



## **A GUIDE TO TENANTS CONTENTS INSURANCE**

# EVERYTHING YOU NEED TO KNOW

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### TIP - DON'T LEAVE IT TO THE LANDLORD

Even though your landlord is likely to have their own insurance for the property, this won't protect your personal belongings. Plus, you're still legally responsible for any damage you cause to the property and its contents belonging to the landlord. So, you really need to take out insurance yourself.

### DID YOU KNOW?

# 61%

(2.5m) of renters in the UK with an annual household income of less than £17k have no contents insurance<sup>1</sup>.

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New home. New start. There's nothing quite like the feeling you get from moving into a new home. A change of scene can be exciting, liberating and fun. But unless you have the right insurance in place, your rental property can also leave you in debt and out of pocket should something go wrong.

This guide will help you make sense of your home insurance options. It explains how the different products work, which benefits to look out for and how to get the best value for money.

**A little bit of planning goes a long way**



# INSURANCE FOR YOUR CONTENTS



# FIRST THINGS FIRST

Before we start, it's important to understand a little more about the different home insurance products that are available in today's market... and how they work.



## **BUILDINGS INSURANCE**

### **UNLIKELY TO NEED**

Buildings insurance protects property owners against the cost of repairing any structural damage, such as walls, ceilings and permanent fixtures and fittings (such as kitchens, wooden floors or pipework).

Although it's the responsibility of your landlord to take out building's insurance, you are still responsible for any damage you cause. To cover yourself against a range of accidents, you need tenant's liability insurance (see below).

## **TENANTS LIABILITY INSURANCE**

### **A USEFUL STANDALONE POLICY (IF NOT AUTOMATICALLY INCLUDED IN YOUR CONTENTS COVER)**

Most tenancy agreements state that it's your responsibility to cover the cost of repairing any accidental damage to the landlord's property. Tenant's liability insurance protects you against these costs up to a specified amount and ensures that if you experience certain mishaps during your tenancy, the costs to you will be minimised.

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## TIP

Always check the limit on your liability insurance. This is the maximum amount you can claim for damage to the property.

## CONTENTS INSURANCE A TOP PRIORITY

Contents insurance protects you against loss, theft or damage to your personal belongings. A general rule of thumb is if you could flip your home upside down, the things that would fall out would typically be considered as the contents. This is generally your responsibility as a tenant.

## TENANTS CONTENTS INSURANCE THE IDEAL CHOICE

This is a type of contents cover that is specifically designed for people who are renting. As well as protecting your belongings, it tends to come with more flexibility around the value of things you insure. Plus, it often includes added extras, such as tenant's liability cover, which protects you against accidental damage to the property.

Tenant's contents insurance allows you to tailor the cover to your individual needs by adding additional options such as extended accidental

damage or legal expenses. You can even cover items away from your home, such as gadgets and mobile phones. So, if you want a simple option that provides all the benefits you need in one easy-to-manage policy, this is the insurance for you.

# TENANTS CONTENTS INSURANCE







# THE SECRET TO A SUCCESSFUL TENANCY

Whether you're renting a property for the first time or starting afresh, contents insurance is a practical way to protect your belongings and your finances. The good news is that there are a few options in today's market designed specifically for tenants... and they're cheaper than you might think.

## What does contents insurance cover?

Contents insurance tends to protect the items in your home that aren't fastened down – from furniture and standalone fridges and freezers to clothes, jewellery and TV sets. If any of your possessions are lost, damaged or stolen, it pays for them to be replaced or provides you with a cash reimbursement.

Even if you're renting a property that's fully furnished, replacing all your belongings can add up to some serious cash. There's always something you don't think about, such as the cost of your food or jewellery. So, rather than taking any chances, just think about how much it would cost to replace all your worldly goods.

**TIP** – any high value items should be named individually on your policy. High value items could be jewellery, watches or works of art.

There's usually a financial limit on claims for unnamed items on your policy. In some cases, it's a few hundred pounds, in others it's a few thousand. The higher the better if you're looking for reassurance.

## What does contents insurance not cover?

While your contents insurance provides some much-needed peace of mind, there are some standard exclusions that typically feature on policies that you need to bear in mind.



**Everyday wear and tear:** not covered on any home insurance plan

**Structural damage to the property:** not covered on traditional contents insurance... but it is covered on Tenants Contents insurance (as part of the Tenants Liability benefit)

**Damage caused by pets:** limited cover, usually depends on policy

**Working from home:** If you work from home, your contents insurance is likely to cover the cost of basic office equipment, such as computers, printers and photocopiers. However, it's unlikely to cover business stock or more specialist equipment.

### **What are the rules around eligibility?**

Most insurers have some standard eligibility criteria for taking out a policy. Typically, you need to be a permanent UK resident, over the age of 18 who's not had any previous insurance cancelled or declined.

Most claims are also invalid if the property has been left unoccupied for more than 60 days in a row.

