



Downton and Ali Associates

Home and contents insurance uncovered

Protecting your home and the things in it

This guide covers what you need to know when buying home insurance. It also explains how we can help you through the process of choosing the right policy.

If you want to learn more and receive advice tailored to your personal circumstances, please get in touch.

Downton & Ali Associates

T 02030210075

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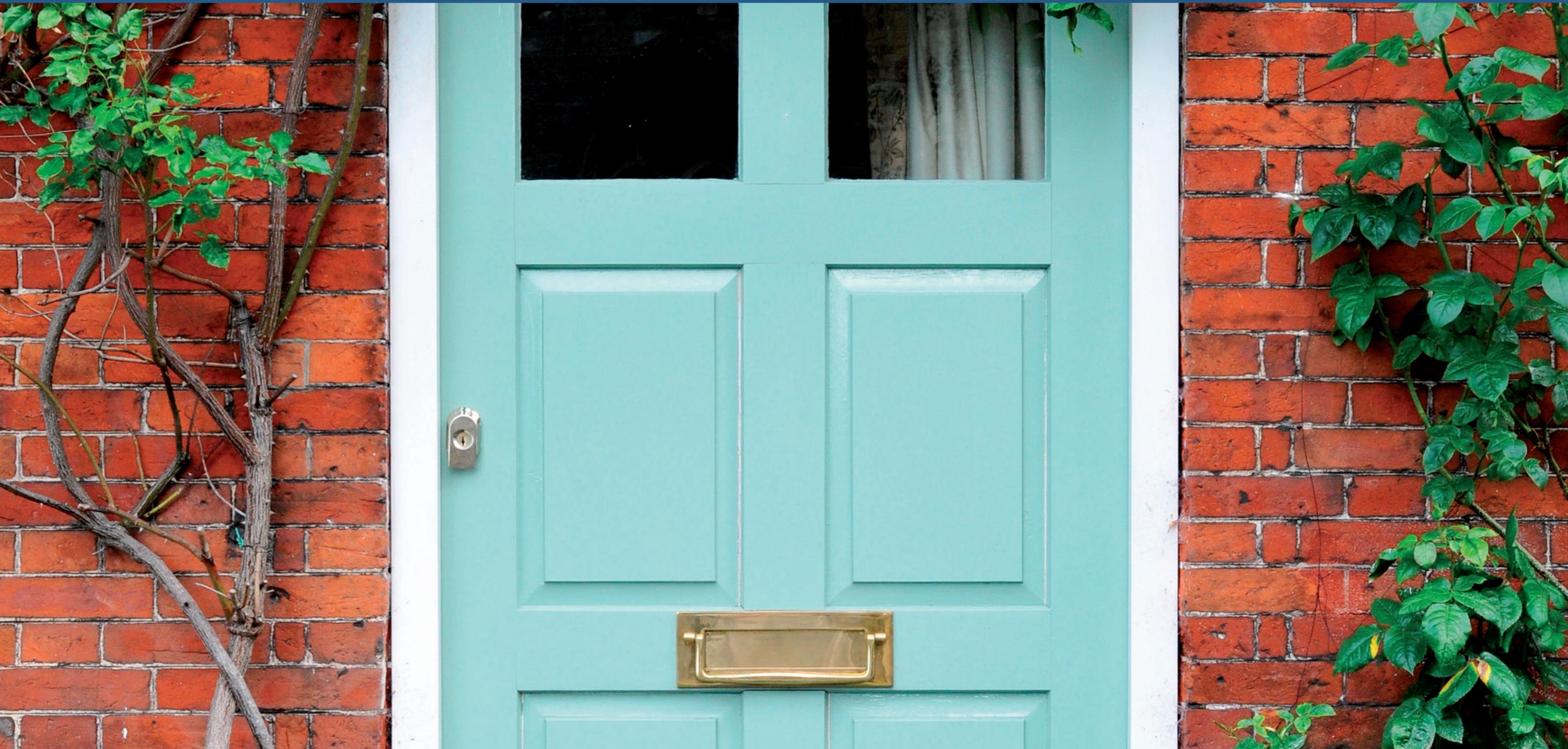
info@downtonandali.co.uk

www.downtonandali.co.uk



What is home insurance?

Home insurance covers your home and the prized possessions it contains.



What is home insurance?

There are two main types of home insurance: buildings insurance and contents insurance.

Buildings insurance

This covers the building itself against things like fire or flood damage. It will also cover permanent or fitted fixtures and fittings in your home and garden, and any outbuildings that form part of your home.

If you own your home, buildings insurance is absolutely essential. If you have a mortgage, your lender will almost certainly demand you have a policy in place as a condition of your loan.

Contents insurance

Contents insurance protects your household goods and personal possessions, such as electrical goods, jewellery, clothes and furniture.

You can usually add various options to your contents insurance that will provide additional cover. Two common enhancements are accidental damage cover and cover for possessions outside of the home. Some insurers include these additional options as standard.

