

Home Flood Insurance Guide

Part 1 - Protecting your home

If your home is located in a high flood risk area you'll want to ensure that you have the right cover in place.

Buying home insurance can be confusing, and if you live in a high flood risk area you'll want to be sure that your home and its contents are thoroughly protected. We've produced a series of guides to help you understand what insurance cover you can buy to protect your home and its contents.

In this guide we'll help you to understand:

- Whether flooding is covered by a standard insurance policy
- What insurance you can buy to protect your home
- How much you should insure your home and its contents for



1. Will my home insurance automatically cover me for flooding?

Damage caused by flooding is normally covered by most home insurance policies. However, if your property is in a high flood risk area or has previously been flooded then many insurers will often refuse to offer you cover, exclude cover for flooding or impose special terms and conditions on to your policy such as a large flood policy excess.

It is always best to check your policy to ensure that you are covered for flooding and whether any particular exclusions or limitations in relation to flooding apply. No two insurance policies are the same so its advisable to always read your policy documents carefully.

If there are significant restrictions or terms and conditions that apply to your insurance policy in relation to flooding such as flood cover being excluded or a large flood excess being applied, then your insurer or insurance broker should advise you of this prior to you purchasing your policy.

Flooding or Escape of Water – what is the difference?

Flooding and escape of water are two very different things and its important to understand the difference between the two.

Flooding is commonly defined as a volume of water that enters your property from outside of your home in a short period of time. Escape of water is when water escapes from inside your home causing damage to your home and its contents, for example water leaking from a dishwasher or washing machine. Some, but not all, insurance policy wordings contain a definition of what a flood actually is.

Flooding and escape of water are considered to be very different by insurers. If you have made a claim caused by either flooding or escape of water, it is important that you refer to the cause of damage correctly, particularly if you are looking to take out home insurance cover.

2. What insurance cover can you buy to protect your home?

There are 2 main types of insurance policies that you can buy to protect your property:

- Buildings insurance
- Contents insurance

Building Insurance

Buildings insurance is insurance for your home itself i.e. the building you live in.

Typically, a buildings policy will cover; your actual home, its fixtures and fittings, garden walls, gates, paths, patio's, driveways, oil/gas tanks, tennis courts, decking, patio's garages, outbuildings, sheds, greenhouses and summerhouses. Your insurer is likely to have a definition of what the class as a building or our home in their policy wording. Insurer's definitions do vary so it is important that you check your policy wording to ensure you know what is and what is not included.

What does buildings insurance cover?

Buildings insurance typically covers damage caused by:

- Flooding
- Fire
- Explosion
- Storms
- Earthquake
- Lightning
- Theft, attempted theft and vandalism
- Frozen and burst pipes
- Fallen trees, aerials or satellite dishes
- Subsidence
- Escape of water

Exactly what you are covered for under your home insurance policy will be detailed in your policy documents.

What is accidental damage cover?

Many buildings insurance policies do not automatically cover damage caused by an accident, e.g., putting a nail through a pipe or you breaking a window. If you want to include cover for damage caused by an accident then you will need to extend your policy to include accidental damage cover.

Do I need to have buildings insurance cover?

There is no legal requirement to insure your home however it is likely to be your largest financial asset and you should consider protecting it as such. If, your property is mortgaged, it will generally be a condition of your mortgage that you have buildings insurance cover.

Do I have to buy home insurance from my mortgage provider?

Your mortgage company may offer you insurance cover for your buildings but you are not under any obligation to buy your insurance from your mortgage provider.

Contents Insurance

Contents insurance is insurance for the contents of your home i.e. your furniture and possessions.

The simplest way to understand what's covered by a contents insurance policy is it being all the items that you would take with you if you were moving house. Typically, a contents policy covers items such as: household goods, personal effects, frozen foods, valuables, money and business equipment. These items must belong to you or family members that permanently live with you, or they must be items that you are legally responsible for.

Your insurer is likely to have a definition of what they class as contents in their policy wording. Insurer's definitions do vary so it is important that you check your policy wording to ensure you know what is and what is not included.

Typically, contents insurance covers items such as: household goods, personal effects, frozen foods, valuables, money and business equipment. These items must belong to you or family members that permanently live with you, or they must be items that you are legally responsible for.

Contents insurance generally only covers your items when they are at your home. If you want cover for items when they are away from your home you will need to extend your insurance cover to include personal possessions cover.

What does contents insurance cover?

