



**A BUYER'S GUIDE TO  
HOME INSURANCE**


**There's no  
place like  
home.**



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Besides being the biggest financial commitment you're ever likely to make, your home is probably the place where you feel most comfortable, spend most of your time and store your most treasured possessions. So regardless of whether you rent, own or share your property, it needs to be well-protected.

Taking out appropriate insurance is a way of safeguarding your home and your belongings against whatever life might throw at you. From minor mishaps like a burst pipe or broken window, to major upheavals like a house fire or burglary, the right cover makes sure you don't end up in debt or severely out of pocket.

# Back to basics

Before you get bogged down in the details of different benefits, you need to be clear on what type of home insurance is right for you. And as a general rule, there are two types of cover:

## 1. BUILDINGS INSURANCE

Buildings insurance usually pays for structural damage to a property caused by perils such as flood, fire and subsidence. It's an essential purchase for anyone who has a mortgage. But it's not something you normally need as a tenant, because it's considered the responsibility of your landlord.

## 2. CONTENTS INSURANCE

Contents insurance pays for many belongings that are damaged or stolen from your home. Along with buildings cover, it's an important purchase for anyone who owns their own home. It's also one of the insurances you may need as a tenant, in order to safeguard your belongings.

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Check out the Defaqto Star Rating of your home insurance. Defaqto have made it their job to ensure you know which insurance products are the best quality. Take a look: [www.defaqto.com/star-ratings/home-insurance](http://www.defaqto.com/star-ratings/home-insurance)

## **DON'T BE FOOLED NOT ALL PRODUCTS ARE THE SAME**

Just like your home and its contents, your home insurance is a very personal thing... and different products suit different people. Some are more basic and focus on a lower cost. Then there are those that provide a more comprehensive level of cover, added extras to choose from and support when you need to make a claim. They all have their pros and cons, but ultimately it comes down to your individual priorities.

Price is important, but the cheapest insurance in the world is no use if it doesn't cover what you need it to. With this in mind, it's worth being aware that the level of cover can be very different from one provider to the next. Plus, some providers like to include certain benefits as standard, while others prefer the pick and mix approach that lets you build your own cover. Again, they both have their advantages, but it can make like-for-like comparisons rather difficult.



If the price of your home insurance seems too good to be true, there may be a good reason for it. Always check it covers what you need.



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The rebuild cost is generally a lot less than your property's market value. To find out more, take a look at the property rebuild calculator on the Building Cost Information Service (BCIS) website: <https://calculator.bcis.co.uk/calculator/>

## BUILDINGS INSURANCE

**Buildings insurance is extremely important if you own your own property or have a mortgage. It covers the cost of structural damage to your home, including fixtures and fittings such as walls, floors, pipework and electrics, and also includes any fitted kitchens or bathrooms.**

### DID YOU KNOW?

If you're buying a new home with a mortgage, you won't be able to exchange on your property until you have your buildings insurance, so don't leave it to the last minute or it could delay your purchase. If you've arranged your mortgage through a mortgage adviser it's a good idea to ask them for help to make sure you have the right insurance in place for when you need it.

### THE BASICS

Most types of buildings insurance will pay for damage to your home due to flood, fire and subsidence. But always check the total sum insured (maximum payment for rebuild), as this can vary from one provider to the next. You should also be aware that the criteria for individual claims can be very different and some policies may even exclude damage caused by floods if you live near water.

### HOW MUCH DO I NEED?

In order to know how much buildings cover you need, you need to know the rebuild cost of your property. And it's worth taking the time to find out, because it's likely to be one of the first questions you're asked by your insurer. Be mindful that if you get the figure wrong, you can easily end up underinsured or paying too much in premiums.

## KEY BENEFITS TO LOOK OUT FOR

Many policies look very similar on paper. But when you examine the individual features and exclusions they can be poles apart. Here are some examples worth keeping an eye on:



### ALTERNATIVE ACCOMMODATION

(for you and your pets)

Some policies will cover the cost for you and your pets to be put up in alternative accommodation while insurance repair work is carried out on your property.



### TRACE AND ACCESS

Not all policies will cover the cost of removing and replacing parts of your building to find and repair water or oil leaks. Others only pay for repairing the leak itself. Rather than completely fixing the problem, this can leave you with multiple holes in your walls, ceilings and floors... and a hefty bill to put it right!



