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HomeCare - Important Information

Your sums insured

You are responsible for ensuring that your sums insured represent the full reinstatement cost of your buildings and/or contents. This means that you must ensure that your sums insured reflect the full rebuild cost of your property (buildings sum insured) and/or the replacement cost for your contents (contents sum insured).

Your rebuild costs should also include associated costs such as architect fees, demolition costs, debris removal and other professional fees incurred as part of the reinstatement.

Under-Insurance

Under-insurance is when the sum insured on your insurance policy is less than the cost of rebuilding or repairing your home or replacing your contents. e.g. the sums insured are too low. Being under-insured can leave you at risk of not being fully covered for your losses if you have to make a claim. To avoid being under-insured, when insuring your home, you should insure it for its full rebuild cost.

You may be underinsured if you have not reviewed your sums insured since renovating or extending your home or due to other market factors like increases in the cost of labour and building materials / inflation. The Society of Chartered Surveyors Ireland (SCSI) House Rebuild Calculator provides guidance in calculating the rebuild cost of a house. Visit www.scsi.ie for more details.

You can update your sums insured at any time by contacting us or going online.

Index Linking

Index linking of sums insured is a way used by insurers to automatically increase the buildings sum insured of a Home Insurance policy each year to help protect customers against the effects of inflation.

How under-insurance affects a claim (Average or Under-Insurance Clause)

For most home insurance policies an 'average clause' or under-insurance condition will apply which means that

in the event of under-insurance, any claim payment will be reduced by the percentage you are under-insured. Our HomeCare product contains an under-insurance condition. Here are some examples of how under-insurance could affect a claims payment:

Example A Partial Damage

- The insured home is insured for €300,000 but the full cost to rebuild the property is €400,000.
- This means that the home is under insured by €100,000 (25%).
- Damage occurs to the home and the cost to repair the damage is €100,000.
- Where the condition of average applies a deduction of 25% (€25,000) is made from the cost of repairs.
- Therefore the most the policyholder will receive is a payment of €75,000.

Example B Total Loss

- The Insured home is insured for €300,000 but the full cost to rebuild the property is €400,000.
- This means that the home is under insured by €100,000 (25%).
- Damage occurs to the home where it requires a complete rebuild.
- As the home has been insured for €300,000 this is the maximum payment that can be made. The outcome is the same when the condition of average applies.

For the scenarios above, the payment made to the policyholder is not sufficient to fully repair the damage caused.

Note: The above examples do not include other settlement factors, such as excess.

For details on how this applies to your policy please refer to the 'How we settle claims' section of your policy booklet.

You should also read your policy schedule and/or statement of fact document in full which may outline additional terms, conditions or endorsements, in addition to those in your policy booklet, which may impact on the policy cover and/or settlement of a claim.

Should you have any questions in relation to this or any other aspect of your policy, please contact us.