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Mortgages



A guide to buildings and contents cover

Whether you have just moved into your new home or lived in the same place for years, it's important to make sure that you have sufficiently insured your home and everything in it.

You may think that you won't ever need to make a claim on your home insurance, but there are some factors that are beyond our control. For example, in 2023, a total of £573m was paid out in weather-related home insurance claims[1].

It might feel overwhelming knowing where to start, but we've put together this handy guide to help you make sense of it all.

What is buildings insurance?

Buildings insurance covers the structure of your property, plus any permanent fixtures that you wouldn't take with you if you moved home. This includes walls, toilets, baths, fitted kitchen cupboards, and more. Your garage, driveway, and fences may also be covered, depending on the policy.

If you have a mortgage, it is usually required that you have buildings insurance. But even if you own a property and do not have a mortgage, it is a good idea – if the building was damaged in any way and you were unprotected, you would have to foot the bill of any repair costs on your own.



What is contents insurance?

Contents insurance covers all the furniture and possessions in your home, including fitted carpets, clothes, electronic devices, freestanding kitchen equipment, and more. If any of these items are lost, damaged, or stolen, you can make a claim to your insurer to cover the cost of repairs or replacements. Each policy will have a maximum amount that you can claim, so it is important you have the right level of cover.



Contents insurance is not mandatory but is highly recommended. If you experience an unfortunate event such as a flood, fire, or burglary, having adequate insurance could save you large sums of money at an already stressful time.

What type of property do you want to cover?

Your home can influence what type of policy you should get. For example, most home insurance policies will cover you if you own a property of standard construction, but if your home is a listed building or has a thatched roof, you may need more specialist cover.

If you own a flat or maisonette, buildings insurance works slightly differently. Insurers prefer not to give separate buildings insurance policies to residents of the same maisonette building or flat block, as this could cause complications in the event of a claim. It is therefore recommended that owners take out a joint policy with one insurer. This is usually the responsibility of the freeholder so when you are purchasing the property, find out the details of the buildings insurance policy and ask if you need to take any action.





How much cover do I need?

For buildings insurance, you will have to calculate how much it would cost to rebuild your home. This will help the insurer to ascertain the maximum amount they might have to payout in the worst-case scenario.

When taking out contents insurance, you are usually asked to calculate how much it would cost to replace all the contents in your home.

Events that are typically covered

When looking for a policy, it is important to check the details of what's covered, but most insurers provide cover in the event of:

Fire	Storms and floods	Subsidence	Water damage due to leaking tanks or pipes
Vandalism or other malicious damage	Vandalism or other malicious damage	Theft or attempted theft	Damage caused by falling trees or branches.

Most policies will not help pay for repairs in the event of:

Wear and tear	Some pests	Damage caused by neglect	Frost.
Damage or theft if your home has been unoccupied for more than 30 days		Deliberate damage	Electrical or mechanical breakdown

It is advisable to keep your home in a good state of repair, as simple maintenance tasks can reduce the chances of your home being damaged in the long run. For example, keeping gutters clear to prevent leaks due to blockages.







Additional cover

Most home insurance policies come with optional extras that you can add to your policy for an additional premium. Common extras include:

Accidental damage cover:
Covers damage caused unintentionally, for example, smashing a window or spilling paint on a carpet.

You can typically choose this optional extra to cover just the building, just your contents, or both.

— Home emergency cover

Covers the cost of calling someone out to deal with a problem that needs immediate attention, such as a boiler repair or a blocked toilet. Depending on your level of cover, the insurer might pay for emergency accommodation if you are unable to stay in your home overnight.

— Personal possessions cover

This can protect your belongings outside your home. Most policies cover items like jewellery and mobile phones anywhere in the UK and abroad.

— Legal expenses cover

Also known as family legal protection, this can help you access legal advice and cover the costs if you need to take legal action against someone. This won't just cover you in property-related disputes; usually, you would also be covered for incidents related to your employment, medical negligence, and personal injury.

— Valuables and high risk items

Insurers consider some items to be high risk if they are likely to be particularly appealing to thieves, either because they are valuable or easy to steal.

High-risk items can include artwork, bicycles, electronic devices, jewellery, ornaments, rare or collectable items, and more. Your contents insurance is likely to have a limit on how much the insurer will pay out for a single item, so you may need to specifically list them. This may require you to have a valuation of your items so you can ascertain how much they are worth.

What is an excess?

An excess is how much money you agree to contribute in the event of a claim. For example, if you have an excess of £150 and it costs £1000 to repair damage caused by a flood, the insurer will pay £850. The total amount you contribute will depend on the compulsory excess and the voluntary excess.

The difference between a voluntary excess and a compulsory excess on home insurance is that the insurer sets the compulsory excess, while the policyholder (that's you) chooses the voluntary excess.

— Compulsory excess: The insurer sets this amount, which is automatically applied to every claim and is non-negotiable.

— Voluntary excess: The policyholder chooses this amount, which can be as little as zero.

When a claim is made, both the compulsory and voluntary excess amounts are combined to determine the total excess that the policyholder must pay before the insurer covers the remaining costs. For example, if the compulsory excess is £100 and the voluntary excess is £50, the policyholder would pay a total of £150.

Generally, the higher your excess, the lower your premium. However, you then risk having to pay more money in the event of a claim.



Finding adequate home insurance – How we can help

Home insurance can be complicated; that is where we come in. We are here to help you find a policy that offers the cover you need. We'll also do all the work behind the scenes to ensure you are completely covered, so there are no nasty surprises if you need to claim. If you have any questions or need personalised advice, please contact us today.

[1] Association of British Insurers, 2024

As with all insurance policies, conditions and exclusions will apply.

It is important to take professional advice before making any decision relating to your personal finances. Information within this document is based on our current understanding and can be subject to change without notice.

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