

THE WEEKENDER

have a good one

The ins and outs of keeping your assets covered

BY USING an insurance broker to place your short-term insurance, you have already gone some way in ensuring your assets are appropriately insured. A broker will be able to advise you on the various covers available.

Understanding the basics of insurance will also help you.

- **Houseowners insurance:** this relates to the building and outbuildings of your home, including walls, swimming pools, paving etc, as defined in the insurance policy.

Cover is based on replacement value and is subject to average, in other words, should you be underinsured, it will result in you bearing a portion of the loss.

You may want to have your property valued if it hasn't been valued for a number of years. A common mistake made is for homeowners to try to equate the replacement value of the property to its market value.

One extension you may wish to consider as it is not automatically included under all policies is the subsidence and landslip extension. The need for this will depend on the location of your property.

- **Householders insurance:** the contents of your private residence should also be insured. Once again, to avoid the application of average, you should ensure that the sum insured will cover the replacement value. For this you may also want to have your assets valued and documented.

Business goods and equipment kept at your home may not be automatically covered and specific arrangements may need to be made to insure them .

While it's not recommended, to bring your premium down in times of financial difficulty, the theft cover may be deleted from this section.

Be aware of preconditions on your policy such as the installation of a burglar alarm or windows and external doors requiring burglar proofing or security gates. Not complying may leave your assets uncovered .

In general, these policies will also restrict the cover of jewellery, furs, rugs, carpets and in some cases electronic equipment to a third of the sum of the household goods insured.

- **All risks insurance:** this insures clothing, personal effects or sports equipment normally taken out of your home . The practice is to have a blanket item for an agreed sum.

The cover in respect of any one item is usually restricted to a percentage of the sum insured. All items over this amount would have to be specified. There are also usually some personal effects, such as

cellphones and laptops, that would be excluded from this blanket item, but for which separate cover is available if specified on the policy.

When arriving at the sum insured, remember to take into account your suitcase when travelling. You should also ensure that jewellery is valued regularly and your policy updated accordingly.

- **Personal liability:** this covers your legal liability to pay compensation for accidental death, bodily injury, illness (excluding members of your family living with you), or accidental loss of or damage to third-party property, thereby indirectly protecting your assets.

- **Motor insurance:** there are various options available, starting from your comprehensive cover, to third-party fire and theft, and third-party only.

The cover you select will depend on your circumstances, vehicle value and appetite for risk.

Most insurers will replace your comprehensively insured car in the event of a total loss claim in the first year provided your sum insured is adequate and the number of kilometres does not exceed the predetermined amount.

Remember to advise your broker of all extras, whether factory-fitted or not, so that these may be taken into account in your sum insured.

The vehicle values should be adjusted once a year at renewal. Depending on the insurer concerned, this may be done based on either the retail or market value.

While this is not always a requirement, you may want to consider also installing a tracking device in order to further protect your vehicle .

- **Pleasure craft:** in this instance cover is available for items such as boats, as well as liability to third parties including water skiers' liability. It can be extended to cover your trailer as well.

Remember all policies have specific terms and conditions and you will need to refer to your broker or insurer for clarity as far as your own cover is concerned.

- Teixeira is a short-term insurance broker at PSG Konsult.