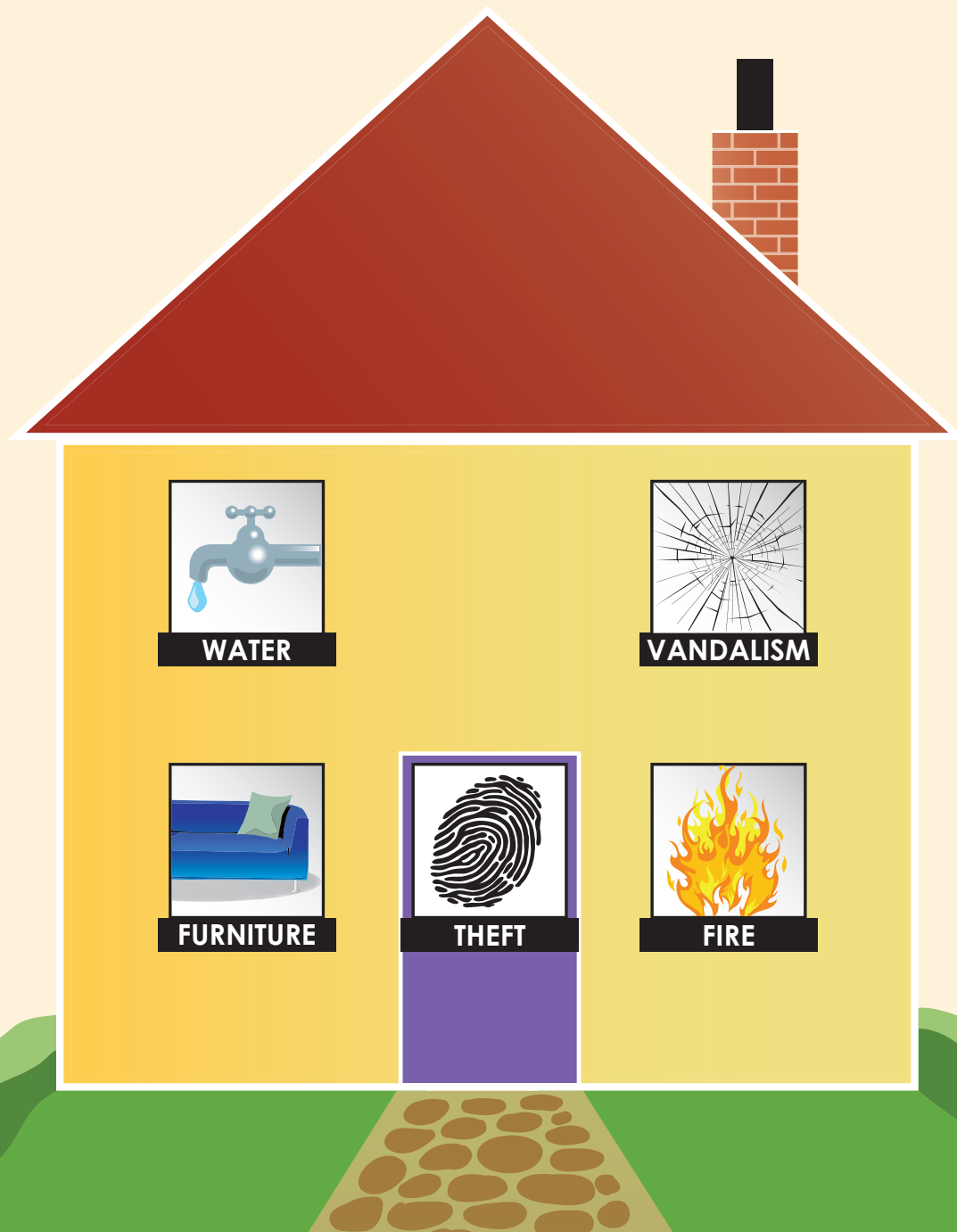


Home Contents Insurance



The Consumer Council



**A guide for people
who rent their home**

Home Contents Insurance

A step-by-step guide on what to do



Step 1

Read over “A guide to home contents insurance” on the opposite page. You can't afford to be without it!

