

Commonly Overlooked Commercial Property Risks in Summer

Summer often brings increased business activity, but it can also create seasonal property risks that lead to costly damage and operational disruption. While organisations focus on day-to-day operations during the warmer months, hazards such as extreme heat, severe weather and fire risks can easily be overlooked. However, by understanding these exposures and taking proactive steps to mitigate the risk, businesses can reduce losses and avoid unexpected cover gaps.

Summer Property Risks

The UK has experienced increasingly frequent periods of extreme heat in recent years, placing additional strain on commercial properties and infrastructure. Prolonged high temperatures can affect building materials, increase energy demands, and create uncomfortable or unsafe working conditions.

Key summer exposures include:

- Heat-related damage to roofing, cladding and other building materials
- Air conditioning and ventilation system strain or failure
- Increased fire risks during hot, dry weather
- Storm-related wind and flood damage from severe summer storms
- Greater wear and tear from increased customer and visitor traffic
- Increased exposure to theft or vandalism during busy summer holiday periods

Heatwaves can be particularly challenging for businesses that rely on temperature-sensitive equipment, refrigeration systems or data centres. HVAC failures may interrupt operations, damage stock and create health and safety concerns for employees and customers.

Fire risk is another significant summer concern. Dry vegetation, discarded smoking materials and outdoor work

activities can all increase the likelihood of fires affecting commercial premises. Businesses should also be aware that interruptions to power supplies and cooling systems can create additional operational challenges during periods of extreme heat.

Mitigation Strategies

Proactive planning and maintenance are essential to managing summer property risks. Consider the following actions:

- Conduct routine inspections of roofing, HVAC equipment and electrical systems.
- Maintain cooling and ventilation systems to ensure they can operate efficiently during periods of high demand.
- Review fire prevention measures, including housekeeping practices, outdoor storage arrangements and emergency response procedures.
- Prepare for severe storms by securing outdoor equipment and updating business continuity plans.
- Inspect high-traffic areas regularly to identify maintenance needs and reduce liability exposures.
- Review insurance policies for potential gaps, including flood, business interruption and equipment breakdown cover.

Conclusion

Summer weather conditions can create a range of property exposures that may not be immediately apparent until a loss occurs. Working with an experienced insurance broker can help organisations identify vulnerabilities, strengthen risk management efforts and ensure appropriate protection is in place.

Contact us today for further information.

6 Common Cover Gaps in Commercial Insurance Programmes

Even well-structured insurance programmes can leave businesses exposed. Cover gaps often arise from assumptions about what standard policies include, and many only become apparent after a loss occurs. Identifying these blind spots in advance can help organisations avoid unexpected financial strain and maintain appropriate protection.

1. Equipment Breakdown Exposures

Commercial property insurance generally covers damage caused by external events such as fire, storms or vandalism, but it may not respond to internal mechanical or electrical failures. Equipment breakdowns can disrupt operations, damage stock and lead to lost income.

Consider the following:

- Equipment breakdown cover for repair and replacement costs
- Protection for spoiled stock and business interruption resulting from equipment failure

2. Contingent Business Interruption Risks

Standard business interruption insurance typically applies only when an organisation's own premises suffer physical damage. Disruptions affecting suppliers, manufacturers or other critical business partners may not be covered. Contingent business interruption cover can help offset lost income and ongoing expenses resulting from these events.

3. Employment Practices Liability Concerns

Standard liability policies, such as public liability insurance, do not typically cover employment-related claims. Allegations of discrimination, harassment or unfair dismissal—often dealt with through employment tribunals—can still be costly to defend, even when claims are not upheld.

Employment practices liability cover can help with legal defence costs, settlements and awards arising from employment-related disputes.

4. Silent Cyber-Exposures

Traditional insurance policies were not designed to address modern cyber-risks. As insurers continue clarifying cyber-exclusions, some organisations may discover they lack protection for incidents they assumed were covered. Key risk areas include:

- Data breaches and ransomware attacks
- First- and third-party costs associated with cyber-incidents

Standalone cyber-insurance can help address these exposures.

5. Hired and Non-owned Vehicle Risks

Motor insurance arrangements may not always extend to vehicles hired by the business or employees' personal vehicles used for work purposes. Accidents involving these vehicles can create significant liability exposures. A review of commercial motor policies is essential to identify and address potential gaps.

6. Social Engineering Incidents

Cyber-criminals increasingly rely on deception rather than technical system breaches. Fraudulent payment requests, fake invoices and supplier impersonation scams can result in substantial financial losses. To better protect against these risks, businesses should consider:

- Social engineering extensions available under crime or cyber-policies
- Potential exclusions for voluntary transfers initiated by employees

Conclusion

Gaps in cover can exist even in comprehensive insurance programmes as risks evolve and policy wordings change. Regular reviews can help identify exposures and ensure cover remains aligned with business needs. By addressing potential gaps proactively, organisations can strengthen risk management and reduce the likelihood of costly surprises following a claim. Accurate information and a thorough understanding of cover are essential components of effective risk management.

For more risk management guidance, contact us today.

