BRIGHT HILL PROPERTIES

Rent Guarantee Insurance

Rent guarantee insurance (also called rent protection) pays your rent if your tenant stops paying, and covers the legal costs of getting your property back. With Section 21 'no-fault' evictions now abolished, arrears can take far longer to resolve — which makes this cover more valuable than ever.

What it covers — at a glance

Cover	Typical terms
Unpaid rent	Your rent is paid, usually from the second month of arrears (a one-month excess is standard), for up to 6–12 months.
Legal & eviction costs	Solicitor, court and bailiff fees to recover possession — commonly covered up to £50,000–£100,000.
Post-eviction void	Many policies pay a further 1–3 months' rent while the property is re-let after the tenant leaves.
Excess	Normally the first month's arrears, after which the policy pays out.

Why it matters now

Since 1 May 2026, landlords can no longer use a quick Section 21 notice. Regaining possession now means using a Section 8 ground through the county court, which commonly takes four to eight months from the first missed payment to eviction. Throughout that time you may still be paying a mortgage with no rent coming in. Rent guarantee insurance bridges exactly that gap — covering the lost rent and the cost of the legal process.

What's usually required

Cover is straightforward to obtain provided the tenancy is set up properly. Insurers generally require:

- Tenants who have passed referencing through an accredited agency (identity, credit, income and previous-landlord checks).
- A valid, compliant tenancy agreement and completed Right to Rent checks.
- The deposit protected in a Government-approved scheme.
- The policy taken out within a set window (typically 30–90 days) of the tenancy starting.
- Rent within the insurer's limit — commonly up to around £2,500–£3,500 per month.

Because we reference every tenant thoroughly before move-in, tenancies we set up will usually qualify without difficulty.

Common exclusions

As with any policy, there are limits. Cover typically does not apply to arrears that existed before the policy started, tenants who did not pass referencing, rent above the insured amount, or tenancies on a non-compliant agreement. Arrears also need to be reported to the insurer promptly, so the claim process should begin as soon as a payment is missed.

What it costs

Standalone rent guarantee cover is relatively inexpensive — often somewhere between around £150 and £300 a year, or a small percentage of the annual rent, depending on the rent level, the length of cover and whether it is bought on its own or bundled with legal-expenses or landlord insurance. It is usually modest set against a single month's rent, let alone several months of arrears plus legal costs.

How Bright Hill Properties helps

We reference every tenant to the standard insurers require, set the tenancy up compliantly, and can arrange rent guarantee cover for you at the start of the tenancy — then manage any claim and the possession process on your behalf if arrears ever arise, so you're protected from day one.

This is a general overview for landlords in England, correct to the best of our knowledge as at 2026. Cover, limits and prices vary between insurers — always read the policy wording and check the details before relying on it. Bright Hill Properties is the trading name of Bright Hill Properties Limited, registered in England and Wales, Company No. 11566868.