Step 2

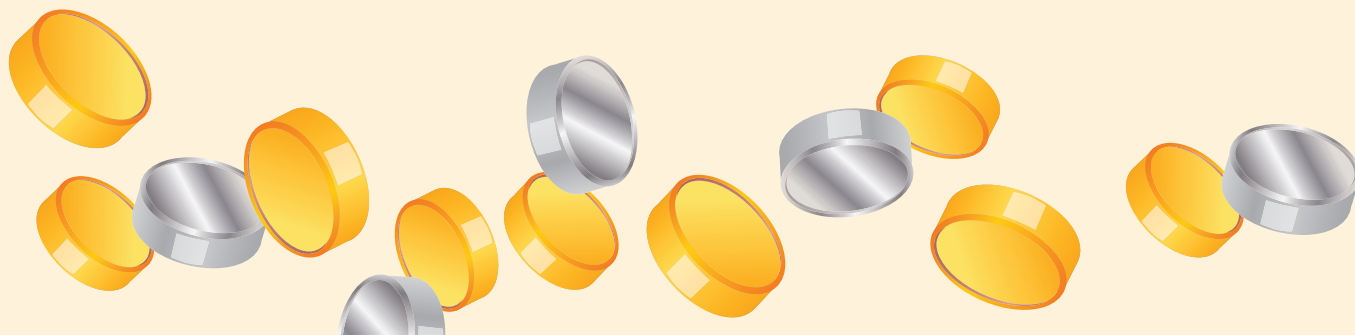
Fill out the ‘How much are the contents of your home worth?’ guide. Get organised – gather together a pen, paper and a calculator.

Step 3

Get ready to buy home contents insurance using the Consumer Council's tips.

Step 4

Shop around for home contents insurance. Compare deals and discounts over the phone, on the Internet and in person.





Step 1

A guide to home contents insurance

Have you ever heard people talk about how they were affected when their homes were burgled or damaged by flooding or fire? If you don't have home contents insurance, think how you would replace or repair your TV, computer, carpets or sofa if the worst happened. Even a small flood caused by a broken washing machine or a burst pipe can cause expensive damage. If you don't buy home contents insurance, can you afford to put money aside to replace all your home contents if the worst should happen?

1

What is home contents insurance?

A home contents insurance policy will cover most things you would take with you if you were to move house: electrical goods, like televisions and computers; personal items, like DVDs and CDs; furniture; clothes; money and valuables. It will also cover furnishings, such as carpets and curtains.

Most policies will cover loss or damage to your possessions while in your home by theft, fire, explosion, lightning, or earthquake, escape of water from tanks or pipes, storm and flood.

2

Doesn't my landlord insure my home for me?

Your landlord is responsible for insuring the building itself but you will have to insure the contents that belong to you. Check with your landlord if you're not sure what their insurance covers.

3

How much does it cost?

Home contents insurance may cost less than you think and could save you a fortune if something did go wrong. The cost of your home contents insurance will depend on how much the contents of your home are worth and where you live. It could be cheaper if you have a burglar alarm or cost more if you want to add in cover for accidental damage.



What should I look for in a home contents insurance policy?

It's possible to get a basic, no-frills policy at a good price but you may want additional cover. Here are some things to check for before you buy your home contents insurance policy:



- The policy should cover your liabilities as a tenant, for example, under your tenant's agreement you may be responsible for paying for any damage done to the property such as a broken window.
- Some policies will include cover for accidental damage which will cover you for things like a spill that ruins a carpet but will not cover you for wear and tear such as carpet that is worn out or faded over the years.
- A contents insurance policy could offer new for old. This means they'll replace old damaged appliances and possessions with new ones when you claim.
- Some policies can cover items that leave the home with you, such as laptop computers, MP3 players and cameras.
- Most policies have a standard excess charge, which means you agree to pay the first part of any claim, for example the first £50 or £100. If you agree to pay a higher excess you might get a cheaper price.
- Policies will normally limit the maximum amount of compensation your insurer will pay out on any one claim or against any one item. So anything beyond the maximum amount of the policy won't be covered.



