



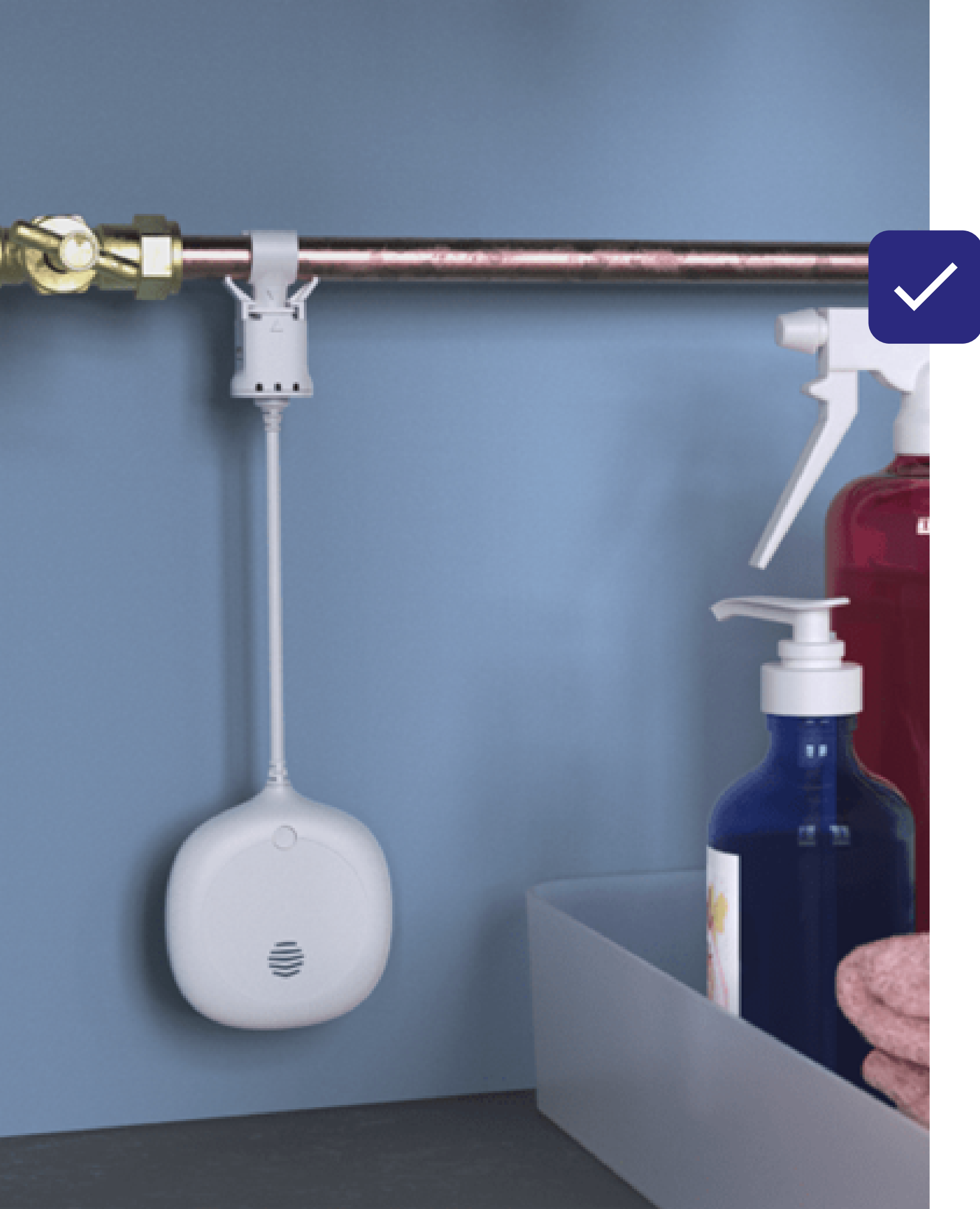
# Insurance Checklist



## 10 Ways you can save money on your insurance

See our 10 factors specifically applicable to high value homeowners which we've seen from our own experience that, when implemented, has result in improved terms from insurers...





