



Essential guide to bed and breakfast insurance

For Bed and Breakfast
Association members

A business of Marsh McLennan





Contents

Managing risks as bed and breakfast (B&B) owners	3
--	---

Common risks faced by B&B owners	4
----------------------------------	---

- » Property damage
 - » B&B underinsurance
 - » Liability claims
 - » Theft and burglary
 - » Food safety
 - » Cyber
-

Emerging risks to watch out for	7
---------------------------------	---

- » E-bikes and e-scooters
 - » Environmental
 - » Reputational
 - » Regulatory changes
-

Essential insurance for B&Bs	10
------------------------------	----

How Marsh Commercial can help BBA members	11
---	----

Managing risk as a B&B owner

Running a bed and breakfast (B&B) is a rewarding venture, but it comes with its own set of challenges and risks. Understanding these risks and ensuring you have the right insurance is essential for protecting your business, your guests, and your peace of mind.

This guide is here to help you navigate the common and emerging risks you might face, share practical tips for reducing those risks, and outline the essential insurance you need to keep your B&B thriving.



Common risks faced by B&B owners

Understanding the common risks you face as a B&B owner is essential to help avoid potential pitfalls that can impact your operations, guest satisfaction, and overall profitability.



Property damage

Property damage can come from various sources, like fire, flooding, storms, or even vandalism. These incidents can lead to significant financial loss and disrupt your business, especially if you have to close your doors for repairs.

How to reduce the risk?

- **Install smoke detectors and fire alarms:** Make sure every room and common area has smoke detectors. Regularly check them to ensure they're working. Consider interconnected alarms that alert all units in case of fire.
- **Conduct regular property inspections:** Schedule routine checks to spot potential hazards, like loose wiring or plumbing issues. A handy checklist can help you stay organised.
- **Implement flood prevention measures:** If you're in a flood-prone area, think about installing flood barriers and maintaining your drainage systems. It's also wise to have a flood response plan ready.
- **Use fire-resistant materials:** When renovating, consider fire-resistant materials for roofing and interiors to reduce fire risk.
- **Create an emergency response plan:** Develop a plan that includes evacuation routes and emergency contacts. Share this with your staff and guests so everyone knows what to do in case of an emergency.



B&B underinsurance

Underinsurance is a common concern for B&B owners with as many as three in four UK properties underinsured¹. This often arises when the value of your property and its contents are underestimated or when your insurance policy doesn't account for recent renovations or market changes. This can lead to unexpected financial challenges if disaster strikes, such as a fire or theft, leaving you to cover the difference between what your policy pays out and the actual costs incurred.

How to reduce the risk?

- **Conduct annual property valuations:** It's a good idea to assess the value of your property and its contents at least once a year, or whenever significant changes occur. This makes sure your insurance coverage keeps pace with any renovations, new furnishings, and market changes.
- **Utilise professional services:** Consider using services like [Marsh Commercial's rebuild cost assessment](#) to obtain an accurate estimate of what it would cost to rebuild your property. This can help you determine the right level of coverage needed for your property.
- **Review your insurance policy:** Take some time to regularly examine your insurance policy. Understanding your coverage limits and exclusions is key. Don't hesitate to chat with an insurance professional to make sure you have the right protection tailored to your needs.
- **Keep an inventory of assets:** Maintaining a detailed inventory of everything in your B&B, complete with photographs and receipts, can be incredibly helpful. This documentation will make filing claims smoother and ensure you have sufficient coverage.
- **Consider business interruption insurance:** Business interruption insurance can provide valuable financial support if your B&B is temporarily unable to operate due to a covered loss. See page 10 for more detail.
- **Stay informed about market trends:** Keep an eye on property and construction market trends, as these can impact property values and rebuilding costs. Staying informed can help you make timely adjustments to your insurance coverage.





Liability claims

Liability claims can arise if a guest gets injured on your property, like slipping on a wet floor or tripping over an uneven surface. These claims can lead to costly legal fees and settlements.

How to reduce the risk?

- **Maintain clear walkways:** Regularly check and clear walkways of any obstacles. Use non-slip mats in high-traffic areas, especially during wet weather.
- **Post warning signs:** Use clear signage to warn guests of potential hazards, like wet floors after cleaning. Make sure the signs are visible and easy to understand.
- **Regularly review health and safety policies:** Keep your health and safety policies up to date and ensure all staff are trained on these protocols. Regular training sessions can help reinforce safety practices.
- **Conduct risk assessments:** Perform regular assessments of your property to identify potential hazards and implement corrective actions. Document these assessments to keep track of improvements.
- **Implement guest safety protocols:** Provide guests with safety information upon check-in, including emergency contact numbers and instructions for reporting hazards.