Step 2

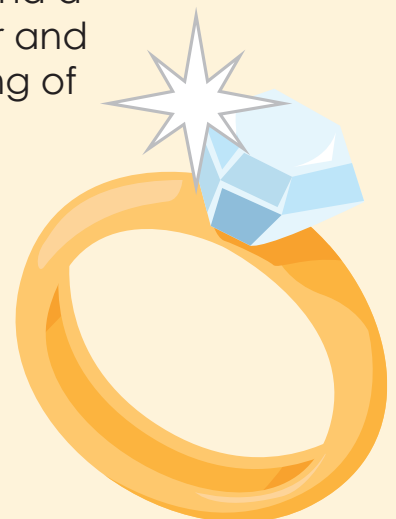
How much are the contents of your home worth?



Use the guide on the next page to work out how much you should insure your home contents for:

- 1** Go into each room of your home and estimate how much it would cost to replace the items that belong to you. This should include any furniture, soft furnishings and other items. Don't forget to include items outside like lawnmowers and garden furniture. Be honest! You will need accurate costs if you ever have to claim and if you knowingly give false information your policy may be worthless.
- 2** If you don't have a receipt for valuable items like jewellery and watches your local jeweller should be able to help you get an expert valuation. Similarly for antique items, it's best to have an expert valuation. You should also take photos of all valuable goods to help with both valuation and identification should something happen to them.
- 3** Add up the value of all items to work out how much home contents insurance protection you require to replace all your contents.

Or consider the option of a policy that estimates the cover you need based on the average value of contents in properties the same size as yours. This is known as a 'bedroom rated policy' and a broker will be able to talk through the scope of cover and the benefits of this type of policy. If you have anything of unusually high value you should discuss this with your insurance broker.





Step 2 How much are the contents of your home worth?

Living room	Amount £
Blinds / curtains/ carpet	
Computer and games console	
DVDs / CDs / books	
Furniture	
Home music system	
Light fittings	
Ornaments / pictures	
TV / DVD player	
Sofa / soft furnishings	
TOTAL	

Kitchen / dining room	Amount £
Blinds / curtains / floor covering	
Kitchen appliances	
Crockery / cutlery / pots / pans	
Food in the fridge and freezer	
Light fittings	
Table / chairs	
Vacuum cleaner	
Washing machine / tumble dryer	
TOTAL	

Hallway / landing	Amount £
Blinds / curtains / carpets	
Furniture and light fittings	
TOTAL	

Bathroom	Amount £
Blinds / curtains / floor covering / light fittings	
Towels / linen	
TOTAL	

Bedroom 1	Amount £
Bed	
Bed linen (allow for wear and tear)	
Blinds / curtains / carpet	
Clock	
Clothing (allow for wear and tear)	
Furniture	
Hairdryer / straighteners	
Jewellery	
Light fittings	
Ornaments	
Toys	
TV	
Valuables	
TOTAL	

Bedroom 2	Amount £
Bed	
Bed linen (allow for wear and tear)	
Blinds / curtains / carpet	
Clock	
Clothing (allow for wear and tear)	
Furniture	
Hairdryer / straighteners	
Jewellery	
Light fittings	
Ornaments	
Toys	
TV	
Valuables	
TOTAL	

Bedroom 3	Amount £
Furniture / blinds / curtains	
Bed linen (allow for wear and tear)	
Iron and ironing board	
TOTAL	

Value of contents in each room	Amount £
Living room	
Kitchen / dining room	
Hallway / landing	
Bathroom	
Bedroom 1	
Bedroom 2	
Bedroom 3	
Outbuilding	
Total value of home contents	

Outbuilding	Amount £
Lawnmower	
Garden tools and furniture	
TOTAL	

Step 3

Get ready to buy home contents insurance

Here are the Consumer Council's tips

1

Make sure you understand the terms and conditions of your policy, and that it covers what you want, before signing it. If you are not sure, ask the sales agent or broker.

2

Check all the exclusions and conditions for making a claim. The most common reason for insurers to reject a claim is because the policy didn't cover what people thought it did.¹ Remember cheapest is not always best!

