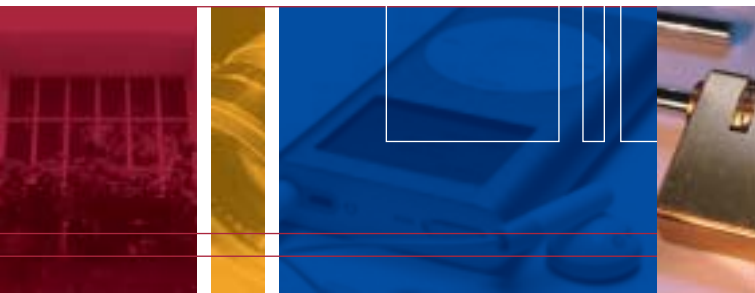


Do you have
the **home**
and **contents**
cover
you need?

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Do you have the cover you need?

It's easy to take your home and things you own for granted. It's only after disaster occurs that many people realise how much it will cost to put it all back together.

Far too many people discover too late that their insurance cover isn't enough to rebuild their home and replace their possessions.

Your insurance policy is there to give you peace of mind, and this brochure is designed to help you achieve that. It shows you how to calculate the right amount of cover for you, and explains some of the common insurance terms found in most policies.

What is general insurance?

Insurance is not complicated. Insurance policies transfer risk from the property owner to the insurance company.

Insurance premiums are not an 'investment' to pay for damage suffered at any time in the future. The insurance company is taking on your particular risk for a specified period (usually 12 months), at a price which reflects that risk.

What insurance policies are available?

Replacement and reinstatement insurance is the most common type of policy, and usually gives you new for old.

This means your insurance company will pay the full cost of repairing damaged property or replacing stolen or destroyed things. However, some insurers place limitations on replacement policies. For example, they may insure clothing and household linen only for indemnity or actual value, and apply age limits to certain items such as refrigerators because they have a limited life. Check with your insurance company, broker or agent to see about limitations or exclusions on your policy.



Indemnity insurance – which is less common these days – does not provide new for old. It takes into account the age and condition of the item you're insuring. If you make a claim your insurance company will pay to repair or replace the item but will subtract an amount for wear and tear and depreciation. In most cases, the premiums for reinstatement and replacement policies will cost more than indemnity cover but they do provide you with greater peace of mind.

Underinsurance and how it affects you

When insuring your home and contents, make sure you specify the correct values.

If you insure your building and contents for less than their worth, this may greatly reduce the settlement amount you'll receive from your insurance company because you have underinsured your property and possessions.

Will you pay an excess?

If your policy is subject to an excess, you will pay some of the cost of repairing or replacing lost or damaged items. The amount you will pay is specified in the policy schedule.

'No excess' policies are sometimes offered at slightly higher premiums, and some companies offer discounted premiums if you agree to a higher excess.

NOTE: Insurers expect property to be kept in good order and well maintained. Claims may be affected if it is discovered that property was in poor condition prior to an insurance claim being lodged.

Exclusions

Every policy has exclusions because there are some risks of damage that insurance companies will not insure against, such as normal wear and tear. Read your policy thoroughly to be sure you understand what it does and does not cover. Remember, your insurance policy is a legal contract so if there is anything you don't understand, ask your insurance company, broker or agent for information.

How to make a claim

Making a claim is not difficult. Unusual claims may take a little longer because your insurer may need to check some details more thoroughly. This is for your own protection.

Fraudulent claims currently cost the industry many hundreds of millions of dollars each year, adding to the cost of your premium. The more insurers can detect fraudulent claims, the less pressure there is for premium increases. Disputed claims are very unusual. In fact, most claims are settled within a few weeks, or even days. However, if you do encounter a problem or dispute, your insurance company will tell you how to use its internal dispute resolution procedure (IDR).

All insurers abide by the Industry's Code of Practice which requires an insurer to have an IDR.

If you are unsuccessful with the insurance company's IDR procedure, you can have the decision reviewed by the Insurance Ombudsman Service (IOS), which is an independent service funded by the insurance industry and it costs you nothing.

