

How to get better value home insurance



Five questions you should ask to get the right cover at the best price

What's wrong with buying home insurance on price?

Nothing at all, if all insurance were the same. But, unfortunately, it's not. The problem is you're unlikely to discover the differences until you make a claim – and by then it's far too late.

Insurers offer low prices by selling you a policy with small print that limits the sums they will pay. If you own a higher-value home or car, you're likely to find this means you won't be fully covered.

To be covered adequately, treated fairly and paid quickly you need specialist personal insurance.

This may sound expensive, but it doesn't have to be because specialist insurers underwrite their policies correctly. For example, a standard insurer may assume that the more you own, the greater the risk. The reality, as specialist insurers know, is that people who own valuable possessions take good care of them.

How can I be certain I'm insured for the right sums?

Most insurers leave you to work out the cost of rebuilding your house or replacing lost possessions. But there's a catch. If you under-estimate they can penalise you. Rather than paying up to your actual level of insurance – they can reduce your payout in proportion to your level of under-insurance! It can create a big shortfall.

The best specialist insurers offer a free home appraisal – to eliminate over or under-insurance.

They visit your home to assess an accurate rebuild value and advise on the correct level of contents and valuables cover. The very best offer Extended Replacement Cost cover, which means the insurer will guarantee to rebuild your home as it was, even if it costs more than the original appraised sum.

Are there other pitfalls to watch out for?

Yes, two major ones:

1 Check you are covered for 'all risks'. Standard insurance is 'perils based'. This means you are only covered for loss or damage by specific causes listed in your policy – usually fire, theft, storm or water damage – and often only in your home. If a cause, like accidental damage, is not explicitly listed ... then you're not covered.

Specialist insurers take a more comprehensive approach. They list a few reasonable exclusions and absolutely everything else is covered ... worldwide! It's called 'all risks'.

2 Watch out for restrictive conditions. Most standard insurance includes restrictive conditions. These may invalidate theft cover if you forget to set your alarm, or excuse the insurer from paying if an item is not on you, in your home, or under lock and key at the time of the loss, and so on. It soon adds up.

The best specialist insurers' policies don't have these limiting conditions. They won't cancel your cover because of the odd slip, like forgetting to set an alarm, or not keeping your jewellery in a safe. Their approach is that you should be free to enjoy what you own – not be limited by it.

How fast and fair is the claim service?

With standard insurers a claim can be a frustrating experience – often you feel you are on trial.

With specialist insurers your cover isn't questioned after the event – and settlement is fast.

The appraisal, 'all risks' cover and a lack of limiting conditions means most non-complex claims are effectively settled in advance. What's more, you aren't dictated to. Most specialist insurers offer the choice of cash, without any deduction. With some, you can even choose your own supplier or repairer.

So who should I approach for my home insurance?

Over the last decade, in the prestigious UK Insurance Times industry awards, brokers have consistently voted Chubb Insurance and its Masterpiece policy: 'Best Personal Lines Insurer', 'Best Motor Insurer' and 'Best Claims Service'.

Chubb pioneered specialist personal insurance in the UK. It is still the only insurer to appraise every house it insures in the UK, so you know you're covered adequately. It provides worldwide 'all risks' cover without limiting conditions, plus Agreed Value for your specified valuables and even cars, so there's no haggling after the event. And the Chubb claim service is legendary.