

This house is under insured. ...yours could be too!



THE RISKS OF UNDER INSURANCE

It is important to ensure that your property is insured for its full rebuilding cost.

Most insurance policies state that if the insurance value of the property at the time of loss or damage is less than its real value, payment by the Insurance Company may be reduced according to the difference. This is termed 'subject to average'.

THE AVERAGE CLAUSE

Average may be applied at the time of a loss, as an example a property with a re-build value of **£500,000** but insured for **£300,000** is **40% underinsured**. If the property is damaged and the cost of repairs amounts to **£60,000** Insurers could reduce the claim by **40%** this means the insured only receives **£36,000** from the insurers leaving a shortfall of **£24,000**.

To ensure that your property is correctly valued we recommend taking advice from a Professional Surveyor.



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