Eligibility varies slightly for each insurer, so be sure to check the company's website.

**TIP** – always check the exclusions before taking out a new policy. Some policies have more exclusions than others, so take a look at the terms and conditions before signing on the dotted line.





# ASKING THE RIGHT QUESTIONS

## What's the sum insured?

This is the maximum amount you can claim for all your contents, so make sure it's enough to cover all your belongings.

**TIP – go through each room and estimate the value of your contents. You might be surprised by how much it costs to replace all your clothes, gadgets and jewellery.**

## Are items replaced on a new-for-old basis?

Better policies will provide brand new replacements for items that are damaged or stolen – even if the original was a few years old. Others only cover the cost of what the original item would be worth after depreciation.

## What's the excess on your policy?

When you're asked to pay the first part of a claim yourself, it's known as an excess. Some companies include a **compulsory excess** on their policies. Others offer a range of **voluntary excesses** to give you more flexibility. Usually the higher the excess, the lower your premiums. But always think it through carefully before you go ahead, or it could come back to bite you when you make a claim.

**TIP – look out for high compulsory excesses. The insurer may be trying to make their policy look cheaper than it actually is.**



# SAVING YOURSELF SOME CASH

Although money isn't everything, there's no point spending more than you need to. Here are some questions that could save you a few pounds.

## Are you eligible for a no claims discount?

Many insurers will reduce your annual premiums as a reward for not claiming – known as a 'no claims discount'. This builds up over a number of years and can often be transferred from one policy to another. If you have a no claims discount from a previous policy, be sure to mention it to your new provider.

## Are there any cancellation fees?

Cancellation fees can be a real pain when you don't know how long you'll be renting. So, it's worth asking if there's any charge

for ending your policy early and how much it's likely to be. If you choose a policy with no cancellation fee, you could save some valuable cash if and when you move.

## Is the policy transferrable?

If you choose to move to another rental property during your home insurance contract, some insurers allow you to take your policy with you. This means that you don't have to waste time setting up a new policy or worrying about cancellation fees.

## TIP – DON'T JUST FOCUS ON PRICE

Price is important. But choosing the cheapest policy is a false economy if it doesn't pay out when you need to make a claim. Make sure it has the benefits you need before you make your decision.



# OPTIONAL EXTRAS



# BUILDING YOUR COVER TO YOUR INDIVIDUAL NEEDS

Many modern-day insurers allow you to build your contents cover around your individual needs, circumstances and budget. Rather than providing a one-size-fits-all policy. They start with a core cover and then allow you to choose the 'optional extras' or 'add-ons' that are right for you.

Here are some of the best options to look out for:

## **Accidental damage cover**

On a contents policy, accidental damage cover protects you against many mishaps or breakages to your personal belongings – such as a smashed vase, a broken table or red wine spilled on the carpet. It's usually only offered as an optional extra, but, as one of the most common claims, it's definitely worth including.

Accidental damage cover is also available on buildings insurance policies for things like cracked windows or broken drains. This may be included on your landlord's policy, but when you check your contract, you'll probably find that if the damage is your fault, you are liable for these costs yourself.

The beauty of tenants contents insurance is that it often includes accidental damage to your landlord's property as standard, alongside basic accidental damage cover for your own belongings. But if you want full accidental damage cover, you'll still need to take it out as an optional extra,

**TIP** – know the difference between basic and full accidental damage cover.

Basic accidental damage cover on a contents policy is usually limited to electrical goods, such as TVs, laptops and audio equipment. For anything else, you're going to need full accidental damage cover.

## **Tenant's Liability Insurance**

If you're worried about accidental damage to your landlord's fixtures, fittings or furniture, tenant's liability insurance will soon put your mind at rest. It covers you for a range of bangs, breakages and unwanted bills that might occur while renting a property. Plus, it's a great way to help protect your deposit.

Some insurers include liability cover as an automatic benefit on their contents insurance policy, others offer it as an optional extra. It's also available as a standalone insurance product



if you choose not to take out any form of contents insurance.

## TIP – DON'T PAY FOR THE SAME COVER TWICE

Check your tenant's contents cover to see if liability insurance is already included. It makes no sense to pay for the same cover twice... as you would only be able to claim on one policy.

### Worldwide belongings cover

If you're looking for added reassurance, worldwide belongings cover (also known as personal possessions cover) protects any items that are worn, used or carried while away from the home. This could be anything from glasses, watches and jewellery to laptops, phones and pedal cycles.

**TIP** - if you are travelling outside the UK, your worldwide belongings/personal possessions cover is usually restricted to between 30 and 60 days in any given year.

### Tenant's legal expenses

As the name suggests, this protects you against many of the legal costs associated with renting a property, such as unlawful evictions or disputes with the landlord. Many policies can also be used for other legal matters, such as personal injuries, tax or employment disputes and medical negligence claims.

Legal expenses cover can range between £50,000 and £100,000, plus many insurers include a 24/7 legal helpline for round-the-clock advice.