The IOS phone number is **1300 78 08 08**

Ensuring your claim is handled correctly

- **Notify the police** immediately of any theft or damage by housebreakers
- **Notify your insurance company, broker or agent** as soon as possible. You can phone, visit or write a letter to obtain a claim form. Some companies will even process your claim over the phone. Have your policy number handy for faster processing
- **Prevent further losses.** If your home is burgled, secure any possible points of entry after the police have gone. If it is damaged by fire or storm, try to seal off any points where rainwater might be able to get in. Make sure you agree on all permanent repairs with your insurance company before they are carried out
- **Fill out the claim form and return it promptly.** Remember to answer all the questions and give as much detail as possible. This helps to speed up processing of your claim and prevents confusion
- **Help the loss adjuster to help you.** The insurance company may send an adjuster to check the extent of the loss or damage. The adjuster will need any information or documents you may have which could help to assess your claim. It is particularly helpful to keep any receipts, valuations or other records of special items you have insured.



Estimating the value of your home

A professional valuer will provide a valuation for your home for a fee. Alternatively, most insurers have on-line calculators on their websites to assist in making this calculation.

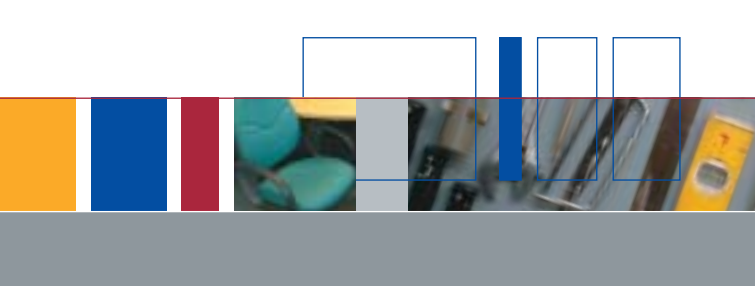
Don't forget to take note of any special features of your home and property. For example, don't forget items like external blinds, outbuildings, garages, carports, in-ground swimming pools and spas, fences and gates.

Be aware of other costs that need to be taken into account such as rebuilding on a steep slope or restoring or replacing special features eg a Federation home, removal of debris, and the cost of architects' or other professionals' fees.

If in doubt, ask your insurance company, broker or agent for assistance.

Temporary accommodation

Your policy will usually cover you for temporary accommodation while your house is being rebuilt. Policy wording varies so check with your insurer whether the temporary accommodation allowance is calculated as a percentage of the sum insured or is additional to the sum insured.



Estimating the value of your contents

List the contents of every room. The attached checklist will help you to work out the sort of items you should include. Make a note of any serial numbers or identity marks. For unusual items, it's often a good idea to take photographs or a video to help in their description. Estimate the value of each item and include it in the checklist. When you add it all up you will have a guide to the total amount of contents cover you need. For furniture and major appliances such as your television, video recorder, vacuum cleaner, refrigerator, etc. check how much a similar one would cost if you had to buy it brand new. You can find out most of these prices by reading advertisements in newspapers and magazines, or by visiting your local retail or appliance store. This will then help you to calculate the replacement value. Some things may not be fully covered by contents insurance, eg. jewellery, paintings, coin and stamp collections. Let your insurance company, broker or agent know about these items to clarify how much they are covered for. If they aren't covered, you may choose to take out a separate insurance policy for them. If you are in any doubt about what your contents policy does specifically cover, speak with your insurance company, agent or broker. They'll be pleased to help.





