

summer under cover

Is it time to spring-clean your insurance policies?

The flowers are in bloom, the grass needs to be cut and it's time to shake those winter blues. As the weather starts to improve many people take the opportunity to spring-clean their homes. While spring-cleaning is associated with cleaning windows, gutters and even the overcrowded linen cupboard, it is rarely associated with contents insurance.

In many instances once you have taken out your contents insurance you tend to forget about it until the bill arrives or you are in the unfortunate position of having to make a claim. However, it is important to review your contents insurance requirements regularly to ensure you have the right level of cover. To help you spring-clean your contents insurance, we have pulled together a list of important factors to consider.

The right level of cover

It is important you insure your contents for the correct amount so you are not left out of pocket at claim time. Spring-clean your contents insurance with these simple steps:

- Use a valuation checklist, to calculate how much your contents are worth. Many people just estimate the value of their contents

when they take out their insurance policy. Walk through your home and work out how much it would cost to replace each item in each room. You need to consider both big items, such as the TV, and the smaller items such as your linen.

- Update your insurance to include any new purchases. You would be surprised at how many new possessions you acquire each year. Everything you buy adds to the value of your contents, whether it's a new lounge suite, a flat screen television or a winter coat. We recommend you review your contents valuation once a year to be sure your insurance keeps up with your lifestyle.

Did you know that the contents of an average home are worth more than \$70,000?

- Think about gifts you have received from other people. Christmas is a key time for giving and receiving gifts. While each item may not always have a particularly high individual value, the combined value of the presents your whole family receives can be quite significant.

The type of cover

Having the wrong type of cover can be just as disappointing as being underinsured. Make sure you understand what type of cover your policy provides.

Full replacement value: If items covered for replacement value are damaged, many insurers will repair the item to an 'as new' condition. If they are stolen, or damaged beyond repair, your insurance company will decide whether to replace it with a brand new item or a cash settlement. Check this with your insurance company.

Market value: This is the value of an item taking into account any wear and tear (depreciation). It is usually based on the age of the item at the time it was lost or stolen.



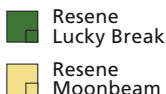
And the rest...

Think about any items that may need to be specified on your policy. If you have expensive items such as cameras, video cameras, or works of art they are usually covered on your contents policy up to a certain amount. We recommend having these items listed as a 'specified item' on your policy.

Talk to your insurer about ways to save money. You could be paying too much for your insurance. Most insurance companies offer different ways to reduce your premiums.

- Put all your insurance with one company. Many insurance companies offer customers a discount when they hold more than one policy type, for example, car and contents insurance. For example AMI offers its customers a Multisaver 2 or Multisaver 3 discount when they have more than one policy type.
- Pay a higher excess. Most insurance companies let you pay a higher excess in exchange for a lower premium. This does not affect the level of cover you receive, however, you will pay a higher excess on every claim.
- Install alarms. You could receive a premium discount if you have a professionally installed, hard-wired burglar alarm.

While we may not enjoy spring-cleaning, it is actually a very important task. Caring for your possessions will help avoid wear and tear which is not covered by your insurance policy. **H**



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tips

Having colour photographs, valuations or original receipts as proof of ownership can make settling a claim easier.

Check your policy documents to understand what level of cover your policy provides. Your level of cover may differ for different items and your level of cover may change from replacement value to market value as an item gets older.