ZURICH

Tips to avoid underinsurance



What is underinsurance?
Underinsurance means your customers are not fully protected in the event of loss or damage occurring to their home (buildings and/or contents including their personal possessions such as jewellery, sports equipment, pedal cycles).

Start as you mean to go on
Helping customers set adequate sums insured is key to preventing underinsurance. Customers should take the time when first arranging their policy to check if the amounts they intend to insure their home for are adequate and you can assist them by ensuring they know what to include. Please see below what to include in the sums insured. They should also be aware that failing to arrange adequate cover for their home may lower their chances of covering the cost of repairs or entirely replacing their home in the event of loss or damage (including its contents and personal possessions).

Consider the following when working out how much cover they need:
The Society of Chartered Surveyors Ireland (SCSI) provides both a guide and a house rebuild calculator to assist you. This information is available at:

House Rebuild Guide

House Rebuild Calculator

Don't set and forget!
Make sure customers are aware they need to review their sums insured regularly to prevent underinsurance. In doing so, consider the following:

What to include in sums insured:

Building sums insured should include the cost to rebuild their house including building materials, labour, fixtures and fittings such as solar panels, kitchen units, built-in wardrobes, bathroom and sanitary fittings. It should also account for external structures such as outbuildings, garages, garden sheds, boundary walls, fences, hedges, plants etc. and the cost of site clearance and architects' fees. This is a guide only. Not every house is the same and therefore the rebuild cost will depend on its size and the materials used to build it. Upgrades such as installing a new kitchen, office, bathroom or fitted wardrobes may require a review of the cost to rebuild their home.

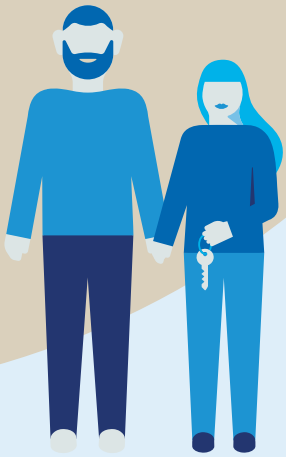
Contents and Personal Possessions should include the amount it costs to replace all household goods and personal possessions as new. This should include everything someone would normally take with them if selling or moving out of their home. An easy way to work out the value of the contents is to go room by room and add up how much each item is valued at, and then consider what it costs to replace these as new. Another handy tip is to keep receipts and photographs of high valuable items.

Policy Cover

Whilst underinsurance relates to the amounts they've insured their home for, it's still important for your customers to review their policy cover regularly to ensure it continues to meet their needs, especially if they've made any additions or upgrades. They can do so by reviewing their policy documentation (Policy Schedule and Statement of Fact) together with their policy booklet.

Keep us informed

Keeping us informed of changes to their home, such as those listed above, will mean they are best protected in the event of a loss or damage.



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