**TIP:** Be sure to check whether the works carried out by an approved tradesman are guaranteed under you policy!

### REPAIRS FROM APPROVED TRADESMEN

If your kitchen caught fire because a pan was left on the stove or if an electrical device malfunctioned, buildings insurance could cover organising approved tradesmen to repair the damage to your buildings caused by the fire or smoke and redecorate the affected rooms. This is an additional benefit to look out for with a more extensive policy.





## OPTIONAL EXTRAS WORTH CONSIDERING

Because everyone's needs are different, many providers start with a core cover and let you build up your policy with optional extras. Here are a couple of options that are definitely worth considering:

### ACCIDENTAL DAMAGE COVER

If you want to protect your home against DIY disasters, such as a nail through a pipe or a foot through a floorboard, accidental damage cover makes a lot of sense. It can include cover for accidents to kitchens, fitted wardrobes and bathroom suites.



### LEGAL EXPENSES

You might get some legal cover included on your policy as standard, but when you take it out as an optional extra, it tends to be more substantial than the basic included cover. It can cover anything from employment disputes and personal injury claims, to tax enquiries not to mention legal issues with your home! Be sure to check your documents to see exactly what you're covered for.



### HOME EMERGENCY COVER

If you were in a situation where your home becomes uninhabitable and you're frantically phoning around for a reputable plumber, joiner or electrician, home emergency cover could be just what you're looking for. It's designed to provide a quick, short term fix to prevent further damage to your home in the event of an emergency.

Home emergency cover gives you round-the-clock support and 24/7 access to approved tradesmen should the worst happen.



# HERE'S SOME *important stuff*...

## COMMON EXCLUSIONS TO EXPECT

Most insurance policies come with some exclusions, so it's important you read your policy booklet carefully. Some of the more common exclusions for buildings cover include:

- Everyday wear and tear
- Poor workmanship
- Loss or damage to properties that are unoccupied
- The cost of routine maintenance



Don't forget to update your insurer whenever you have any alterations to your home, as it could affect your cover.

## IMPORTANT CONSIDERATIONS

Is there anything unusual about your property? If it has a thatched roof, a specialist heating system or any unusual features, or even if it's just unoccupied long-term, you may need specialist insurance or additional benefits to your policy. An adviser would be able to offer the best guidance on these sort of areas.

## WORKING FROM HOME

The world of work has changed and many of us expect to be working from home more frequently so it's worth knowing what you need to consider.

### What do most policies cover?

Working from home

doesn't normally affect cover as long as the work being done is simple administrative tasks and clerical duties such as sending emails and taking calls. But there is no harm in checking your policy as not all insurance policies offer the same kind of protection or contact a financial adviser if you need to re-look at your cover.

### Using your own equipment

If you're using computer equipment from home that you purchased yourself then you should be covered by your policy. Some policies provide Accidental Damage to computer equipment as standard. So, if you spill your morning cup of coffee over your laptop because you haven't quite woken up yet, you'll be covered for it to be fixed or

replaced where the item cannot be economically repaired. If computer equipment isn't covered as standard in your policy, you may require the optional level of cover to be added to your policy. So, it's a good idea, especially if you've got children at home, to check your policy documentation to see if you've got accidental damage cover as part of your policy to ensure you're covered for common mishaps like careless coffee spills or damage to your TV from an inside ball game!



<sup>283</sup>All figures, unless otherwise stated, are from YouGov Plc. Total sample size was 2180 adults. Fieldwork was undertaken between 28th - 29th April 2021. The survey was carried out online. The figures have been weighted and are representative of all UK adults (aged 18+).

### Using business equipment

Your insurance policy will generally only provide cover for the items you're legally responsible for. So, if you're using equipment provided by your employer to work from home then you should also check with your employer if the equipment is your legal responsibility or confirm if they carry adequate insurance for the items they have issued to you.

### Running a business from home

In addition, if you run your own business and are now working from home instead of your normal place of work then you will need to get in touch with your insurer to see if any items you need to conduct your business are covered. For example, if you're now holding stock or cash in your home, garage, or other outbuildings instead of your normal business premises, you may find that you need to buy a separate business insurance policy instead of your existing home insurance policy.

It's also important to keep in mind that your policy may not be suitable if you have staff or business-related visitors at the property.

**tip**

Insurance providers are more flexible than you might think. If you are looking to insure a unique property, an unlikely situation or a particularly unusual item, there's usually a solution out there to meet your requirements.





