

Protect your precious home

Underinsurance is a growing problem in Australia with an estimated 29% of homeowners having NO home and contents insurance and 40% of households WITH insurance being underinsured¹.

With your home and its contents usually being your single largest investment and a place of comfort and security for your family, these figures are alarming.

You might think you are SAVING money but cheap insurance won't seem so cheap when you need to make a claim.

Sadly, most of us don't investigate our current insurance position until after an event has occurred - and then it is TOO LATE.

Take the time to review Many of us pay our policies each year forgetting that:

- we haven't reviewed our current property valuation and sums insured
- we have made improvements to our home
- building costs are constantly increasing and
- we have added extra purchases (electronics, whitegoods, furniture, clothes, jewellery) to our home contents



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Check your coverage

Remember to check your current insurance policy to determine if you are covered for events such as storms, floods, flash floods and bushfires. Make sure you read and understand the definitions of each. In June 2012 a standard definition of 'flood' was developed to give consumers clarity when choosing insurance.

Are you underinsured?

It can be difficult to estimate costs to replace your home and contents. Ideally you should obtain a cost estimate to replace your property from a qualified professional.

The Insurance Council of Australia (ICA) website also has building and contents calculators and a household inventory checklist. Go to understandinsurance.com.au/calculators

Policies with the lowest risk of underinsurance for you are **total replacement policies** where the insurer agrees to pay unlimited replacement costs.

Sum insured policies have a higher risk of underinsuring you as there may be a gap between the estimated build costs and the actual rebuilding costs.

If you are unsure?

Seek advice from a professional who will be able to advise you appropriately.

If you believe you are unable to afford the appropriate policy, a professional will shop around for several quotes and consider alternatives, eg increasing the excess to reduce the premium.

Ideally you should explore making savings elsewhere in your budget as you may not be able to afford to replace your property and contents IF the worst should happen.

1. canstar.com.au

Call the office for an introduction to our insurance specialists.

*Disclaimer: This article is generic in nature. All investment decisions should be considered wisely and based on your personal and financial circumstances. Seek proper advice before commencing any course of investment action. This is not deemed as advice.

