

The **co-operative** insurance good with money

Home Insurance

A guide to calculating your Sums Insured

Why do I need to choose adequate Sums Insured?

It is important that you choose sums insured sufficient to cover the cost of rebuilding, repairing or replacing your property, because the sums insured are the maximum amounts we will pay in the event of a claim for loss or damage.

What happens if I am underinsured?

Selecting an inadequate sum insured may mean that you have to find part of the cost from your own savings or by borrowing. If the sum insured on Buildings or Contents is inadequate at the time of a claim, a deduction will be made in respect of any depreciation and wear and tear.

This guide is designed to help you arrive at proper sums insured for:

- the Buildings of your Home comprising the private dwelling, its domestic garages, greenhouses and outbuildings, landlord's fixtures and fittings, swimming pools, terraces, patios, drives, footpaths, walls, fences, hedges and gates, all on the same premises
- the Contents of your Home comprising household goods, personal effects and fixtures and fittings (not the landlord's), belonging to you or to members of your family permanently living with you or to domestic employees

- items insured as Personal Possessions
- your Caravan, and your Personal Effects whilst in the Caravan.

The sums insured you choose can be affected by inflation and therefore need to be kept up to date. We help you to do this by automatically increasing sums insured on Buildings (where chosen by you) and Contents in line with an appropriate index. This inflation protection will not be fully effective, however, if the sums insured you choose are too low at the outset. You should also note that there is no such automatic increase to sums insured under the Personal Possessions and Caravan sections. You should therefore review your sums insured periodically and make an appropriate adjustment if you improve your home or make new purchases or acquisitions.

For advice on choosing your Buildings sum insured – see pages 2 and 3

For advice on choosing your Caravan sum insured – see page 3

For advice on choosing your Contents sum insured – see page 4

For advice on choosing your Personal Possessions sums insured – see page 4

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Choosing your Sum Insured – Buildings Insurance

The sum to be insured which you choose is the maximum sum which we will pay in respect of loss of or damage to the Buildings. In most cases, we will provide cover on the basis of the actual rebuilding costs up to £500,000.

You should make sure that your sum insured is sufficient to meet the cost of rebuilding your home and the cost of debris removal, architects' and surveyors' fees and local authority requirements. You should bear in mind that neither the price at which you could sell your house, nor the Council Tax valuation band, gives a reliable indication of the sum insured. If cover for rebuilding costs up to £500,000 is not sufficient, you should request a higher sum insured. If you are in any doubt you are advised to have a professional valuation. Please see '**What happens if I am underinsured?**' on Page 1.

Where we are unable to calculate actual rebuilding costs, the chart below can be referred to. The rebuilding cost varies from property to property and the chart is designed to be a general guide to help you to arrive at the correct figure – see the **Important Notes** on Page 3.

The left-hand section of the chart shows various types of home alongside the floor areas in the right-hand section to which they would typically correspond.

Type of home				
Terraced house	Semi-detached bungalow	Semi-detached house	Detached bungalow	Detached house
2 bedroom small	2 bedroom small			
2 bedroom medium	2 bedroom medium	2 bedroom small	2 bedroom small	
3 bedroom small	3 bedroom small	2 bedroom medium	2 bedroom medium	2 bedroom small
3 bedroom medium	3 bedroom medium	3 bedroom small	3 bedroom small	2 bedroom medium
		3 bedroom medium	3 bedroom medium	3 bedroom small
				3 bedroom medium
The above examples illustrate the typical external floor area corresponding to various types of home. If your home has two or three bedrooms but is larger than 'medium' or has more than three bedrooms or if you are in any doubt about its classification, then you should calculate the external floor area and insure for not less than the rebuilding cost shown in this chart as applicable to its floor area.				

Regions 1. The London Boroughs.

2. South East (Berkshire, Buckinghamshire, East Sussex, Hampshire, Isle of Wight, Kent, Oxfordshire, Surrey, West Sussex).

