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Pennington Insurance Brokers Ltd.

A Simple Guide to Home Insurance



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A Simple Guide to Home Insurance



<u>CONTENTS</u>	<u>PAGE</u>
Introduction	1
Myths & Legends	2
Building Insurance	3
Contents Insurance	4
What is NOT covered	5
Why has my premium increased?	6
Claims	7
Why use a Broker?	8
Get a Quote	9
Any further questions?	10

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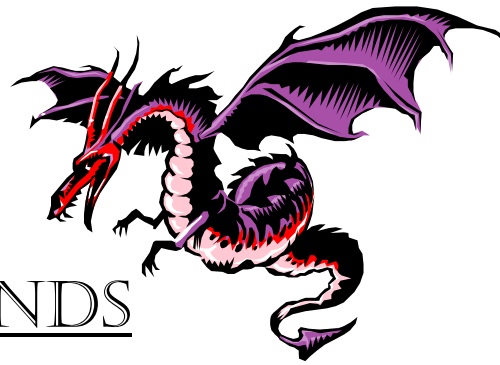
INTRODUCTION

Whether you are buying a new home or simply renewing your existing policy – Home Insurance can be a tricky business.

We hope this guide will help answer some of your queries and give you a better understanding when purchasing your Home Insurance in the future.



MYTHS & LEGENDS



"I have to insure my Home with my Mortgage provider."

FALSE! There are no rules or laws that say you have to insure with them.

"I will get charged extra money if I don't insure with my Mortgage provider."

FALSE! If you tell your mortgage provider BEFORE you arrange the mortgage there should be no need for extra charges.

"My Mortgage provider may charge me a transfer fee if I move my Home Insurance from them."

TRUE! However there are Insurance Companies that will pay the transfer fee for you.

"It will be more expensive to insure through a Broker."

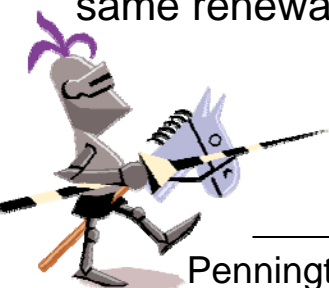
FALSE! As Brokers are not tied to one insurance company, they can search the markets for the best deal. Policies through a mortgage provider tend to be 25% more expensive.

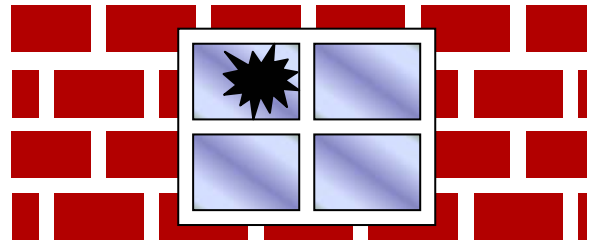
"It is better to take out separate policies for the buildings and the contents."

FALSE! We always recommend to insure both with the same company. Not only can it save you money, but it simplifies things in the event of a claim.

"If I move house I have to take out a new policy."

FALSE! If you move house we can transfer your existing policy onto your new home, avoiding cancellation fees and keeping the same renewal date.





BUILDING INSURANCE

Items covered under the Buildings Insurance are usually the things you would leave behind if you were to move (ie. The structure, out-buildings/garages, fitted kitchen units, toilets, sinks, baths). It can be a little tricky when it comes to laminate flooring as it could be considered a part of the building or contents (This is why we recommend to insure the buildings and contents with the same insurer – it will cut out any confusion).

There are 2 levels of cover available:-

Standard – This covers damage to your home buildings from fire, theft, landslip, subsidence, storm, flood, falling trees, explosion, earth quake, collision of a vehicle.

Standard with Accidental Damage – This provides the same cover as ‘standard’ with the additional benefit of cover for damage caused by an accident (ie. falling in the loft and damaging the ceiling).

Do I have to have Building Insurance?

If you own the property and have a mortgage then the Mortgage provider will insist on Buildings Insurance being in force.

What is the cost?

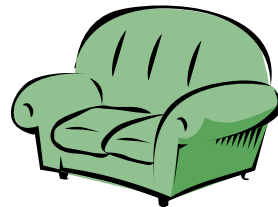
The premium is either rated on the ‘sum insured’ or the number of bedrooms. The average premium is roughly between £80 to £150 for the year.

