Check whether your location is in a flood risk area
- Check whether maintenance arrangements for roofs, drainage and trees are up to date
- Revisit business interruption assumptions
- Review whether your insurance arrangements reflect current, not historic, risks

Taking time to review weather-related exposures before the winter period may help businesses identify practical actions, improve resilience and support recovery planning.

Speak to your broker

Autumn is a useful time to check whether your cover reflects how weather risk behaves today, not how it used to.

Your broker can help you:

- Identify potential gaps in your cover
- Discuss whether your insurance remains aligned with current risk exposures
- Support preparation ahead of the winter season

A simple review now may help identify potential gaps before the worst weather arrives.

The renters' rights act: What landlords need to know (and why insurance matters)

What's changed?

The Renters' Rights Act, implemented from 1 May 2026, represents the biggest shift in private renting in a generation. Key changes include:

- The end of Section 21 "no fault" evictions[1]
- A move to periodic tenancies with no fixed end date[2]
- New legal obligations, including providing official information to tenants and following stricter processes when managing tenancies[3]

The reforms are designed to create a fairer, more secure system for tenants, while also introducing new responsibilities for landlords.

Why risk exposure is increasing

While many landlords already operate to a high standard, the new framework places greater emphasis on process, compliance and documentation. This can increase exposure in areas such as:

- **Possession processes:** landlords must rely on defined legal grounds rather than "no fault" routes[4]
- **Disputes:** tenants now have stronger rights and clearer routes to challenge decisions[5]
- **Documentation:** landlords must follow and evidence correct procedures when managing tenancies[6]

In practice, this means that getting processes wrong could lead to delays, disputes or additional costs.

Where insurance can support landlords

Insurance cannot prevent disputes, but it may help manage the financial impact if they arise. Common areas of cover* include:

- **Legal expenses insurance:** can help cover the cost of disputes, tribunal hearings or possession proceedings
- **Rent protection or malicious damage cover:** may provide financial support if tenants default or cause damage
- **Loss of rent cover:** may help maintain income if a property becomes uninhabitable following an insured event
- **Buildings and landlord insurance:** may help respond to property-related losses, subject to policy terms and exclusions
- **Landlord insurance extensions:** may provide additional protection for selected risks within the rental sector

This is not about expecting problems; it is about considering how prepared you are for them.

Why it matters now

The Act places greater importance on doing things correctly first time. Where disputes do arise, they may take longer or become more complex, particularly as tenants gain stronger rights and access to challenge processes.[7]

For landlords, this shifts risk from simply managing property to managing compliance and legal exposure.

Speak to your broker

If you own or manage rental property, it may be helpful to review your position. Your broker can help you:

- Understand how the Renters' Rights Act affects your risk profile
- Discuss potential gaps in your insurance cover
- Review whether your insurance arrangements remain appropriate as the legal landscape changes

A review now may help you understand where further action or advice could be needed as the rental market continues to evolve.

*Cover will depend on individual policy terms, conditions, limits and exclusions.

1. https://www.gov.uk/government/news/no-fault-evictions-to-end-by-may-next-year
2. https://www.gov.uk/guidance/renters-rights-act-an-overview-for-landlords#:~:text=All%20existing%20assured%20shorthold%20tenancies%20(ASTs)%20will%20change%20to%20assured%20periodic%20tenancies%20and%20new%20tenancies%20will%20be%20assured%20periodic%20tenancies.%C2%A0
3. https://www.gov.uk/guidance/renters-rights-act-an-overview-for-landlords
4. https://www.gov.uk/guidance/repossessing-your-privately-rented-property-after-1-may-2026
5. https://www.gov.uk/private-renting/rent-disputes
6. https://www.gov.uk/guidance/renters-rights-act-an-overview-for-landlords#:~:text=Changes%20to%20tenancies%C2%A0,tenant%20by%20the%2031%C2%A0May%C2%A02026.
7. https://www.gov.uk/renting-out-a-property/settling-disputes

Daines Kapp Insurance Brokers Ltd
Daines Kapp House, 4 Baldock Street
Ware
Herts
SG12 9DZ

Tel: 0192 048 4844

www.daineskapp.co.uk
info@daineskapp.co.uk

Authorised and regulated by the Financial Conduct Authority.

WTW offers insurance-related services through its appropriately licensed and authorised companies in each country in which WTW operates. For further authorisation and regulatory details about our WTW legal entities, operating in your country, please refer to our WTW webpage. It is a regulatory requirement for us to consider our local licensing requirements.

The information given in this publication is believed to be accurate as of August 2026. This information may have subsequently changed or have been superseded and should not be relied upon to be accurate or suitable after this date.

This newsletter offers a general overview of its subject matter. It does not necessarily address every aspect of its subject or every product available in the market and we disclaimer all liability to the fullest extent permitted by law.
It is not intended to be and should not be, used to replace specific advice relating to individual situations and we do not offer and this should not be seen as, legal, accounting or tax advice. If you intend to take any action or make any decision on the basis of the content of this publication you should first seek specific advice from an appropriate professional. Some of the information in this publication may be compiled from third-party sources we consider to be reliable, however we do not guarantee and are not responsible for the accuracy of such. The views expressed are not necessarily those of Willis Networks.

FPS13628287 WTW-4522227884-08-2026