# HOUSE SHARING





# PROTECTING YOUR ROOM AND YOUR FINANCES

If you're renting a room at a property or sharing with friends, it's easy to protect your belongings without breaking the bank.

## Take out contents cover between you and split the bill

The easiest and often most affordable solution is to take out contents insurance in the usual way and split the bill between everyone who lives in the home.

## TIP – ALWAYS CHECK THE POLICY TO SEE WHO'S COVERED

Some policies cover you, your partner and any other person permanently living with you under the tenancy agreement (including children or foster children) – but others only cover you and your family.

## Take out your own individual policy

Some insurers do offer single room insurance if you're living in a shared house. Just be aware that there are usually conditions and limitations. Others let you take out an individual policy and adjust the sum insured to match your contents and budget.





**GET THE  
SUPPORT  
YOU NEED**





# THE REASON YOU TAKE OUT TENANTS CONTENTS INSURANCE

When you're choosing a tenants contents insurance product, it's easy to get your head turned by cheap prices and financial incentives. But you also need the reassurance of knowing that you'll be fully supported when it comes to making a claim. So, as well as focusing on cost and benefits, you might find that customer case studies and reviews provide some useful insights.

## TIPS – THINK ABOUT THE SERVICE AS WELL AS THE COST

Look at when the service centre is open and whether it's based in the UK.

Check to see if there's a 24-hour emergency helpline.

Visit the company website to see what online support is offered.

Check out the Defaqto Star Rating of your chosen 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](http://www.defaqto.com/star-ratings).

Also take a look at what customers have said about the insurer by reading service reviews on the Trustpilot or Feefo websites.









# MAKING A CLAIM



# IT'S EASY AS...

Most insurers are available to call during normal office hours and many have 24/7 helplines. Or if you dislike call-centres, many now offer extensive support online.



# 1.

Gather all the relevant information before you make a claim. Your insurer is always going to have questions, so start by getting your policy documents ready, which you can usually download from your online account. As well as explaining the claims process, these documents will include details of what's covered and what's not.

Along with your name, address and policy number, your insurer will want details of what's been lost, stolen or damaged. So, try to find purchase receipts, purchase dates or photographs of the items in question. You may also be asked for contact details of anyone else who is involved in the incident.



Don't worry if you don't have all the information to hand – your claims adviser will generally be able to guide you through the process and point you in the right direction.

## **TIP – REPORT ANY STOLEN OR VANDALISED ITEMS TO THE POLICE**

**If you're claiming for an item that's been stolen or vandalised, call the police before calling your insurer. This is a requirement of your insurance and most policies have a limit on how quickly you need to report it.**

# 2.

Pick up the phone and call your claims helpline. The claims adviser will usually talk you through the process and explain what happens next. Depending on your insurer and the nature of the claim, you may also be asked to complete a claim form. In more complex cases you may also be appointed a risk assessor, who will collect full details of what's happened and work out the cost implication. This may be done over the phone, face-to-face or even by video call.


# 3.

Receive your replacement goods or cash reimbursement. If your claim is agreed, you'll usually receive replacement goods or a cash reimbursement. You may also be asked to pay your excess up-front... or it will be reduced from your final settlement fee.



## TIP - PROVIDE PHOTOS OF THE LOST OR DAMAGED ITEM

If an item has been stolen, old photos can sometimes help to speed up the claims process. Similarly, if an item is damaged, a picture can tell a thousand words!



**LIFE WITHOUT  
TENANTS  
CONTENTS  
INSURANCE**



# STILL NOT CONVINCED YOU NEED IT?

Buying home insurance isn't exactly the most glamorous purchase. After all, you're essentially paying for something you don't ever want a reason to use. But just in case you're thinking of going without, here are 10 good reasons why you should think again.

## 1. Financial protection

– how would you afford to replace all your worldly goods if they were destroyed in a fire?



## 3. Extreme weather

– floods and storms are not uncommon in the UK and can cause all kinds of damage to a home and its contents.

## 2. Home protection

– how would you repay your landlord if you accidentally damaged the property?



## 4. Accidents and crimes happen far too often

– home insurance provides a financial safety net.





**5. The right home insurance could help you avoid disruption at work** – a damaged laptop, tablet or phone could ultimately affect your income.



**6. Contents insurance could be cheaper than you think** – especially as it could mean you don't have to buy multiple policies for your phone, laptop and other valuables.



**7. Tenants contents insurance gives your family peace of mind** – they know that if things get lost, damaged or stolen, it's not the end of the world.



**8. People buy home insurance for a reason** – 19.3 million households took out contents insurance in the year 2021.<sup>2</sup>

**9. Home insurance policies are used regularly** – property insurers pay out an average of £8 million per day to repair homes and replace contents.<sup>2</sup>



**10. Most modern-day policies can be matched to your individual requirements** – so you don't pay for anything you don't need.