What is the ‘Sum Insured’?

This is the cost to rebuild your home – and NOT the value of the property. You will usually be advised of this amount by your mortgage provider or a surveyor.

Bedroom rated policies provide a ‘blanket’ type cover which will cover up to a set sum insured (say £250,000) and therefore eliminates the need to work out the rebuilding cost.

You can calculate the rebuilding cost of your property – however, it will depend on the type of property, construction material, square footage and location. (For further details visit www.bcis.co.uk)



CONTENTS INSURANCE

Contents cover is available as a separate policy (ie. If you are living in a rented property you will only want to cover your belongings – tv, dvd player, furniture, curtains, etc.).

There are 2 levels of cover available:-

New for Old - This covers damage to your home contents from fire, theft, landslip, subsidence, storm, flood, explosion, earthquake.

Accidental - This provides the same cover as 'New for Old' with the additional benefit of cover for damage caused by accidents (ie- spilling paint on your carpet, dropping a vase).

Do I have to have Contents Insurance?

No. The choice is yours. But to give you some perspective – if you lost everything you owned (clothes, tv, jewellery, sofa, curtains, bed, fridge, washing machine) could you afford to replace it all?

What is the cost?

The premium is based on the 'sum insured'. An average contents policy starts roughly around £80 for the year.

What is the 'Sum Insured'?

This is the cost to replace all of your belongings in the home (from your television to your watch).

To get an idea of how much cover you will need – make a list of all the rooms in your house and for each room write down an estimate of the total value of all the items in there (don't forget the carpets and curtains – but ignore fixtures like baths, sinks, fitted kitchens). Then total it all up – you will be surprised how much it comes to.

What is 'All Risk' cover?

This is an additional cover that can be added to your contents policy. It basically covers items in and away from home (usually throughout the UK and sometimes worldwide cover). Things like watches, jewellery, cameras – anything you could lose outside of the home.



WHAT IS NOT COVERED?

Policy Excess – this is an amount of money that is your own responsibility (ie. If your policy has a £50 excess and your TV is stolen worth £1000, then the insurers will pay you £950).

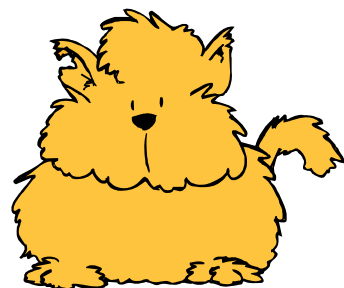
A standard policy excess for Home Insurance is usually £50 (£1000 in the event of a subsidence claim).

Wear & Tear – If your carpets are worn out you cannot claim for a new one. You have a responsibility to maintain the property in a good state of repair.

Fences – These are normally not covered if they blown down in a storm.

Breakdowns – If your TV breaks down due to an electrical fault this is not covered.

Pets – If your dog chews your sofa this is not covered (damage caused from chewing, scratching, tearing, fouling by domestic animals).





WHY HAS MY PREMIUM INCREASED?

There are various reasons why your premium may have increased from last year. Here are a few explanations:-

- 1) Claims – have you made a claim in the last 12 months? Insurers allow a discount (no claim bonus) of each year you insure without making a claim. If you have made a claim then you have probably lost a percentage of your discount.
- 2) Sums Insured (index linked) – has your sums insured increased from last year? Some policies increase your sums insured each year in line with inflation and increased building costs. If your sums insured have increased then your premium will also increase.
- 3) Moved House – have you moved address since the start of your policy? All premiums are rated on the property's postcodes, and therefore moving to another area can increase your premium.
- 4) Rates – Insurance Companies can increase their rates, which will mean that everyone's premium will increase from the previous year.

