

## CALCULATION OF SUMS INSURED

(Please note: **completion** of this page is **optional** and is intended to assist you in calculating how much your belongings should be insured for)

**Buildings** – This is the **rebuilding cost** of your home and **not** the market value. If you do not know your buildings sum insured, contact Naturesave Policies Ltd for assistance.

**Contents and Personal Possessions** – This is the full cost of replacement as new.

### LIVING ROOM

Carpets	£
Curtains & track	£
Sofas & Chairs	£
Free standing units	£
Books	£
Lamps & ornaments	£
Coffee table	£
Telephone	£
TV, video, DVD	£
Computer equipment	£
Hi-fi	£
Records, CDs & cassettes	£
Pictures	£
Collections/ornaments	£
Other items	£
<b>Total</b>	<b>£</b>

### KITCHEN

Carpets	£
Table & chairs	£
Cooker	£
Refrigerator	£
Deep Freezer	£
Washing Machine	£
Tumble dryer	£
Dishwasher	£
Microwave	£
TV	£
Small Appliances	£
China, glass & cutlery	£
Utensils, crockery	£
Saucepans	£
Spirits, beer, food	£
Other items	£
<b>Total</b>	<b>£</b>

### RENEWABLE ENERGY SYSTEMS

	£
	£
	£
	£
<b>Total:</b>	<b>£</b>

If you would like more information about calculating the sums insured for your home, please call Naturesave Policies Ltd on **01803 864 390** for further assistance.

### BEDROOMS

Carpets	£
Curtains & track	£
Beds	£
Clothes & linen (less a deduction for wear & tear)	£
Wardrobes (free standing)	£
Lamps & Ornaments	£
Chest of drawers/ dressing table	£
Books	£
TV	£
Hi-fi	£
Other items	£
<b>Total</b>	<b>£</b>

**OTHER ROOMS:** List the items on a separate sheet using the same format as above. Finally, add up all the rooms together to find the total sums insured for your possessions:

Living Room	£
Master Bedroom	£
Other Bedrooms	£
Kitchen	£
Dining Room	£
Study	£
Bathroom/WC	£
Garage / Shed	£
Miscellaneous (please specify)	£
<b>Grand Total (Minimum £12,000)</b>	<b>£</b>

### PERSONAL POSSESSIONS (away from the premises)

Please fill in if you wish to insure items against **all risks** remembering to put their replacement cost.

Jewellery	£
Watches	£
Handbags, Wallets & Briefcases	£
Luggage	£
Spectacles & Binoculars	£
Sports equipment	£
Camera equipment	£
Video camcorder	£
Mobile phones	£
Laptop computers	£
Other items	£
<b>Total personal possessions sums insured (minimum £1,500)</b>	<b>£</b>
Pedal cycles	£



## CALCULATION OF SUMS INSURED

Regardless of who you insure your property with, underinsurance and proportionate claims settlement is the single main reason why insurance companies and policyholders fall out with one another.

We would remind you that underinsuring your buildings and/or contents would result in a proportionate claims settlement and you must therefore ensure that your sums insured represent the full reinstatement value of your property.

As long as the sums insured under your policy represent the full replacement cost of your property your insurance policy will perform the function it is acquired for when a claim is made.

We trust that the following examples can highlight the consequences of underinsurance:

### **Example 1**

A policyholder insures their contents for £10,000

The policyholder claims for £6,000 following a break-in

The actual replacement value of the policyholder's possessions is £30,000 (following a loss adjuster's assessment). The claim would be settled as follows:

$$£6,000 \times £10,000/£30,000 = £2,000$$

The total claim payment would be £2,000, being a third of the amount claimed as the claimant had *ONLY* insured a third of their possessions.

Your household contents must be insured for their replacement cost as new. Please use the enclosed CALCULATION OF SUMS INSURED sheet to establish what your sum insured should be.

### **Example 2**

The policyholder insures the buildings for £60,000

The policyholder has a claim for £12,000 due to storm damage

The loss adjuster establishes that the sum insured should have initially been £100,000 (the total rebuilding cost) and not £60,000. The claim would be settled as follows:

$$£12,000 \times £60,000/£100,000 = £7,200$$

How do you know how much to insure the buildings for?

You can find this figure out from your bank/building society with whom you have a mortgage. If you do not have a mortgage you will need to ask a surveyor to assess the true rebuilding cost of your house. You do not insure your house for its market value.

Should you feel that your sum insured needs adjusting; either up or down, please do not hesitate to contact us.