Theft and burglary

B&Bs can be attractive targets for thieves, whether it's the personal belongings of guests or your own property. Theft can lead to financial loss and damage to your reputation.

How to reduce the risk?

- **Install security cameras and alarm systems:** Use surveillance cameras in common areas and install alarm systems to deter potential thieves². Make sure the cameras are visible to act as a deterrent.
- **Use secure locks:** Ensure that all doors and windows have secure locks, and consider keyless entry systems for guest rooms. Regularly change access codes to maintain security.
- **Encourage guests to use in-room safes:** Provide in-room safes for guests to store their valuables securely. Let them know about these safes during check-in.
- **Conduct background checks on staff:** Implement thorough background checks for all employees to ensure trustworthiness, especially those who have access to guest areas.
- **Establish a check-in procedure:** Develop a check-in procedure that includes verifying guest identities and ensuring that only registered guests have access to the property.

² Please note that BT Redcare, one of the biggest providers of monitor alarm systems, is closing down operations by August 2025. If you are a Redcare customer, please speak to your broker or insurer about advice on getting a replacement alarm system.



Food safety issues

Serving food carries inherent risks, including food poisoning claims if guests fall ill after eating at your establishment. These types of claims can lead to significant legal and financial repercussions.

How to reduce the risk?

- **Follow strict food safety guidelines:** Adhere to local food safety regulations, including proper food storage and preparation practices. Train your staff on the importance of hygiene and safe food handling.
- **Regularly inspect food storage areas:** Ensure that food storage areas are clean and well-organised. Use a first-in, first-out (FIFO) system to manage inventory.
- **Keep accurate records:** Maintain records of food sourcing and preparation to demonstrate compliance with regulations. Document temperature logs for refrigerators and freezers.
- **Conduct regular staff training:** Provide ongoing training for kitchen staff on food safety practices, including allergen management and cross-contamination prevention.
- **Implement a food safety management system:** Develop a system that includes procedures for monitoring food safety practices and conducting regular audits.



Cyber risks

With the increasing reliance on technology, B&Bs are vulnerable to data breaches and cyber-attacks, especially if you handle online bookings and customer data. A data breach can lead to loss of sensitive information and damage to your reputation.

How to reduce the risk?

- **Use secure payment systems:** Implement secure payment gateways and ensure that all transactions are encrypted. Regularly review and update your payment processing systems.
- **Regularly update software:** Keep all software, including your booking system and antivirus programs, up to date to protect against vulnerabilities.
- **Train staff on cybersecurity best practices:** Educate your staff about phishing scams and safe internet practices. Regular training sessions can help keep cybersecurity awareness high.
- **Implement multi-factor authentication:** Use multi-factor authentication for accessing sensitive systems and data to add an extra layer of security.
- **Conduct regular security audits:** Perform regular audits of your cybersecurity measures to identify vulnerabilities and implement corrective actions.



Emerging risks to watch out for

In this section we delve into the latest challenges that may impact your business, from shifts in consumer behaviour to technological advancements, equipping you with the knowledge to proactively address these potential threats and safeguard your business for the future.



E-bikes and e-scooters

As the popularity of e-bikes and e-scooters continues to grow, B&Bs need to consider what measures to put in place so guests can store these vehicles safely during their stay.

How to reduce the risk?

- **Check your insurance:** Take a moment to review your property insurance policy and see if it covers guests' e-bikes and e-scooters. If not, consider adding some extra cover to keep everyone protected.
- **Set up simple storage guidelines:** Create a straightforward policy for storing e-bikes and e-scooters. Designate specific areas for storage, outline any security measures, and let guests know what to expect regarding liability. Sharing this information during the booking process can help everyone feel at ease.
- **Boost security:** Consider investing in secure storage options, like locked bike racks or a dedicated storage room with cameras. This not only keeps guests' belongings safe but also gives you peace of mind.
- **Suggest guest insurance:** It's a good idea to encourage your guests to look into insurance for their e-bikes and e-scooters. This way, they'll have their own coverage in case of theft or damage, which can help ease any worries.
- **Keep an eye on risks:** Regularly check the storage areas for any potential hazards and make sure they're safe for your guests. Simple things like good lighting and clear signage can make a big difference in keeping everyone safe.



Environmental risks

Climate change can lead to more frequent and severe weather events, such as floods and storms, which can impact your property and operations. Understanding your environmental risks is crucial for long-term sustainability.

How to reduce the risk?

