

# Guidance Notes for Sums Insured

It is important for customers to have the correct sums insured so they are fully protected in the event of a loss or damage. The individual circumstances for each customer will vary; however, our guide covers most customer needs.

## Property Sums Insured

### Buildings

It is important the sum insured for buildings represents the full rebuilding cost of the property and not the market value.

The sum insured should include:

- cost of materials
- labour costs
- professional fees, such as surveyors and architects
- site clearance/removal of debris costs.

Building sums insured should also include, but not be limited to, the following if the insured has responsibility for them:

- tenants' improvements
- landlord's fixtures and fittings
- walls, gates and fences
- fixed glass and sanitary ware
- small outside buildings, annexes, gangways, conveniences and other small structures
- extensions communicating with the buildings
- roads, car parks, yards, paved areas, pavements and footpaths
- security cameras and lights
- fixed fuel oil tanks and fixed diesel tanks, piping, ducting, cables
- wires and associated control gears and accessories and extending to the public mains.

Consideration should be given to the type and method of construction required to rebuild the property. For example, if the buildings are listed, it may increase the cost of materials, time and labour required to rebuild the property.

Enquire whether the insured has obtained a recent professional valuation for insurance purposes, as this will provide an accurate assessment of the rebuild costs.

### Contents

The contents sum insured (excluding stock) should reflect the total value of machinery, plant, equipment, furniture, shelving, racking and all other contents at the insured's premises.

### Stock

Stock items are the goods or products sold by a business in order to generate revenue. The stock sum insured should represent the value of all stock and materials in trade belonging to the insured, or for which they are responsible.

The stock sum insured should reflect the cost to the insured to replace the items and not the retail price.

When setting the sum insured, consideration should be given to the maximum value at risk during seasonal or other peak trading periods.

For Intermediary Use

