

Overcoming Underinsurance

Underinsurance

Unfortunately, underinsurance only usually comes to light when a policyholder has a claim, discovering to their detriment, the effect this has on their settlement. Whilst there is no average condition in our Executive Home policies, we often find instances where a policyholder will suffer after a loss due to their sums insured being inadequate. Examples of this are:

- Where a specified item has not been valued for a while and remains on the schedule, whilst it may have the benefit of index-linking, this may not be sufficient in keeping up with market values. The maximum payable is the sum insured.
- Where a policyholder has undertaken a lot of home improvement work without giving consideration to their Buildings sum insured. Again, index-linking will apply, but often this will not be enough to account for these additional expenditures. Reinstatement following a total loss could therefore find a policyholder having to dig deep into their pocket on discovering that the sum insured was inadequate.

Always ensure that sums insured are calculated on the correct basis:

- Contents – this should represent the full replacement value of the entire contents of the home, not forgetting those in outbuildings – or the loft!
- Fine Art & Antiques – this should represent the full market value, so you will need to be aware of market trends.
- Jewellery – As most jewellery items will be unique in their origin, this should represent the current market value.
- Buildings – this should represent the full cost of rebuilding the home to its existing specification, not forgetting to include an element for architects', surveyors' and legal fees, plus the cost of debris removal.

Arriving at the correct sums insured is not always easy without some assistance and we can provide this in a number of ways:

- Contents – A room by room guide is available to undertake an exercise in helping to ensure that everything is included.
- Jewellers are usually able to provide valuations on jewellery and watches, but do ensure they hold an IRV qualification to be able to do this.
- The ABI.BCIS website provides some useful guidance on assessing home rebuilding costs, including access to a suitable calculator that can be used to provide an estimated rebuild cost based on a number of given factors.

Having established correct sums insured, these should always be checked on a regular basis to ensure that they are in keeping with any market trends.

Helpful Numbers

Valuations from the experts are always very useful – and often essential for high value items. A full valuation service is available from the following approved specialist valuers and fine art consultants:

- Pall Mall Art Advisors
0203 159 5425
- Quastel Associates
0208 952 9188
- Gurr Johns
0207 839 4747
- The Chester Valuation Company
01435 872975

For larger homes and especially for listed properties, the assistance of a building surveyor is always recommended. Our approved surveyors are:

- Scott Brown Risk Management Surveyors
01483 549334

Valuation Guide

Contents

| Drawing Room | Your estimate |
|--|---------------|
| Curtains, carpets and rugs | £ |
| Three piece suites and chairs | £ |
| Sideboards, pianos and other furniture | £ |
| Personal computers, computer games and accessories | £ |
| Cassettes, tapes, records and discs | £ |
| Book cases and tables | £ |
| Mirrors, ornaments, lamps and clocks | £ |
| Other items | £ |
| Total | £ |

| Dining Room | Your estimate |
|--------------------------------------|---------------|
| Curtains, carpets and rugs | £ |
| Tables and chairs | £ |
| Sideboards and other furniture | £ |
| Mirrors, ornaments, lamps and clocks | £ |
| Crockery and cutlery | £ |
| Other items | £ |
| Total | £ |

| Master bedroom & bathroom (en suite) | Your estimate |
|--|---------------|
| Curtains, carpets and rugs | £ |
| Beds and bedding | £ |
| Bedroom furniture | £ |
| Mirrors, ornaments, lamps and clocks | £ |
| Bathroom furniture and cabinets | £ |
| Floor coverings and blinds | £ |
| Clothing and other personal effects incl. furs | £ |
| Total | £ |

| Other bedrooms/dressing rooms | Your estimate |
|---|---------------|
| Curtains, carpets and rugs | £ |
| Beds and bedding | £ |
| Bedroom furniture | £ |
| Mirrors, ornaments, lamps and clocks | £ |
| Clothing, toys and other personal effects | £ |
| Total | £ |

| Study | Your estimate |
|--------------------------------------|---------------|
| Curtains, carpets and rugs | £ |
| Desk and chairs | £ |
| Book cases and tables | £ |
| TV and home entertainment equipment | £ |
| Personal computers | £ |
| Cassettes, tapes, records and discs | £ |
| Mirrors, ornaments, lamps and clocks | £ |
| Other items | £ |
| Total | £ |

| Hall, stairs, landing and linen cupboard | Your estimate |
|--|---------------|
| Curtains, carpets and rugs | £ |
| Furniture | £ |
| Mirrors, ornaments, lamps and clocks | £ |
| Blankets, towels and household items | £ |
| Clothing and all other personal effects | £ |
| Total | £ |

| Kitchen/utility room | Your estimate |
|---------------------------------------|---------------|
| Washing machine and tumble dryer | £ |
| Cooker, microwave and dishwasher | £ |
| Tables and chairs | £ |
| Floor coverings and curtains | £ |
| Crockery, cutlery, tools and utensils | £ |
| Electrical appliances | £ |
| Refrigerator and freezer | £ |
| Refrigerator and freezer contents | £ |
| Food and drink | £ |
| Other items | £ |
| Total | £ |

Valuation Guide

Contents

| Conservatory, garage, outbuildings, loft and cellar | Your estimate |
|---|---------------|
| Garden tools | £ |
| DIY tools | £ |
| Lawnmowers/Tractor Mowers | £ |
| Quad bikes/Go karts | £ |
| Saddlery and Tack | £ |
| Garden furniture | £ |
| Other items | £ |
| Total | £ |

| Other bathrooms | Your estimate |
|---------------------------------|---------------|
| Bathroom furniture and cabinets | £ |
| Floor coverings and blinds | £ |
| Linen | £ |
| Other items | £ |
| Total | £ |

Contents Summary

| | Your estimate |
|---|---------------|
| Drawing room | £ |
| Dining room | £ |
| Study | £ |
| Hall, stairs and landing | £ |
| Kitchen/utility room | £ |
| Master bedroom & bathroom (en suite) | £ |
| Other bedrooms/dressing rooms | £ |
| Other bathrooms | £ |
| Conservatory, garage, outbuildings, loft and cellar | £ |
| Personal effects not included elsewhere | £ |
| Contents Total | £ |

Fine art and antiques, jewellery and watches

| | Your estimate |
|---|---------------|
| Antique and designer furniture | £ |
| Paintings, drawings, etchings, maps, prints and photographs | £ |
| Books and manuscripts | £ |
| Tapestries and rugs | £ |
| Clocks and barometers | £ |
| Curios and objets d'art | £ |
| Statues and sculptures | £ |
| Stamps, coins and medals | £ |
| Other collectable property | £ |
| China, glassware and porcelain | £ |
| Household gold, platinum, pewter and silverware including plate | £ |
| Guns | £ |
| Jewellery and watches | £ |
| Fine art and antiques, jewellery and watches total | £ |

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