- **Know your environmental risks:** Understand the environmental risks in your area, such as flooding, coastal erosion, or severe storms, to better prepare your B&B.
- **Check your insurance coverage:** Make sure your insurance policies cover the environmental risks relevant to your location. This might mean looking into flood insurance or business interruption coverage.
- **Take preventive steps:** Consider implementing some simple measures to reduce environmental risks i.e. if you're in a flood-prone area, installing sump pumps can be a lifesaver.
- **Create an emergency plan:** Develop a simple emergency response plan outlining actions for severe weather or flooding, and share it with staff and guests.
- **Stay informed:** Monitor local weather alerts and environmental regulations, and engage with community resources for valuable insights on managing risks.



Reputational risks

Negative reviews on social media or travel sites can harm your business. A single bad experience can lead to a cascade of negative feedback, impacting your bookings and revenue.

How to reduce the risk?

- **Monitor online reviews:** Regularly check platforms like TripAdvisor and Google Reviews to stay informed about guest feedback. Set up alerts for mentions of your B&B on social media.
- **Respond promptly to feedback:** Address negative reviews professionally and promptly, showing your commitment to guest satisfaction. Thank guests for positive feedback and encourage them to return.
- **Maintain high standards of service:** Consistently deliver exceptional service to minimise the likelihood of negative reviews. Conduct regular staff training and performance evaluations to ensure service quality.
- **Encourage guest feedback:** Actively seek feedback from guests during their stay and after check-out. Use surveys or comment cards to gather insights and address any concerns immediately.
- **Develop a crisis management plan:** Prepare a crisis management plan that outlines how to respond to negative publicity or reviews, including designated spokespersons and communication strategies.

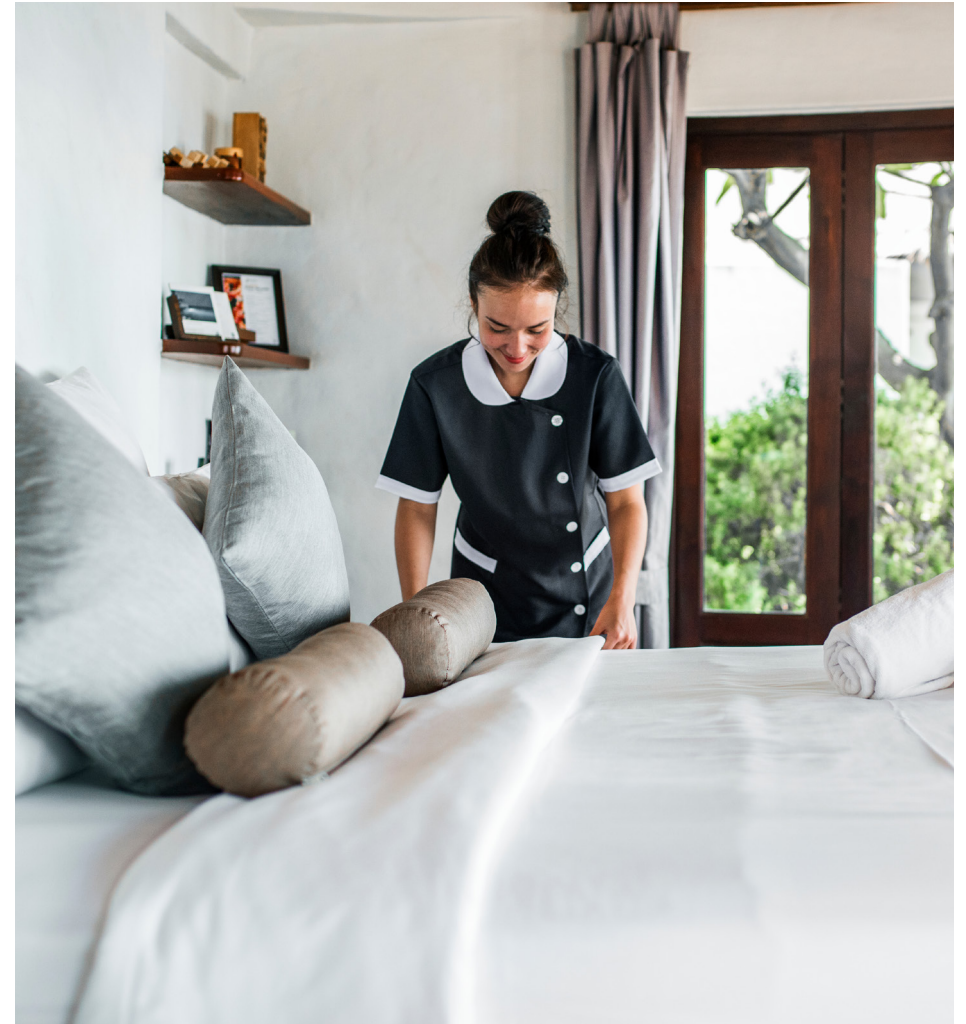


Regulatory changes

As a B&B owner, staying on top of new regulations is essential for ensuring the safety of your guests and the smooth operation of your business. With regulations constantly evolving, it's important to be proactive and informed.