**It's not a house  
that makes a  
home, it's the  
things inside.**





## tip

While it's OK to buy buildings and contents insurance separately, claims often affect both the structure of your home and the things inside it at the same time. So if you want to avoid submitting and managing any claims with more than one company, it makes sense to use the same provider for both.

## CONTENTS INSURANCE

**Whether you rent or own your property, contents insurance covers personal belongings within your home - from furniture, toys and sports equipment to clothes, jewellery and TVs. Generally speaking, if you imagine turning your home upside down, your contents insurance would cover everything that falls out.**



# Back to basics

**tip** Take a look at a contents calculator template to help work out the cost of your belongings.



**Most types of contents insurance will cover you against loss or damage due to theft, fire, explosions, storms, flooding or water leakage, plus other similar issues. But all of these benefits generally come with maximum limits and individual criteria that can vary from one policy to the next. So don't take anything for granted.**

## **HOW MUCH DO I NEED?**

When you take out any contents insurance policy, it's important that the total sum insured is enough to cover all of your belongings. So it's worth taking a few minutes to work out the estimated value of your belongings. Often policies offer up to £50,000 cover as standard and may allow you to increase this further as an optional extra. Plus they usually have a 'personal possessions' limit, which can be anything from under £10,000 to over £20,000.

# HOW MUCH ARE ALL YOUR *things* worth?

The total value of your contents might be higher than you expect

## BEDROOMS

Furniture	£
TVs	£
Shoes and clothes	£
Jewellery and watches	£
Carpets and curtains	£
Soft furnishings	£
Pictures and art	£
Mirrors and ornaments	£
Accessories	£
Other	£
<b>TOTAL</b>	£ _____

## LIVING ROOM

Sofas and chairs	£
Furniture	£
TV, computers and laptops	£
Stereos & speakers	£
Games consoles	£
DVDs, video games and books	£
Digital downloads inc. music	£
Carpets and curtains	£
Soft furnishings	£
Pictures and art	£
Mirrors and ornaments	£
Other	£
<b>TOTAL</b>	£ _____

## KITCHEN

Fridge freezer	£
Furniture	£
Oven	£
Washing machine	£
Tumble dryer	£
Microwave	£
Kettle and toaster	£
Coffee machine	£
Blender	£
Pots, pans and utensils	£
Pictures, mirrors and ornaments	£
Other	£
<b>TOTAL</b>	£ _____

## DINING ROOM

Furniture	£
Carpets and curtains	£
Soft furnishings	£
Pictures and art	£
Mirrors and ornaments	£
Other	£
<b>TOTAL</b>	£ _____

## OUTDOORS

Patio set	£
Gardening equipment	£
Tools	£
Bikes	£
BBQ	£
Other	£
<b>TOTAL</b>	£ _____

## THE REST OF THE HOUSE

Cabinets and shelves	£
Soft furnishings	£
Phones	£
TableTs	£
MP3 players	£
Handheld games consoles	£
E-readers	£
Cameras	£
Sat Navs	£
Printers	£
Toys	£
Other	£
<b>TOTAL</b>	£ _____

**GRAND TOTAL: £ \_\_\_\_\_**

## KEY BENEFITS TO LOOK OUT FOR

Like all insurance policies, the details make all the difference. So before you sign on the dotted line, there are a couple of benefits you should always look out for on your contents cover:



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### 'NEW FOR OLD' REPLACEMENT

Many contents policies replace damaged or stolen items with a brand-new equivalent (or its monetary value). So, if your three year old TV falls off its stand and breaks, it's replaced with a new one in the same make and model. Less substantial policies only offer the value of the TV based on its current age, which is likely to be considerably less.

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### BUSINESS EQUIPMENT

If you work from home, it's worth checking if your insurance policy covers any computers and other business equipment you might use. Many do, but there are always exceptions.



**tip**

When taking out a policy, be sure to highlight any valuables such as jewellery, watches and works of art. These types of items are often overlooked.



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**COVER FOR HIGH-VALUE ITEMS**

Most policies indicate a maximum amount you can claim for any individual item if it's lost or stolen.

Anything worth more than this is likely to need flagging with your insurer to avoid any problems when making a claim.

## OPTIONAL EXTRAS WORTH CONSIDERING

Like buildings insurance, contents insurance often comes with a range of optional extras to choose from to add to your core cover. Don't ignore these as they're often the benefits that result in the most claims.