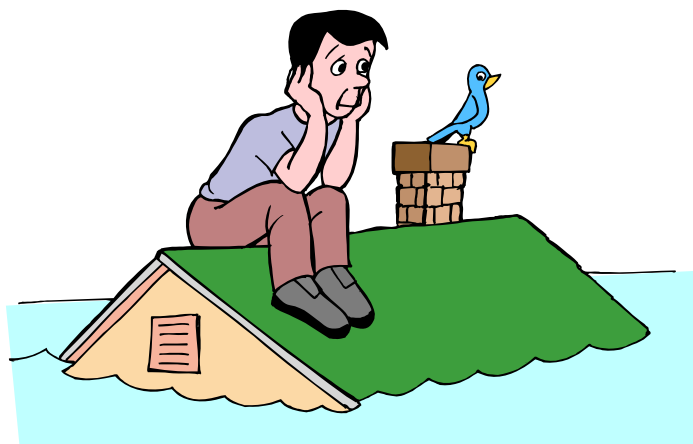


CLAIMS

Should you be unfortunate to have to make a claim under your policy then many Insurers provide an emergency claim telephone line (open 24 hours a day). This is designed to speed up the whole process and get your claim dealt with as quickly as possible.

For non-emergencies, our clients are welcome to pop into one of our offices where we can sit down and deal with your claim on a one to one basis.

When making a claim it is important to consider 'how the loss occurred' and not 'what happened' (ie. If your TV is broken – what happened? If it was an electrical fault then it is not covered. If the TV got knocked over then it is probably covered.





WHY USE A BROKER?

There are some real advantages to using an Insurance Broker.

We can save you money - We are not tied to one insurance company and therefore we can offer you a more competitively priced policy tailor made to your needs.

We are on your side - We work for you. If you have difficulties with an insurer we act on your behalf.

You can talk to us – How often have you called a company and spoken to a machine ('press 1 for....etc'). When you call us – we answer – not a recording.

We are not a call centre – We can deal face to face. If you have a problem with your insurance, come and see us.





GET A QUOTE



Getting a quote for your Home Insurance is easy. It should only take a few minutes and you may be pleasantly surprised how much money you can save.

Either get a quote online:-

Online quotes available on our website at
www.penningtoninsurance.co.uk

To get a quote click here



GET A QUOTE

Or **Telephone** us for a quote on:-

0121 358 2121 (Birmingham Office)

0121 557 6728 (Tipton Office)

Alternatively, if you live close to one of our offices, why not pop in to see us:-

**1-3 QUESLETT ROAD
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ANY FURTHER QUESTIONS?

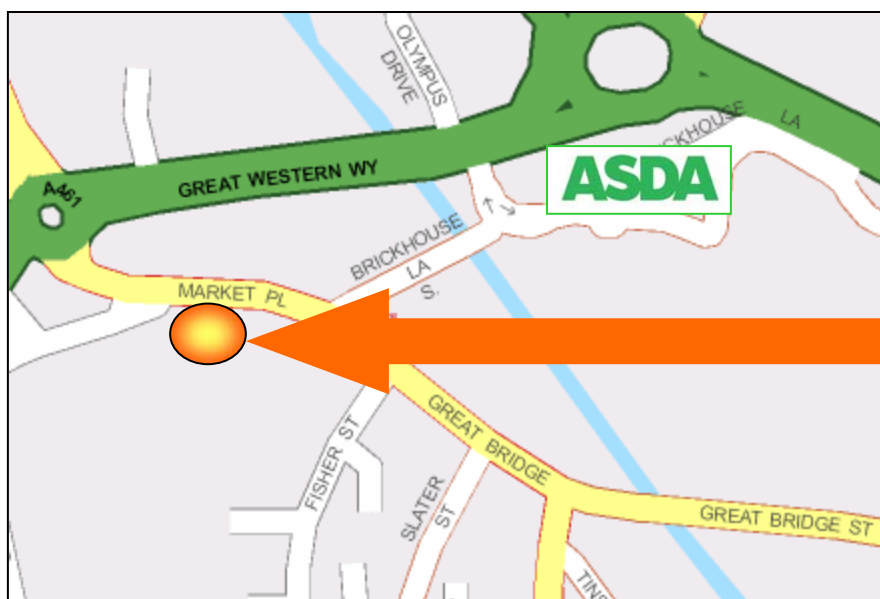
Not found the answers you were looking for? Send your query to us by e-mail to penningtonib@btconnect.com

Or give us a call on either 0121 358 2121 or 0121 557 6728.

Even better still – if you live local – why not pop into one of our offices. Our staff will be only too pleased to assist.



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