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Insurance

When you buy a property it is essential to take out some insurance to protect yourself and your property.

BUILDINGS INSURANCE

Buildings insurance covers the building itself should it be damaged or even destroyed by unforeseen events.

If you are buying a leasehold property, your freehold owner should be responsible for arranging buildings insurance cover. This is normally arranged through a management company.

If you are buying a freehold property, your mortgage lender will insist on you having building insurance in place when you exchange contracts because at that point you become the legal owner and should there be a fire or a problem with the property's structure, you are responsible for it.

Sum Insured Insurance: You calculate the cost of rebuilding your home (or use the figure detailed on your survey report). The sum insured is the cost of rebuilding from scratch including any professional fees. You would need to enlist the help of a Chartered Surveyor to calculate the sum insured. The cost of rebuilding your property will increase over time so it is advisable to have an index-linked policy and make sure you have a new survey every few years.

This type of insurance can be difficult to calculate, but you will only ever pay for the cover you need.

CONTENTS INSURANCE

This covers you for loss, theft or damage to the items in your home and can also provide cover for items outside the home.

Sum Insured: You calculate the amount of contents cover you need.



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Unlimited Sum Insured: All your contents are covered with no limit.

Things to consider on your contents insurance policy

Check your insurer's definition of valuables as this can vary. The 'single article limit' is the most the insurer will pay out in the event of a claim. If you have an item of jewellery, for example, worth more than the single article limit, you need to specify this and pay more to get it covered.

Some policies cover you for things you take out of the home like your mobile, laptop and tablet, but you need to check that you have the cover you need. Standard cover might include the cost of replacing an item, but does it cover for digital information?

Some insurers offer an 'all risks' option for an additional premium which provides you with a wider cover.

New for old cover means that you get paid for what it costs to replace the items, and most policies offer this.

Indemnity cover means you only get the current value of your possessions.

Personal possessions cover covers things that you take out of the home.

Legal cover pays for court costs.

Accidental damage covers things like spills on your carpet.

Home emergency cover provides for emergencies like the boiler breaking down.

Make sure you get enough cover to replace all your possessions!