



Contents

Insurance



Introduction

Contents Insurance is a type of insurance that covers your possessions in case anything happens to them such as after a fire, flood or burglary. Many people nowadays don't consider contents insurance, especially if they live in rented accommodation as they think that the landlord will cover damages. Unfortunately, the landlord only has to cover the building damage and not your things, which means if something does happen then the cost to replace your items falls on your shoulders which can really add up.

According to YouGov, only 51% of private tenants have contents insurance, meaning that more households have Netflix, despite how they often cost around the same per month!

What is Contents Insurance?

Contents insurance covers your personal belongings if they are damaged or destroyed at your home. You pay a small amount per month, or the full amount once a year (around £55 on average), and the insurance company will pay out an agreed amount that should fully cover the cost of the items so you can replace them.

Contents insurance can cover the majority of your personal belongings e.g. things you would take with you if you moved. Some items might need to be covered separately if they are expensive, such as jewellery or electronics. For example, a typical contents insurance policy will cover:

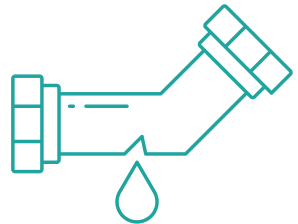
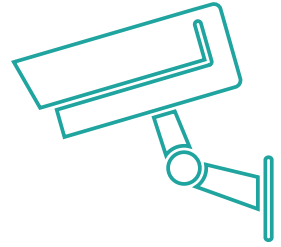
- Clothes and shoes
- Jewellery and watches
- Furniture
- Technology and electronics
- Books
- Collectables
- Musical instruments



- Sporting equipment
- Appliances and white goods

Most contents insurance policies typically cover damage or loss of items from:

- Theft and vandalism
- Fire and explosions
- Storms and weather damage
- Flooding
- Burst pipes and water leaks (this can include water damage from a burst pipe or leak, as long as it's not due to poor maintenance)
- Contents of your fridge or freezer (this could cover the cost of any refrigerated or frozen food which goes off or you have to throw away because of a power failure)
- Tenants' liability cover (covers accidental damage to your landlord's property, fixtures and fittings)
- Alternative accommodation (the insurer will pay for your stay in accommodation such as a hotel during a period of property repair, e.g. after a fire or a flood)



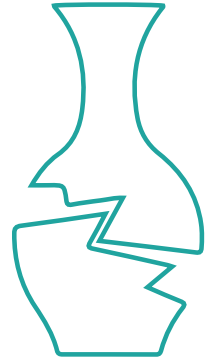
There are lots of different types of contents insurance, so make sure you apply for the one that covers the things that are important to you.

What it doesn't cover

It's good to be aware of the limits of contents insurance so you know exactly what you can and can't claim for. Most contents

insurance policies don't cover:

- General wear and tear of items
- Damage caused by improper or poor maintenance
- The full cost to replace stolen or damaged items that are worth more than the single-item limit
- Accidental damage (but this may be added into your insurance for a fee)
- Deliberate damage cause by someone living in your home
- Lost possessions
- Theft through unforced entry e.g. through an open window
- Faulty workmanship and bad DIY
- Mechanical or electrical breakdown
- Items you take out of your home (you may want to add on personal possessions cover for valuables you take out with you e.g. your phone)
- Damage caused by pets
- Damage to computers or technology caused by a virus



Optional Contents Insurance

Sometimes, a general contents insurance policy won't cover everything you want it to. For an extra cost, you can often add on more cover to your policy so it suits you. This could include:

- Accidental damage cover: This covers the cost of repairs or replacement to an item if it is accidentally damaged e.g. dropping your phone in the bath
- Personal possessions cover: This covers the cost of repairs or replacements for items when you're outside of your home, such as if you lose a piece of jewellery while out and about.

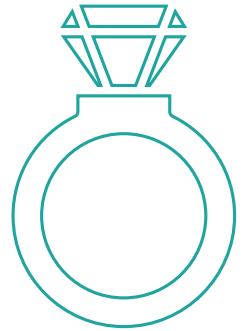
There are lots of optional extras you can add onto your policy, but make sure you understand what the insurance covers before adding more items to your insurance as it may be unnecessary and bump up the cost.

Single Item Limit

Contents Insurance policies have a 'single item limit', which means that they won't pay you back for more than that amount per item. The single item limit typically sits around £1,500–£3,000, but every insurer is different so make sure to check this when you're applying. So, for example, you have insurance with a single item limit of £2,000, but you have broken a piece of jewellery worth £3,000. You would only receive £2,000 from the insurer to cover it as that is the maximum they will pay out per item.

If you have items that are worth more than the limit that you want to fully insure, you can often speak to the insurance company and come to an agreement that the item will be covered, or they can offer you another option to add to your policy that will make sure that item is covered.

If you already have contents insurance but you have new valuables worth over the single item limit amount, it's definitely worth getting in touch with your insurer to keep your policy up to date and to add that item to your cover.



What is Excess?

When applying for contents insurance, you will be asked how much you will be willing to pay in excess. This means that the insurance company wants to check how much money you would be willing to pay towards the cost of replacing your items. You can set a low excess, for example £200, so if you make a claim you would have to pay £200 to receive the total amount you claim.

The lower you set your excess, the more expensive your contents insurance policy will be. If you have a higher excess, then your

contents insurance will cost less, but you need to weigh up the pros and cons before deciding which you would prefer- a higher excess that you'd have to pay if you need to make a claim but lower monthly or annual payments, or a lower excess that you'd have to pay if you need to make a claim but a higher monthly or annual payment.

Things to Consider

Contents insurance is incredibly handy to have, especially in an unforeseen emergency, and gives you the peace of mind to know that your possessions are covered. It is good to be aware of the not so great parts about contents insurance so you really know what you're applying and paying for.

You should consider the following when it comes to taking out contents insurance:

- There will be a single item limit that could prevent you from fully covering your precious items
- You will have to pay an excess if you submit a claim, so make sure this is an amount you are happy to cover and can pay if you ever needed to claim on your contents insurance
- It is often cheaper to pay for your contents insurance annually rather than per month, but you should pay however works best for you
- If you don't make a contents insurance claim during a policy year you will earn a no-claims bonus, which means you'll get a discount for the next year, or years, of your policy



How to Apply

When applying for contents insurance, you can use this handy calculator to think about how much it would cost to replace your belongings:

<https://www.confused.com/home-insurance/contents-calculator>

Once you have this, you can look on comparison websites to find a good quote that covers everything you want it to- but make sure you check the offer thoroughly before accepting! You can also ask a staff member or our helpful Property Team to support you when looking into or applying for contents insurance.

MoneySavingExpert has a great list of price comparison sites here:

<https://www.moneysavingexpert.com/insurance/home-insurance/compare-plus/>

Remember: you only need contents insurance in most cases unless you live in a home that you own, then you should consider getting contents and building insurance together. If you rent accommodation, the landlord will more than likely have buildings insurance, but it's good to check with them just to make sure.

Make sure to shop around and get multiple contents insurance quotes to make sure you're getting the best deal. We also recommend to not set your policy to auto-renew as it is often cheaper to shop around again at the end of your policy but make sure you set a reminder so you don't forget!

You can also approach a local insurance broker for deals rather than having a look online. You can search for 'local insurance brokers' online or ask a member of staff to help you do some research and book a meeting.





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