

Are You Insured? Are you Sure?

After another of the Wettest-Junes-on-Record, many thousands of families are counting the cost of the UK's annual floods. It happens nearly every year. And every year, we then get all the old 'insurance' horror stories. This company won't pay for that and that company won't pay for this. And we all sit very smugly and think, "Well, if only they'd been more careful about their insurance policies, then they'd all be okay". But, actually, how sure are you about your own insurance? Are you sure that you're covered for every eventuality?

Did you know that the number of complaints against insurance companies wriggling out of payments has more than doubled over the last couple of years? If you get the wrong policy, in the event of a disaster, you could be left with a whole host of uninsured losses. Maybe, you would be covered for flood-water damage- but not for the rain-water damage caused if the roof blew off. A few years ago, after Hurricane Katrina, insurance companies in the US were arguing over whether a roof blew off because of the wind, or whether it was the flooding that somehow swept the roof away. Some of the homeless got paid- many didn't. Of course, British insurance companies would never be so devious. Would they?

If you're moving house, you'll be looking for new household insurance. This is your chance to make sure you get it right this time.

Your mortgage company will always recommend you take a policy from them. Of course they will. They make a very good commission on it. But it always pays to shop around. Even getting building AND contents cover from different companies can save you money- and mean you are more comprehensively insured. Always remember, don't just listen to what they want to tell you, check everything out thoroughly.

Did you know that a favourite trick, with the insurance companies, is the 'excess'? That's the bit that you have to pay, when you make a claim, before the insurance company coughs up a single penny.

So, imagine if part of your roof collapses onto your antique dressing table, you could have £ 1500 of joint home and contents damage. That's, say, £750 for repairing the roof and £750 for replacing the dressing table and a couple of old ornaments. Now, if you have a £750 excess, then you would expect that you would pay £750 and the insurance would pay the remaining £750 to put everything right. But, you could be wrong. Sometimes, that might not be true.

That is because some policies have more than one 'excess'? You could have an 'excess' of £750 on **each**, buildings **and** contents. Basically, you have 2 'excesses', each £750, totaling £1500, so you'd end up with nothing! And then there's the 'single item limit'. Any item of value needs to be specified separately by you, with a specific value, or it may not be covered, especially items like any family heirlooms and expensive wristwatches or jewellery.

As with everything, the devil is in the 'small print' - so always have a magnifying glass on-hand, because, along with the 'excess', you will also come across the 'exclusion'. And these little devils can be even worse.

Did you know, for example, that if you leave your home for **more than 30 days** at a time, your entire insurance policy could be void for the period over the 30 days? Yes, that 6 week jaunt out with the kids in the summer holidays could leave your home with no insurance protection at all for the best part of 2 weeks.

Did you also know that many standard insurance policies don't even cover accidental damage? Yes, that small slip on that toy car- the one that never gets put away - sees you up-end two opened bottles of red wine all over your favourite suite and carpet; and it may not even be covered by your policy. You often have to pay extra for that. You'd also, usually, have to pay extra for garden coverage. So, that lovely new sit-down mower could just disappear one day- and you would have no claim whatsoever on your insurance company to get another one!

Of course, if you work from home, that opens-up another can of worms. Your insurer could decide that your home is then a business premises. If you haven't told them, then that could make it even worse and could have a very unpleasant affect on your pay-out if the worst happens.

At the end of the day, there are plenty of 'price comparison' web sites that will tell you what the insurance companies are offering and at what price, but it's down to you. Remember though, it's far too easy just to go for the cheapest one, but it might end up costing you a lot of money. You have to read the small print, it doesn't take that long, and you'll understand exactly what coverage you're getting for the price you're paying. The information might even be on the 'Key Facts' policy summary the insurance company sends you. If you really can't face reading through it all, just ask the insurance company precisely what the 'excesses' and 'exclusions' are on your proposed policy. You could also do an internet search for the same thing. Shop around, but not just on price. You need to make sure you get a policy that covers you and your individual circumstances completely, not just for your bricks and mortar.