3. East of England, North East, South West, Yorkshire and the Humber and Scotland (Bedfordshire, Cambridgeshire, Cornwall, Devon, Dorset, Durham, East Riding and North Lincolnshire, Essex, Gloucestershire, Hertfordshire, Norfolk, North Somerset, Northumberland, North Yorkshire, Scotland, Somerset, South Yorkshire, Suffolk, Tees Valley, Tyne and Wear, West Yorkshire, Wiltshire).

4. Elsewhere in England and Wales. Rebuilding costs in Northern Ireland are likely to be from 25% to 30% below those for Region 4.

The right-hand section of the chart shows, for the Regions defined above, the estimated **Minimum** cost of rebuilding a **Modern** home of **Good Quality** standard of construction. The costs are related to the external floor area (see Note 5 on Page 3).

External floor area (square metres)	Minimum rebuilding cost			
	Region 1	Region 2	Region 3	Region 4
up to 90	£98,000	£89,000	£85,000	£79,000
91-100	£109,000	£100,000	£95,000	£89,000
101-110	£121,000	£110,000	£105,000	£98,000
111-120	£132,000	£121,000	£115,000	£107,000
121-130	£144,000	£131,000	£125,000	£117,000
131-140	£155,000	£142,000	£135,000	£126,000
141-160	£172,000	£158,000	£150,000	£140,000
161-180	£195,000	£179,000	£169,000	£158,000
181-200	£218,000	£200,000	£189,000	£177,000
For each 20 sq. m. of floor area in excess of 200 sq. m. add £23,000 for Region 1, £21,000 for Region 2, £20,000 for Region 3 and £19,000 for Region 4.				

To convert square feet to square metres multiply by 0.0929.

Choosing your Sum Insured – Buildings Insurance (continued)

Important Notes

- 1. Age of Property:** The rebuilding costs in the chart are for a home built after 1945. If your home was built before 1946 the cost of rebuilding in its present style is likely to be at least 15% higher than the figure shown in the chart.
- 2. Quality of Materials:** The rebuilding costs in the chart represent the estimated minimum cost of rebuilding an average home to its existing standard using modern materials and techniques and in accordance with current Building Regulations and other statutory requirements.
- 3. Unsuitable Properties:** The chart is unsuitable for certain types of property including those listed below:
 - (i) properties which are not built mainly of brick
 - (ii) properties with more than two storeys or with basements or cellars
 - (iii) flats and maisonettes, because there are wide differences in construction and responsibilities for shared parts (but see the comments below)
 - (iv) properties with special design features
 - (v) older properties which are required to be reinstated in exactly their original style.

If your property is one of these types and you are in any doubt about the amount for which you should insure it you are advised to have a professional valuation. Flats and maisonettes should be insured collectively, under a single policy arranged for the whole block.

This will avoid complications that may arise if they are insured individually and ensure that you have the widest cover available.

- 4. Additional Features:** The figures shown in the chart include an allowance for demolition costs and professional fees.

An additional allowance should be made for central heating (at an approximate cost of £3,800), for other domestic outbuildings and for swimming pools or any other special features.
- 5. External Floor Area:** To work out the external floor area of your home measure (in metres) the exterior length and breadth of the building and multiply the two figures together. You may need to do the measurement in stages – for example, if your home is L-shaped.

If your home has two storeys you next have to add an estimate of the upstairs floor area, allowing for any difference in size between the two floors.

If you have a garage which does not form part of the main structure you will need to add on its floor area (taking half the area if the garage is prefabricated, to reflect the lower cost of this type of construction).

If you cannot do all the required measurement outside, take the internal measurements and add on the thickness of the walls.
- 6. Index-linking:** To protect your chosen sum insured against the effects of inflation it will be automatically increased each month in accordance with any increase in the House Rebuilding Cost Index of the Royal Institution of Chartered Surveyors.

Choosing your Sum Insured – Caravan Insurance

The sums to be insured which you choose are the maximum sums which we will pay in respect of loss of or damage to the Caravan, and for Personal Effects whilst in the Caravan or in a motor car to which it is attached.

