Home Insurance vs Renovation Insurance

When people start improving a property, they often assume their existing home insurance will quietly keep doing its job in the background. Sometimes it will for minor cosmetic work, but once the project becomes more disruptive, expensive, structural, or leaves the home empty for periods, that assumption can go sideways fast. Standard home insurance is built to cover a lived-in home in normal use. Renovation insurance is built for a property that is actively being altered, with all the extra mess, risk, and moving parts that come with that.

What home insurance is designed to do

Standard home insurance usually sits across two main areas: buildings insurance and contents insurance. Buildings insurance is there to cover the structure of the property and permanent fixtures such as walls, roof, windows, kitchens, and bathrooms. Contents insurance is there to cover belongings inside the home. Policies are generally aimed at risks such as fire, storm, escape of water, theft, and similar insured events affecting a normal occupied home.

For a typical homeowner with no major works underway, this is the right starting point. It is the mainstream solution, usually easier to arrange, and normally cheaper than specialist cover because the insurer is dealing with a lower-risk situation. The key phrase is **normal occupation**. Standard cover is priced on the basis that the property is being used as a home, not as a building site with contractors, materials, tools, partially exposed structures, and changing rebuild values.

What renovation insurance is designed to do

Renovation insurance is specialist cover aimed at projects where building works materially change the risk. That can include extensions, structural alterations, loft conversions, major refurbishments, rewiring, replumbing, unoccupied periods, or projects involving significant contractor activity and building materials on site. It is designed to protect the property while works are ongoing and to deal with risks that standard home policies may exclude or restrict.

A major difference is that renovation insurance can extend beyond the existing house to include the **works themselves**. In specialist policies this is often referred to as cover for contract works, which can include new structures, new materials, labour value already built into the project, and sometimes plant, tools, or site liability depending on the policy. That matters because standard home insurance may protect the original home in some circumstances, but not necessarily the new extension, structural openings, partially completed works, or materials waiting to be installed.

The core difference in plain English

Home insurance asks: **what if something goes wrong with my home?** Renovation insurance asks: **what if something goes wrong with my home while I am actively changing it?** That is a very different risk profile. One is a standard domestic asset. The other is a live project. Same building, very different underwriting headache.

When standard home insurance may still be enough

For light-touch works, standard home insurance may still be fine, provided the insurer has been told and has agreed to continue cover. Examples might include decorating, replacing a kitchen without structural changes, fitting new flooring, or carrying out low-risk internal improvements. Even then, the homeowner should notify the insurer before work starts, because changes in value, security, occupancy, or project scope can affect cover.

This is where many people get caught out. They think "I'm only doing work to improve the place, so why would insurance care?" Insurance cares because works can increase the chances of theft, accidental damage, escape of water, fire, liability claims, and underinsurance if the rebuild value rises. Even where a claim is not flatly excluded, failing to tell the insurer can create problems at claim stage.

When renovation insurance becomes the smarter choice

Renovation insurance usually becomes much more relevant where the project involves structural work, major refurbishment, contractor-heavy activity, scaffolding, changes to load-bearing walls, large extensions, significant rewiring or plumbing, or periods where the property is empty or only partly habitable. It is also worth serious consideration where the cost of the works is substantial, because the financial exposure is no longer just the existing house but also the value of the project in progress.

Unoccupancy is a major trigger. Many standard home policies place restrictions on homes left empty for a set period, and some renovation projects naturally involve vacant or semi-vacant properties. A specialist renovation policy or specialist unoccupied/renovation arrangement may be needed in those cases.

What home insurance typically covers well

Home insurance is usually strong for everyday residential risks affecting an occupied home. It is suitable for:

- standard buildings cover for the existing structure
- contents cover for belongings
- normal domestic claims such as storm, theft, fire, and escape of water
- mortgage-related expectations, since lenders commonly expect buildings insurance
- homeowners who are not materially changing the property risk mid-policy.

Its strengths are simplicity and cost-efficiency. If your project is minor and your insurer confirms cover remains in place, there may be no need to overcomplicate it. Not every paintbrush requires a specialist broker in a panic.

What renovation insurance typically covers better

Renovation insurance is better suited to:

- major works or structural alterations
- projects involving unoccupied property

- contract works and newly added parts of the building
- materials on site awaiting installation
- higher liability exposure linked to building works
- projects where standard insurers may restrict or withdraw cover.

It is less about replacing normal home insurance and more about plugging the gap between a domestic policy and a live construction risk. In many cases, that gap is exactly where the expensive problems live.

Cost considerations

Standard home insurance is usually cheaper because it is designed for lower-risk domestic use. Renovation insurance is often more expensive because the insurer is taking on extra exposure from building works, uncertainty, site risks, contractor activity, and sometimes vacancy. But focusing only on premium can be a false economy. A cheaper policy that does not respond when a wall is opened up, materials are stolen, or works are damaged is not a bargain. It is just a budget-friendly disappointment.

Things homeowners often forget

One common issue is the **sum insured**. Once works are completed, the rebuild cost of the home may increase, and the buildings insurance needs updating accordingly. MoneyHelper and ABI guidance both point users toward making sure the rebuild figure is adequate, not just the market value. That matters both before and after a renovation.

Another issue is assuming the contractor's insurance solves everything. Contractors should absolutely carry their own insurance, but that does not automatically replace the homeowner's need for proper building and project cover. Different policies respond to different losses, and relying on someone else's paperwork without checking the scope is a classic own goal.

Which one is better?

Neither is "better" in absolute terms. The right answer depends on the scale and type of work. Choose **standard home insurance** when the property remains a normal occupied home and the works are minor, non-structural, and accepted by the insurer under the existing policy.

Choose **renovation insurance** when the project materially changes the risk through structural works, vacant periods, larger budgets, contractor-heavy activity, major refurbishment, or the need to insure contract works and project materials.

Conclusion

For most households, standard home insurance is the correct cover for ordinary life in an ordinary home. It is designed for day-to-day domestic risks and can be perfectly suitable where improvements are minor and the insurer has been kept informed. It is usually simpler, cheaper, and easier to arrange.

Renovation insurance comes into its own when a home stops behaving like a normal home and starts behaving like a project. That could mean builders on site, walls coming down, an extension going up, large quantities of materials being stored, or the property being empty during the works.

In those situations, specialist cover is often the more sensible risk-management decision because it is built around the realities of renovation rather than the assumptions of ordinary home use.

The practical rule is simple: if the works are modest, tell your current insurer and get confirmation in writing that cover continues. If the works are significant, structural, high-value, or leave the property unoccupied, do not assume your normal policy has your back. Check it properly and look at specialist renovation cover where needed. That extra admin may feel annoying, but it is still less annoying than finding out after a loss that your insurer thinks you were living in a building site and forgot to mention it.