Not all accidental damage cover includes technology items such as laptops and tablets – be sure to ask.

## PERSONAL POSSESSIONS COVER

Most policies include an option to cover your personal possessions while on the move or in different locations. This is a sensible addition if you carry valuable items such as jewellery, mobile phones or sports equipment. But remember to check the cover limit, as some providers offer a higher maximum than others.

## ACCIDENTAL DAMAGE COVER

Although accidental damage cover is included as standard on some policies, it is often limited to specific items such as TVs, computers and video equipment. For full accidental damage cover, you usually have to pay extra. Still, it's well worth considering if you're worried about everyday mishaps such as spilling wine on the sofa or paint on the carpet.



## HOME EMERGENCY COVER

Home emergency cover can give you round-the-clock support and 24/7 access to approved tradesmen following a domestic disaster, providing a quick short term fix to prevent further damage to your home.

## LEGAL EXPENSES

If your new carpet was fitted badly and the retailer refuses to sort the problem, legal expenses would normally cover the cost of legal advice and your legal costs. This could be anything up to a maximum of £100,000 and often with no excess to be paid.



# HERE'S SOME *important stuff*...

## COMMON EXCLUSIONS TO EXPECT

Again, it's always important to read your policy booklet. But typical exclusions for contents cover include:

- Loss or damage due to wear and tear
- Loss or damage caused by pets
- Loss or damage to items while your home is unoccupied



Carpets are generally covered as part of your contents insurance (while laminate and wooden floors are generally covered on your buildings insurance).

### IMPORTANT CONSIDERATIONS

What's the No Claims Discount (NCD) on the policy?

Some policies will offer up to 9 years NCD, which can lead to significant savings if you avoid regular claims.

### ARE THERE ANY FULL-TIME STUDENTS IN YOUR HOUSEHOLD?

Some policies cover contents temporarily moved from the home including students' possessions. This benefit protects students against theft or damage to their personal belongings while in full time education.



Some policies automatically increase the sum insured on your contents cover for the month before and after a religious festival, birthday, wedding or civil ceremony.

**It might not  
be where  
you're  
nesting but  
it still needs  
protecting.**





**GOOD TO KNOW**

Because landlord's insurance is specifically for people who lease out their homes it covers different risks to those covered by a traditional home insurance policy.

## LANDLORDS INSURANCE

**Whether you're renting out your old flat or a whole string of high-end properties, traditional home insurance is unlikely to provide the right cover to protect your investment. Instead, you need specialist landlord's insurance. As well as protecting your buildings and contents against loss and damage, it can safeguard you against problem tenants and other unforeseen costs associated with being a landlord.**

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## The BASICS

Landlord's cover is offered on a buildings and/or contents basis and covers you against loss or damage due to theft, fire, explosions, storms, flooding or water leakage and other similar issues. It can also include additional benefits such as cover for loss of rent and landlord's liability benefit, which insures against the cost of any accidents or injuries relating to your property.

## KEY BENEFITS TO LOOK OUT FOR

Because landlord's cover is slightly different from traditional home insurance, there may be one or two benefits you're not used to. Here are some of the more common ones:

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### LOSS OF RENT

Most policies include a benefit that covers you for loss of rent while insurance repairs are taking place. But don't confuse this with loss of rent when you are unable to find a tenant – that is something else entirely!

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### ALTERNATIVE ACCOMMODATION FOR TENANTS

More extensive policies will cover the cost of alternative accommodation for your tenants while insurance repairs take place.

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### THEFT OF KEYS OR ACCIDENTAL DAMAGE TO LOCKS

Here's one you might be more familiar with. If you've ever had to replace the keys in your property, you'll know that it can be really quite expensive. It's worth finding a policy that covers the cost of damaged locks or stolen keys as standard, as it can be a real bonus.

**tip**

Most rental properties are a valuable source of income, so it's important to balance the cost of your cover with the right level of protection. Increasing your voluntary excess can often help to reduce your up-front costs, but remember it may mean a higher initial personal cost to you if you need to make a claim.







## OPTIONAL EXTRAS WORTH CONSIDERING

Just like traditional home insurance, landlord's cover comes with plenty of added extras that you might want to think about. If you're looking for added reassurance, here are a couple of gems:

### ACCIDENTAL DAMAGE COVER

Tenants don't always pay the same care and attention to your property as you would yourself. But if you're worried about slips, spills and breakages, accidental damage cover could be the perfect solution. As with traditional home insurance, it covers a variety of things from a nail through a pipe or a foot through a floorboard, to red wine spilled on your carpet.