- The Caravan:** The sum you choose should represent the Caravan's present market value including the value of its fixtures, fittings, furniture, furnishings and utensils (i.e. those items which would normally be sold with the Caravan) including its awnings, toilet tents, generators and gas bottles.
- Personal Effects:** The sum you choose should represent the full cost of replacing the Personal Effects as new at current prices, with an allowance for depreciation and wear and tear. The minimum sum insured for Personal Effects is £200 and we will not pay more than £200 for any one article, pair, set or collection.

Choosing your Sum Insured – Contents Insurance and Personal Possessions Insurance

Contents

The sum to be insured which you choose is the maximum sum which we will pay in respect of loss of or damage to the Contents. In most cases, we will suggest a minimum sum insured based on the details you provide.

You should make sure that your sum insured is sufficient to replace all the Contents as new at current prices, with no allowance for depreciation and wear and tear except for clothing and household linen. If the figure we suggest is not sufficient, you should request a higher sum insured.

Please see **'What happens if I am underinsured?'** on Page 1.

Index-linking: To protect against the effects of inflation, Contents sums insured will be automatically increased each month in accordance with any increase in an appropriate index. You should check the sum insured from time to time to ensure that it remains adequate, particularly when you make new purchases or acquisitions.

Personal Possessions

The sums to be insured which you choose are the maximum sums which we will pay in respect of loss of or damage to Specified or Unspecified Personal Possessions. The sums you choose should therefore represent:

- **Unspecified Personal Possessions:** the maximum value carried by the family at any one time of personal items and clothing normally worn or carried outside the Home, including pedal cycles, wheelchairs, invalid carriages and their accessories, sports equipment and mobile phones, based on the full cost of replacing all items as new at current prices, with no allowance for depreciation and wear and tear except for clothing. The sums insured available for Unspecified Personal Possessions are £2,500, £5,000, £7,500, £10,000 and £12,500.
- **Specified Personal Possessions:** the full cost of replacing all items as new at current prices, with no allowance for depreciation and wear and tear except for clothing.

To help you choose the appropriate contents sum insured use the checklist below. Take the replacement cost as new at current prices, making a deduction for depreciation and wear and tear on clothing and household linen. Your contents sum insured **should not** be reduced by the sum insured chosen for any items insured as personal possessions.

Checklist	Lounge	Dining room	Kitchen	Landing, loft	Hall, stairs	Main bedroom	2nd bedroom	3rd bedroom	Bathroom/toilet	Totals £
Carpets, rugs and floor coverings										
Furniture: tables, chairs, suites, cabinets, sideboard, beds										
Soft furnishings: curtains and their fittings, cushions										
Household appliances: cooker, fridge, freezer, washing machine, vacuum cleaner, electrical goods, heaters										
Cooking utensils and provisions: cutlery, china, glass, food, drink, fuel										
Valuables and High Risk Items: computers (including components and accessories) not used for business purposes, televisions, audio and video equipment, DVD equipment, digital receivers and recorders, photographic equipment, jewellery, watches, articles of gold, silver and other precious metal, furs, curios, stamp or coin or medal collections, pictures and other works of art. <i>N.B. claim payments for High Risk Items are limited as follows (i) for any one article, pair, set or collection: £2,000, and (ii) in total: the limit chosen by you (£6,000, £9,000, £12,000 or £15,000).</i>										
Office Equipment: office furniture, computer equipment, fax machines, photocopiers, printers, word processing and fixed tele-communications equipment, stationery and business books used in connection with your profession, trade, occupation, business or employment, but not including any business stock or materials held. <i>N.B. claim payments for Office Equipment are limited to a total of £5,000 for any one event.</i>										
Leisure items: sports equipment, cycles, books, records, tapes, musical instruments, toys										
Garden and garage equipment: lawnmowers, spades, forks, hoes, shears, garden furniture, tools, ladders, paints										
Other items (except clothing and household linen)										
Clothing										
Household linen: bedding, towels, tablecloths and other table linen										
										The contents of your home should be insured for at least