3

Consider these tips to lower the cost of your home contents insurance:

- Don't value the contents of your home any higher than they really are;
- A higher excess can bring down the cost of insurance. However if the excess is much more than you can afford then the policy will be no use to you when you really need it;
- If you can afford to, pay your premium in one go rather than in instalments; and
- Talk to your landlord about installing a burglar alarm.

4

If you buy an expensive item like a TV or washing machine, the shop may try to sell you a policy that gives you extra benefits and protection if something goes wrong. But buying separate policies can be expensive and you may already be covered by your home contents insurance. Before buying, check whether you need the policy and that it covers what you want it to cover. For example, an extended warranty will cover you for mechanical breakdown but it won't cover you for theft whereas home contents insurance will cover you for theft but not mechanical breakdown.

¹ www.moneymadeclear.fsa.gov.uk



Don't feel pressured into taking extended warranty cover – you can go back afterwards or look around for a cheaper or better policy elsewhere. For more information, contact Consumerline on 0845 600 62 62 or 028 9025 3900.

5

You can buy insurance from companies and brokers based outside the UK, for example, they may be based in the Republic of Ireland. However there may be differences in the way complaints and compensation are handled. Check the Financial Services Authority's Register at www.fsa.gov.uk/register/ or contact 0300 500 5000 to check if the company or broker is registered in the UK. If it's not, ask for more information before you buy.

6

Always keep up to date with your home contents payments to make sure that you are covered at all times.

7

To help you keep track of your spending and budget for home contents insurance, use the Consumer Council's Home Budget Planner. Request a free copy by phoning 028 9067 2488 or download a copy at www.consumercouncil.org.uk.

8

If you have a complaint about your insurance company, complain to it first. If you are still not satisfied, contact the Financial Ombudsman Service on 0845 080 1800 or 0300 123 9123 or visit its website at www.financial-ombudsman.org.uk.

9

Shop around every year before your policy is due for renewal to make sure you are getting the most competitive quote.





Step 4

Shop around for home contents insurance

Check if you can get a good price on home contents insurance through:

- ✓ **Your landlord if you rent from the Housing Executive or a housing association** – some may be able to provide information on basic, low-cost home contents insurance policies;
- ✓ **Your employer or trade union** – some have arranged group discounts for staff or members; or
- ✓ **Compare prices by phoning, visiting in person or searching on the Internet.**

Get prices from:	Contact them by:
A broker They will shop around for a good price for you. They will also check the level of cover offered and can advise you on the best policy at the best price.	Phoning or visiting Get contact details of a local broker by checking the phone book or call the 'Find a Broker' helpline on 0870 950 1790 or www.biba.org.uk .
Price comparison websites They can check with lots of insurance companies and brokers so that you can see many prices and what they cover at once on your computer screen.	Searching on the Internet Type 'insurance price comparison' into an Internet search engine.
Insurance companies Some insurance companies aren't included in price comparison websites and others may offer a better deal if you contact them directly.	Phoning, visiting in person or searching on the Internet Check the phone book or search on the Internet. Supermarkets, banks, building societies and the Post Office also sell home contents insurance.

Useful Contacts:

Association of British Insurers

www.abi.org.uk/consumers

British Insurance Brokers' Association

www.biba.org.uk

0870 950 1790

Consumerline

www.consumerline.org

0845 600 62 62 or 028 9025 3900

Financial Ombudsman Service

www.financial-ombudsman.org.uk

0845 080 1800 or 0300 123 9 123

Financial Services Authority's Register

www.fsa.gov.uk/register/

0300 500 5000

Moneymadeclear

by the Financial Services Authority

www.moneymadeclear.fsa.gov.uk

0300 500 5000

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The Consumer Council

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Contact:

The Consumer Council
Elizabeth House
116 Hollywood Road
Belfast
BT4 1NY

Tele/Textphone: **028 9067 2488**

Fax: **028 9065 7701**

E-mail: **info@consumercouncil.org.uk**

Website: **www.consumercouncil.org.uk**