### LEGAL EXPENSES & RENT GUARANTEE

Legal expenses will help you in the recovery of any legal costs should you need to evict a tenant. Whilst rent guarantee would help you recoup the rent whilst going through the eviction process and for up to two months after eviction, whilst you find a new tenant.

## COMMON EXCLUSIONS TO EXPECT

The exclusions for landlord's cover are very similar to traditional buildings and contents cover. Always check your policy booklet, but expect to see:

- The cost of routine maintenance
- Loss or damage caused by pets
- Loss or damage under certain perils when the property is unoccupied



# CHOOSING YOUR EXCESS

An excess is what you agree to pay when you make a claim up to a given amount before your insurance provider takes over.

Most buildings and contents policies have a number of excess options, which can be anything from £50 to £1000, and they tend to go up in increments of £50. Generally speaking, the higher your voluntary excess, the lower the premiums. But do be careful with the higher amounts, as they can sometimes exceed the cost of the item you're claiming for.

Something to watch out for, there may be a split excess over voluntary excess and a compulsory excess meaning you'll end up paying more than you expected.

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## *Remember,*

**protecting your home or property doesn't begin and end with buildings and contents cover. Everyone's needs are different and there's a diverse range of products available to protect your home and your finances.**

For example, mortgage payment protection or income protection which would offer financial support following an accident, sickness or unemployment.

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Don't wait until your renewal before speaking to your financial adviser about home insurance – let them do the research in advance, so that they can have everything ready for you when the time comes!

# Good advice goes a long way

With so many options available in today's market, home insurance can be a confusing business. So don't be afraid to ask for advice. Most mortgage or financial advisers are happy to research the market on your behalf. Plus, they'll put together a quote based on your individual needs. And despite what you might think, it's often quicker and easier than trawling the internet yourself.

Not only can an adviser help you find the right policy at the right price, they may research the market ahead of your renewal to make sure you continue to get the best deal every year. And if you're ever facing the prospect of a complex claim, they can take the pressure off by speaking to the insurer on your behalf.

The other benefit of using an adviser, is that they will assess your home insurance options in the context of all your other finances to make sure that your policy complements every aspect of your lifestyle and budget.



## MAINTAINING AND IMPROVING YOUR PROPERTY

**Your home is a sanctuary for you and your family to relax, enjoy and make memories. Every property is unique and will have its own flaws and quirks. Get to know your home and how it ticks and stay alert to every creak and breakage. By nipping a potential or minor issue in the bud, you can fix problems in time to avoid bigger, more expensive damages to your property.**

### MAINTENANCE

To protect your safe space, it's vital to pay attention to its upkeep. Keeping your house in good shape is crucial to avoiding maintenance headaches and remember your Home Insurance is unlikely to pay out for claims where the damage has happened over time and could have been avoided.

### IMPROVING

If you do decide to make significant changes to your home, it's always a good idea to check your home insurance still meets your needs.

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You don't need to let your insurer know about any basic DIY jobs, such as replacing carpets or decorating. However, if you're doing building work that affects the value of your home, your insurer needs to know. This covers anything structural like loft conversions or extensions or replacing the windows for double glazing. If you're in doubt whether your home improvements change your insurance, speak to your home insurance provider or a financial adviser.

## HIGH-VALUE ITEMS

Improving doesn't just mean changing your home, sometimes the things we buy for it can make all the difference. If you decide to make a purchase that's worth over £xxxx it's worth speaking to your insurer, as you may need to specify this item as part of your insurance policy. Most insurance policies don't cover high-value items as standard so if you do have any possessions like these you'll need to tell your insurer about them either when you take out your insurance policy or call them if you do make a purchase and they can advise you what you need to do.

For items to be specified, you'll need to let your insurer know the item type, a description and the value. In some instances, you may need to provide proof of valuation

Here's a checklist of some of the jobs you should be doing each year to keep your home in good shape.

## KEEP A *checklist*

1. **Check for water damage**
2. **Make repairs to roof**
3. **Clean drains and gutters**
4. **Check windows and doors for damage or rot**
5. **Check for signs of damp**
6. **Service the boiler**
7. **Service the alarm**
8. **Bleed radiators**
9. **Check water pressure**
10. **Check for fence or wall damage**