What is home insurance?

Combined policies

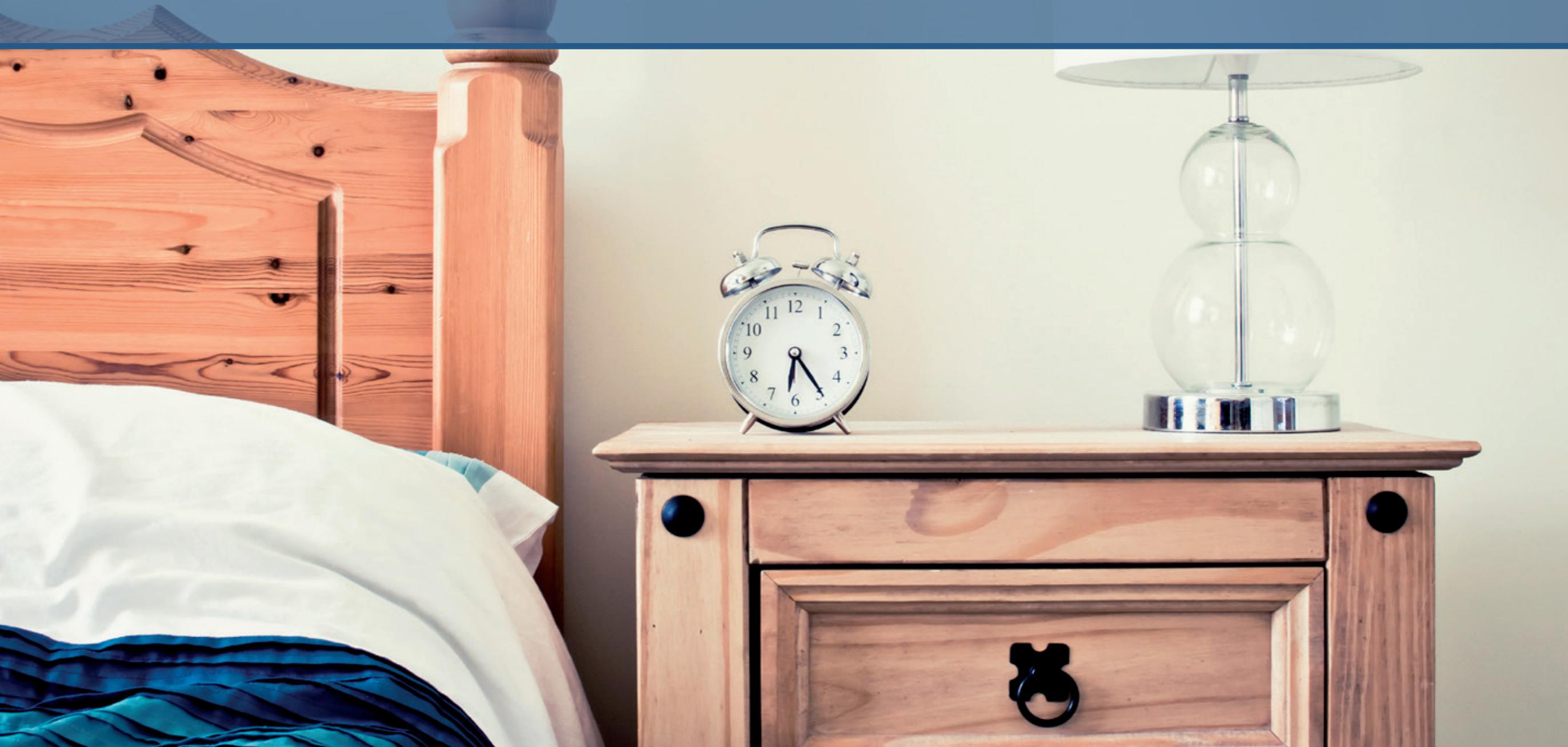
As well as offering standalone contents insurance, most insurers offer 'combined' policies that also include buildings cover. This is usually the most convenient and cost-effective way to buy your home insurance if you need both types of cover.

Tenants

If you are renting a property, you probably won't need buildings insurance (as this will be the responsibility of the property owner), but you will need contents insurance.

Getting the right cover for you

The things that make your home different from your neighbour's are often crucial in determining the right cover for you.



Getting the right cover for you

Buildings insurance: How much do I need?

The sum you are insured for should be sufficient to cover the full cost of rebuilding your property.

Different insurers will have different ways of calculating rebuild costs. Some will ask you for the amount stated on your home survey, while others will calculate the amount based on the number of bedrooms you have and the information you've provided.

Most policies will have a standard level of cover, for example £300,000, although some policies go further, offering 'unlimited' cover. It's worth stressing that your rebuilding cost is not the same as the market value of your property.

Tips

- If your insurer automatically calculates your cover level, make sure you disclose anything unusual about your home, such as its age, construction (eg. thatched roof), or any outbuildings.
- If you extend or make any alterations to your property, tell your insurer. If you don't you run the risk of being underinsured.