# 1. Water leak detection system

Escape of water and damage from burst pipes is now the most common cause of damage to homes in the UK, and as a result the most expensive to insurers. As a result, many insurers are now partnering with companies such as Leakbot and Hive and will offer improved premiums and /or reduced excesses (for escape of water) if a home is fitted with a leak detection system.

The small device (pictured) simply clips onto your main water pipe near the stop tap. The sensor will detect all continuous water flows, and can also distinguish between strong and weak flows. These flows could be from visible damage like a cracked pipe, through to hidden flows like a faulty water appliance that needs fixing (a push-button toilet, for example).

You are notified via the app on your smartphone or tablet, and it will help troubleshoot the problem and put you in touch with a local plumber if needed.

## 2. Intruder alarm system



There is huge value in having an intruder alarm. It can act as both a deterrent to “opportunistic” burglars who, if scoping out a potential property to target, are put off by its presence. However, even if a burglar proceeds to break into a property, the activation of the alarm will often cause them to flee the scene without going further.

The presence of an alarm is, of course, appealing to insurers as it reduces the risk of theft, and many insurers will offer discounted rates where an alarm is present. Similarly, it can broaden your potential panel of insurers, particularly if there is a high contents or valuables sum insured – some insurers will not quote without an intruder alarm in place, and in the absence of one, you may be eliminating an otherwise competitive premium from an alternative insurer.

The biggest resistance we come across to alarms is some homeowners find them too onerous, either due to the presence of pets and worrying that they’ll cause false alarms, or concerned that if they say they have an alarm and don’t set it, the insurance cover will be invalidated.





## 2. Cont



With regards to the second point, our specialist high net worth insurance policies are warranty free, which means there are no specific requirements to set the alarm when the property is left unattended, or once you've retired for bed in the evening, for example. A common-sense approach to adopt best practice is instead expected, but a policyholder would not be penalised for not setting the alarm when walking to the local shop to buy a newspaper!

For those with pets, alarm companies can easily set up the system to cover specific rooms or areas of the house, so if you own a pet, the rooms where they spend their time could be left unalarmed.

There is, of course, a cost involved in installing an alarm, but if you could save a significant percentage off your insurance premium by having one installed, it would not take long for it to pay for itself.





### 3. Safes – “floating” jewellery sum insureds



If you own a large collection of jewellery or watches, it is likely that your insurer will require a safe to be fitted. However, often the insurer will still base their premium on the jewellery being insured out of the safe all the time.

If you use your safe, and it is commensurate to the level of jewellery you own, it might be worth considering insuring the jewellery using a floating limit in and out of the safe. This is because jewellery that is kept and insured in the safe attracts a much lower premium rate than whilst out of the safe, due to the reduced risk of loss or damage.

For example, if your jewellery and watches sum insured is £200,000, but you typically wear £75,000 on a daily basis, you might insure £75,000 out of the safe any one time, with the remaining £125,000 insured whilst in the safe only. You do not need to specify which items are kept in or out of the safe, you are simply free to pick and choose which items, just mindful of the fact that the maximum the insurer would pay for items lost or damaged out of the safe is £75,000 (in this example).

Similarly, if you had one specific item of high value which was only worn once or twice a year for special occasions, this could be insured whilst in the safe only at a much lower rate. The insurer would then charge a small, nominal amount to extend the cover for the one or two times it was taken out of the safe on an ad hoc basis.







## 4. Consider a “Long Term Agreement”

Some high net worth insurers will offer a Long Term Agreement (usually 3 years) whereby at inception of the policy in year one, they will commit to that same rate in year 2 and year 3 if you renew with them, subject to there being no claims or significant changes to the basis of insurance.



## 5. Updated valuations

If you have a collection of fine art, antiques, jewellery, watches and other collectables, we recommend these be re-valued every 3–5 years. Not only does this help ensure fluctuations in the market are accounted for, but most high net worth insurers include an allowance in their policies whereby if you hold an independent, professional valuation for an item within the last 3 years, they will pay up to an additional 50% of the sum insured if its value has increased at the time of loss since the valuation.