Contents insurance typically covers damage caused by:

- Flooding
- Fire
- Explosion
- Storm
- Earthquake
- Lightning
- Theft, attempted theft and vandalism
- Frozen and burst pipes
- Escape of water

What is accidental damage cover?

Many contents insurance policies do not automatically cover damage caused by an accident, e.g., spilling coffee on a carpet. If you want to include cover for damage caused by an accident then you will need to extend your policy to include accidental damage cover.

Do I need to have contents insurance?

You don't have to have contents insurance, however it's a good idea to as if any of your contents are lost, stolen or damaged you would need to have the financial means to replace them.

Combined Insurance

A combined household policy is an insurance policy that covers both buildings and contents. If you need both buildings and contents cover a combined policy can have advantages over individual policies for contents and buildings including:

- It is easier to manage one insurance policy rather than two
- You only have one renewal date to remember
- Most insurers will offer a discount for combined policies
- If you need to make a claim that involves both your buildings and contents policy, you will only have to pay one policy excess

3. How much should I insure my home and its contents for?

Calculating the value of your buildings

You should insure your buildings for the amount it would cost to rebuild your home, this value is also known as a rebuild value or cost. Your rebuild value is not the same as the market value of your home or the price that someone would pay if they bought your home as this value would include the cost of the land your home is on as well.

Where can I find the rebuild cost of my property

If you are unsure of what your rebuild value is, there are on-line guides that you can use to help you calculate this. The Association of British Insurers offers a free to use guide on their website: <https://abi.bcis.co.uk>.

If you have recently bought your home and had a survey carried out, the survey report is likely to include a rebuild cost.

It is important that you revise your rebuild value on a regular basis. Some insurer automatically increases the value of your home annually at renewal (this is called index linking).

If you have recently extended your home or carried out renovation works, make sure you also amend your buildings sum insured to take this in to account.

Calculating the value of your contents

You should insure your contents for the total value of all your items. It may help to think about this as the value of the items you would take with you if you moved house or the items you would need to replace if your home was completely gutted by a fire. Your valuation you should also include items any items in outbuildings, garden offices, sheds and garages.

In addition to the total value of your all your contents you will also need to calculate:

a. Specified items/single item limit

Most contents insurance policies include a maximum amount you can claim for a single item. If you have one or more items that exceed this amount then you will need to have these items individually insured and specified on your insurance policy.

For example, if your policy has a single item limit of £1,500 and you have a diamond ring valued at £2,000 and you want to insure the ring, you will need to specify the ring as an item in your insurance policy. Your insurer or broker should confirm to you what the single item limit is under a policy however if they do not you should ask them to confirm this to you.

b. High-value/risk items

High risk items are things that could easily be stolen from your home. Insurers definitions of what is included as a high-risk item will vary however this typically includes antiques, artwork, collectables, stamp/coin/medal collections, musical instruments, sports equipment. Some but not all insurers include jewellery and watches in their definition of high risk items so check your policy wording carefully.

Your insurance provider should ask you what cover you need for high risk items; this should be the total value of all your high-risk items. You do not need to include items that you have insured as specified items in this amount as they will already be covered.

c. Personal possessions

Typically, standard home insurance only covers your items when they are in your home, cover for items when they are away from your home is known as Personal Possessions cover. If you want cover for items when they are away from your home then you will need to extend your policy to include personal possessions cover. Example of items that you may want to insure away from your home are; laptops, cameras, jewellery and sports equipment.

Personal Possessions cover covers all family members that live at the insured property so when calculating what cover you need consider what each member of your family may need cover for when they are away from your home. If you want cover for general items rather than specific or high value items when they are away from your home then you can include cover for unspecified personal possessions. When calculating the amount of cover that you need for unspecified items this should be the total value of all the items that you and your family may take outside the home at any one time, for example, if you were to go on holiday.

The amount you cover your personal possessions for should be included within your total contents sum insured as these items will also need insuring when they are at your home as well.

Personal possessions cover will insure you in the location(s) stated in in your policy documents, this is often referred to as the territorial limits. This may be UK only, Europe or Worldwide, so it's important to check your policy wording as the cover offered by insurers varies.

There is also normally a time limit that your insurer will cover your personal possessions for when they are away from your home. Generally, this is set at a maximum number of days in any one year, typically either 30 or 60 days, check your policy wording as cover varies.

Part Two – Policy cover, features & benefits

of our insurance guide reviews the cover your insurance policy provides you with in more detail focusing on the policy features, conditions and exclusions that are of particular importance if you live in high [flood risk area](#).