How to reduce the risk?

- **Stay updated on regulations:** Keep an eye out for updates on local and national regulations that could impact your B&B, like health and safety standards or fire safety rules. [The B&B Association](#) is a great source of advice and guidance on this.
- **Check your insurance policies:** Make sure your insurance covers any new regulations. This could mean looking into liability insurance or specific coverage for guest safety.
- **Take compliance steps:** Don't wait to make changes. Update your safety equipment or improve your food hygiene practices to stay compliant with new rules.
- **Connect with local authorities:** Building a good relationship with local authorities can be really helpful. They can keep you in the loop about regulatory changes and offer advice on how to stay compliant.



Essential insurance for B&Bs

Navigating the complexities of running a B&B requires not only a passion for what you do, but also a solid understanding of the essential insurance needed to protect your livelihood. Ensuring you have the right insurance in place helps you focus on providing exceptional guest experiences with peace of mind.



Buildings insurance

Covers the physical structure of your B&B against risks like fire, flood, and vandalism. It is often a compulsory requirement of a mortgage and is essential for protecting your livelihood, ensuring you can recover from significant damage.



Contents insurance

Protects your furniture, fixtures, and fittings against theft or damage. This includes items such as bedding, kitchen equipment, and decor. Ensure you have an accurate inventory of your contents for insurance purposes.



Public liability insurance

Essential for protecting against claims made by guests for injuries or accidents occurring on your property. This insurance can cover legal fees and compensation costs, providing peace of mind in case of an incident.



Employers liability insurance

Required by law if you employ staff (unless they are immediate family members), this insurance covers claims made by employees for work-related injuries or illnesses. It is crucial for protecting your business from potential lawsuits and ensuring compliance with legal requirements. If you only employ family members, it's still advisable to have employers liability to help protect you.



Business interruption insurance

Provides financial support if your business is unable to operate due to an insured event, such as a fire or flood. This cover can help cover lost income and ongoing expenses during the recovery period, allowing you to maintain financial stability.



Cyber insurance

Protects against losses related to data breaches and cyber-attacks, covering costs associated with recovery, legal fees, and liability claims. As cyber threats continue to evolve, this insurance is becoming increasingly important for B&B owners.

How Marsh Commercial can help BBA members

Marsh Commercial is proud to be the appointed insurance broker for members of the B&B Association (BBA). With extensive experience in the sector, we understand the unique challenges you face as a B&B owner and provide insurance solutions that protect your business and give you peace of mind.


Here's how we can assist you:

- **B&B insurance:** Insurance designed for B&B owners, ensuring comprehensive coverage that meets your unique needs.
- **Expert guidance:** A dedicated BBA team made up of experienced insurance professionals helping you to make informed decisions about your coverage.
- **Risk management advice:** Help to identify and manage potential risks to reduce exposure and improve the safety of your operations.
- **Ongoing support and claims assistance:** Commitment to providing claims advocacy with claims processes should you need it.



Member offer

FREE business insurance review: As a member of BBA you have access to a free consultation with one of our insurance professionals to review your business insurance cover to ensure it meets your current needs and risks. They will be able to identify any gaps and make recommendations of adjustments as and where necessary. To book your review, please contact us:

 **0330 818 0248**

 **BBA@marshcommercial.co.uk**

“**We could not have asked for more, Marsh Commercial were fantastic. After trying to sort a suitable policy with other companies that just weren't fitting our needs for a family run bed and breakfast, Marsh Commercial worked tirelessly to find one tailored to us. They took away all the stress and explained everything in detail making sure nothing was hidden in the small print. Would definitely recommend”.**

Abigail Merrick

Lynwood House bed and breakfast



Get in touch

If you have any questions about what insurance you need or would like to book your free business insurance review, please don't hesitate to get in touch.

 **0330 818 0248**

 **BBA@marshcommercial.co.uk**

 **[Marshcommercial.co.uk/BBA](https://www.marshcommercial.co.uk/BBA)**

This is a marketing communication

Bed and Breakfast Association Ltd is an Introducer Appointed Representative of Marsh Ltd and Marsh Commercial is a trading name of Marsh Ltd. Marsh Ltd is authorised and regulated by the Financial Conduct Authority (FCA) for General Insurance Distribution and Credit Broking (Firm Reference Number 307511). Copyright © 2025 Marsh Ltd. Registered in England and Wales, Number: 1507274. Registered office: 1 Tower Place West, Tower Place, London EC3R 5BU.