For example, an item is valued in 2019 at £50,000 and is individually listed on the policy at this value. In 2021 it is lost or damaged beyond repair. The new replacement cost or market value in 2021 is £70,000 – the insurer will pay the full £70,000 despite it only being insured for £50,000, because the valuation is less than 3 years old.





## 6. Correctly listing fine art, antiques and collectables

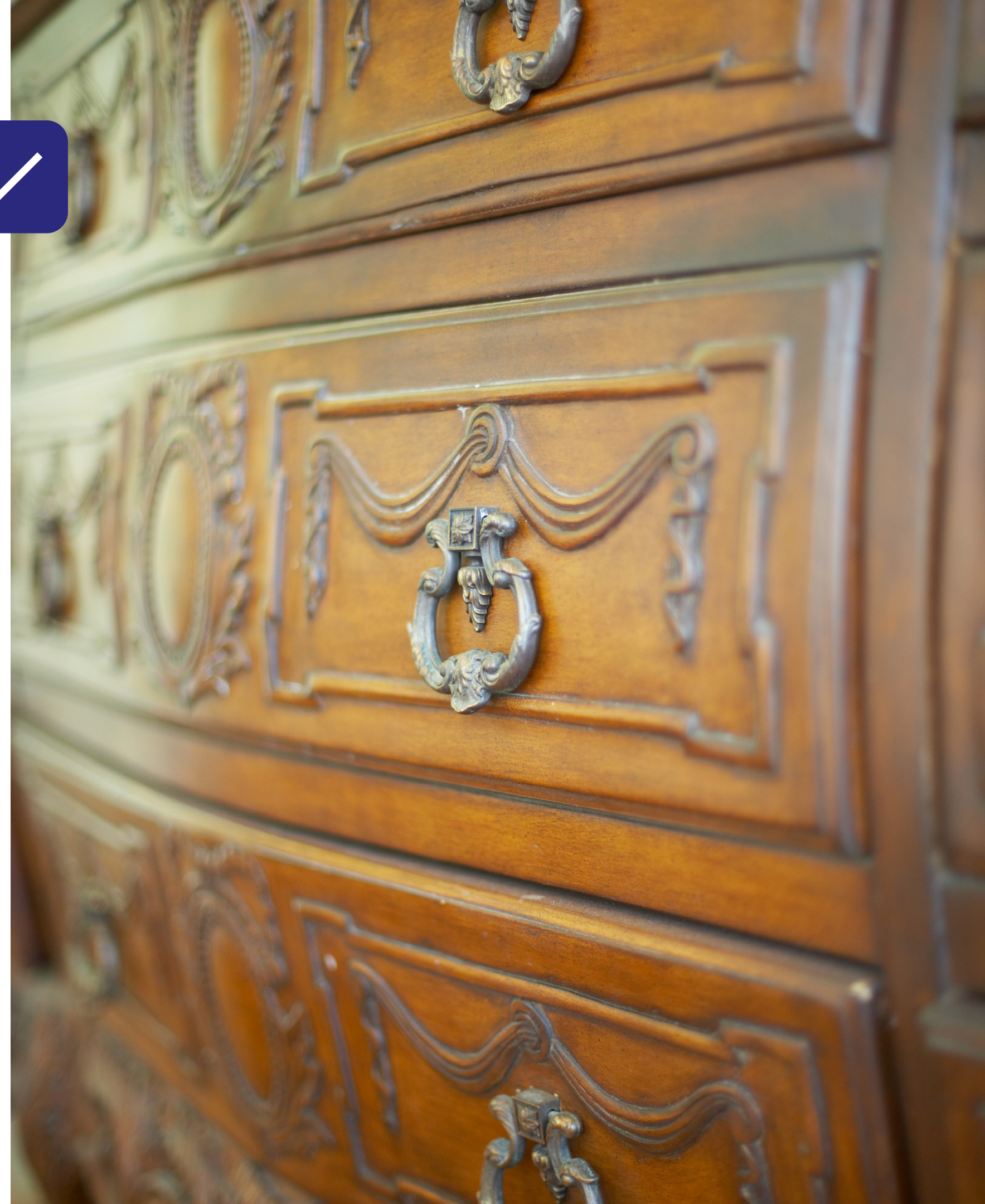


Many policyholders may not think to list items of artwork or antiques separately, particularly if they do not believe it is of significant value, and therefore include it within the overall general contents sum insured.