Contents insurance checklist

Every room

Curtains and blinds	\$ <input type="text"/>
Carpets	\$ <input type="text"/>
Rugs	\$ <input type="text"/>
Mobile heaters/air conditioning units	\$ <input type="text"/>
Fans	\$ <input type="text"/>
Paintings, prints, statues, vases	\$ <input type="text"/>
SUBTOTAL	\$ <input type="text"/>

Master bedroom (repeat for all bedrooms)

Bed ensemble	\$ <input type="text"/>
Bedhead and side tables	\$ <input type="text"/>
Lamps	\$ <input type="text"/>
Wardrobes	\$ <input type="text"/>
Dressing table	\$ <input type="text"/>
Mirrors	\$ <input type="text"/>
Cabinet/chest of drawers	\$ <input type="text"/>
Linen, blankets, quilts, pillows	\$ <input type="text"/>
Clothing and shoes	\$ <input type="text"/>
Miscellaneous items	\$ <input type="text"/>
SUBTOTAL	\$ <input type="text"/>

Study/spare room

Desk	\$ <input type="text"/>
Bookcase	\$ <input type="text"/>
Books	\$ <input type="text"/>
Personal computer	\$ <input type="text"/>
Musical instruments	\$ <input type="text"/>
Toys and games	\$ <input type="text"/>
Sewing machine and cabinet	\$ <input type="text"/>
SUBTOTAL	\$ <input type="text"/>

Lounge room/family room

Sofa and chairs	\$ <input type="text"/>
Coffee tables	\$ <input type="text"/>
Stereo equipment	\$ <input type="text"/>
Compact discs, records and tapes	\$ <input type="text"/>
Television	\$ <input type="text"/>
Video recorder	\$ <input type="text"/>
Video tapes	\$ <input type="text"/>
Miscellaneous items	\$ <input type="text"/>
SUBTOTAL	\$ <input type="text"/>

Kitchen

Refrigerator/freezer	\$ <input type="text"/>
Food processor/blender/mixer	\$ <input type="text"/>
Microwave oven	\$ <input type="text"/>
Kitchen table and chairs/bar stools	\$ <input type="text"/>
Crockery	\$ <input type="text"/>
Cutlery	\$ <input type="text"/>
Saucepans and utensils	\$ <input type="text"/>
Glassware	\$ <input type="text"/>
Toaster, electric frypan, etc	\$ <input type="text"/>
Food and beverages	\$ <input type="text"/>
Telephone answering machine	\$ <input type="text"/>
Miscellaneous items	\$ <input type="text"/>
SUBTOTAL	\$ <input type="text"/>

Dining room

Dining table and chairs	\$ <input type="text"/>
Wall unit/side board	\$ <input type="text"/>
Crockery	\$ <input type="text"/>
Glassware	\$ <input type="text"/>
Cutlery	\$ <input type="text"/>
Candlesticks	\$ <input type="text"/>
Table linen	\$ <input type="text"/>
Miscellaneous items	\$ <input type="text"/>
SUBTOTAL	\$ <input type="text"/>

Bathrooms

Hairdryer	\$ <input type="text"/>
Electric shavers	\$ <input type="text"/>
Towels	\$ <input type="text"/>
Cosmetics and toiletries	\$ <input type="text"/>
Perfume and aftershave	\$ <input type="text"/>
Miscellaneous items	\$ <input type="text"/>
SUBTOTAL	\$ <input type="text"/>

Laundry

Washing machine	\$ <input type="text"/>
Dryer	\$ <input type="text"/>
Iron and ironing board	\$ <input type="text"/>
Vacuum cleaner	\$ <input type="text"/>
Miscellaneous items	\$ <input type="text"/>
SUBTOTAL	\$ <input type="text"/>

Garage

Lawnmower	\$ <input type="text"/>
Portable barbeque	\$ <input type="text"/>
Power tools	\$ <input type="text"/>
Sporting equipment	\$ <input type="text"/>
Miscellaneous items	\$ <input type="text"/>
SUBTOTAL	\$ <input type="text"/>

Other items

<hr/>	\$ <input type="text"/>
<hr/>	\$ <input type="text"/>
<hr/>	\$ <input type="text"/>
SUBTOTAL	\$ <input type="text"/>
TOTAL	\$ <input type="text"/>

NOTE: Many insurers include check lists in the policy brochures which also provide estimated values of items.

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