Getting the right cover for you

Contents insurance: How much do I need?

Most insurers will offer a standard level of cover, usually between £30,000 and £50,000. This will be sufficient for most households, but it's important not to underestimate the value of your possessions.

Tips

- Consider the cost of replacing all of your clothes, gadgets and even things like children's toys. Don't forget your digital music and video downloads.
- Calculate the cost of your hobbies (music systems, camera equipment, golf clubs, fishing rods, stamp collection etc).
- Walk around your home and estimate the cost of replacing everything on a 'new' basis. Don't forget things that may be hidden away in cupboards, or in the attic.
- Have you got any expensive items associated with your pets, such as a kennel or tropical aquarium? Remember to include these too.

Getting the right cover for you

Will I be covered for accidents?

The majority of contents insurance policies will automatically cover you for the consequences of specific events, such as flood and fire. But not all will include 'accidental damage' as standard.

Accidental damage will cover you if you spill paint on your carpet, break an ornament, or put your foot through the ceiling whilst clambering around in the loft! At some point or another, most households suffer this type of mishap, so you may decide it's a feature you can't do without.

What about my portable possessions?

If you take valuable items away from your home regularly, you should consider personal possessions cover (sometimes referred to as 'all risks' cover). When you go abroad you may want to take your favourite gadgets, clothes, watches and jewellery with you. On the whole, these wouldn't be covered under a standard contents policy unless you specifically select 'worldwide cover'.

Tips

- If you have children heading off to university, you should check whether or not your policy automatically covers them for the possessions they take with them.

Getting the right cover for you

Should I insure my valuables separately?

There are two types of personal possessions: specified and unspecified. Unspecified possessions will be covered up to a specific limit (such as £1,500). But, if you have items worth more, you should declare each item individually (making them 'specified possessions') to ensure they are covered.

What about flooding?

Flooding is a massive issue for many parts of the UK and can be a nightmare for homeowners who either don't have any cover, or have the wrong level of cover. Between 3 December 2015 and 3 January 2016, insurers received 22,000 flood claims worth an estimated £1.3bn.*

*Source: www.abi.org.uk
'2015/16 floods: the story so far'

Getting the right cover for you

Should I take out legal expenses?

Arguments with neighbours over boundaries; waiters refusing to accept responsibility for spilling food over your favourite leather jacket; shops refusing to take faulty items back – these are everyday disputes that could result in legal bills.

The cost of defending or pursuing a legal case could soon mount up and most home policies usually provide the option of adding legal expenses cover (including over-the-phone legal advice) for a small additional premium.

What about excesses?

An excess is the first part of any claim that you have to pay. Most policies have a standard excess of £100, but it's worth checking exactly the level being offered before you buy.

Tips

- The excess for subsidence claims is likely to be higher than the excess on other claims (usually £1,000).
- Increasing your excess is one way to reduce your premium.

Getting the right cover for you

What isn't covered?

If you leave your property unattended for a long period of time (in most cases more than 60 days), your insurance may not be valid – particularly for damage caused by things like water leaks. Other common exclusions include damage caused by war or acts of terrorism, and damage to gates and fences caused by storms or floods.

What else do I need to know?

Choosing the right insurer and going for quality over cost are just two considerations in getting the right cover for you.



What else do I need to know?

Who's the insurer?

Take the time to check out who you're being insured by:

- Have you heard of them?
- Are they a household name?
- Are you confident they will be there for you when you need them?

A financially strong insurer is also important, so think twice about buying cover from a little-known provider.

Quality versus cost

Try to remember the old adage: 'you get what you pay for'. It might be tempting to go with the cheapest premium you can find, but are you confident you will have the right level of cover? Will your insurer be there when you need them? If you're unfortunate enough to have to claim on your insurance, the last thing you'll want is a nasty surprise when you contact your insurer.

What else do I need to know?

Helplines

All insurers will give you a claims helpline number so you can report your claim, but it's important to check exactly what you're getting. For instance:

- Is the claims line open 24 hours a day?
- Does the insurer have a network of tradespeople in place?

An insurance claim is the 'moment of truth', so knowing what you can expect from your insurer, should you need them, is certainly worthwhile.

Home emergency services

Some policies will offer the option of buying 'Home Emergency Service' cover. You may have been approached by your utility provider on numerous occasions to take out a similar, standalone policy. It will cover you for a specified amount towards repairs to your boiler or plumbing system. As such, it offers valuable cover, but it may work out cheaper to add it to your home insurance as an additional option (rather than purchasing it as a standalone policy).



Downton and Ali Associates

Downton & Ali Associates

Dartford Business Park
Victoria Road
Dartford
DA1 5FS

T 02030210075

F
info@downtonandali.co.uk
www.downtonandali.co.uk

Next steps

We hope this guide has given you a broad insight into home insurance. To explore the specific options for your circumstances, please get in touch.

We can help make sure you get the right cover to protect your home and your treasured possessions.