However, most high net worth insurers apply a lower rate to items of this nature, so by separating these items out from the general contents, and listing them under specific sub-sections of cover, it can reduce the premium payable.

Items of this nature do not need to be individually specified until their individual value exceeds £20,000 (at the minimum). Therefore, an unspecified amount of artwork or antiques could be disclosed to cover all items of this nature.

Furthermore, many insurers only apply a policy excess (the first amount you must pay of each claim) to the buildings and general contents sections, but not the art and antiques sub-sections, so in the unfortunate event of a claim, no excess would apply to items insured under these sections.







## 7. Increased excesses

It is fairly common knowledge, but increasing your policy excess will reduce your premium. However, this doesn't have to be for all sections. Many people are of the hindsight that when it comes to the buildings, they would only claim for a major event or significant damage. You may decide, therefore, to have a large excess for the buildings (£1,000 upwards) which will help reduce the premium, but maintain a lower excess for your contents (£250).



## 8. Portfolio insurance

It is worth knowing that insurers prefer to be the sole insurer for their clients, and as such will usually offer discounted rates for "portfolio insurance". So rather than just insuring your main home with one insurer, your holiday home with another, and then 2 or 3 cars with other insurers, arranging for all your assets to be covered by one insurer can attract advantageous discounts.

For car insurance, if your cars are currently due for renewal on different dates, an insurer will offer an annual quote for the total number of vehicles, but will agree to starting cover when the first car is due for renewal then adding each other vehicle on a pro rata basis for the first year so that they are then all insured on one policy with a common renewal date.



# 9. Fire-proof your home



Whilst the earlier-mentioned escape of water claims are the most prolific type of claim, fire is certainly the most devastating. Thankfully, this type of loss is infrequent, but when a fire does break out in a home the repair and reinstatement costs tend to be high; not only as a result of reinstating the property in its original form, but also the cost of alternative accommodation whilst the home is uninhabitable.

As a result, a property which has higher levels of fire prevention can attract additional discounts from insurers who recognise that their exposure to a large fire claim is reduced. This could range from a fire blanket in the kitchen and handheld fire extinguishers in multiple settings throughout the home, through to a fire alarm being connected to a monitoring station.

As with some of the other points listed above, insurers always look for signs of good risk management by homeowners and policyholders, and underwriters are more likely to offer greater flexibility with their underwriting and premiums if these can be demonstrated.







# 10. Make your insurance broker work for you

It goes without saying that your insurance broker should do the following for you, at the very least:

- Know who you are and what's important to you
- Conduct regular searches of the insurance market to ensure you are receiving the best levels of cover and the most competitive premium
- Keep you updated of any significant changes to cover or market changes
- Be your first point of contact in the event of a claim and support you throughout the process

Your insurance broker should not simply contact you once a year when your renewal is due, inviting renewal with the same insurer each year without questioning an insurer's premium increase or amendment to terms.

Make sure your broker is working in your best interests to ensure you are receiving the cover that best suits your own individual requirements. If you are not a client of Alastair James Insurance and your broker does not work in your best interest, speak to us today to see how we can improve this.





**Alastair James**  
INSURANCE BROKERS LIMITED

**Address: Alastair James Insurance Brokers, 79 Promenade, Cheltenham, GL50 1PJ**

**Telephone: 01242 371058 | Email: [admin@ajamesinsurance.co.uk](mailto:admin@ajamesinsurance.co.uk)**