

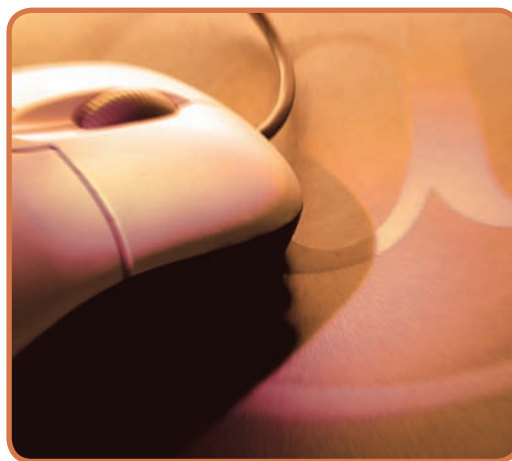
INSURANCE MATTERS Spring/ Summer 2010

SPEAKING THE LANGUAGE

Today everyone seems to be in a hurry; in a rush to get to work, in a rush to get home, impatient on the roads and frustrated by queues. This is also shown in how some people buy insurance. Often just before renewal date they jump onto the internet and frantically buy car and household insurance without much care and attention. Unfortunately experiences show this can be a false economy, with much time and sometimes money wasted in the long run!

Those that have bought insurance products via the internet, rather than via an expert insurance broker who understands the policy terms, may find they do not have as broad a cover as they think. Here are some recent examples of where understanding the insurance wordings and subsequently buying a different policy could have made a huge difference to claims experiences:

- Following a subsidence claim, a family were forced to leave the house for many months. They discovered that the alternative accommodation sum on their online policy was fixed at £15,000 maximum and not up to 30% of buildings sum insured as it had been under their previous policy via a broker. The family had to find a further £15,000 as the alternative housing costs exceeded their limit of cover.
- A lady lost an earring away from home. She thought she was covered by her household insurance only to discover that she had only purchased 'on the premises contents insurance' and not the 'all risks anywhere in the U.K.' cover that was required. Consequently she could not find the £1500 to replace the earring so was no longer able to wear the gift from her late husband.
- A man had a claim turned down because he did not read the internet 'statement of fact' that stated he had no previous claims. He had in fact made a claim under his previous policy and should have declared this. So when he went to make a claim under the new policy it was rejected. Unfortunately he thought he had saved money with his £247 policy, in reality it cost him nearly £2000.



If you do decide to purchase insurance online, be sure to:

- Check your excess – quite often higher excesses are applied to make the insurance premium cheaper.
- Read the small print – ensure you are covered for everything you think you are and make sure your policy's limits are sufficient for you and your family.
- Provide your full claims history.

But remember, as insurance brokers we will also provide you with a speedy service and a range of insurance products in the same way as some websites do. We can also offer you more: we will de-jargon the process, explain the insurance cover and offer you advice. All in all, a full and professional service you can depend on.

POINTS MEAN PREMIUMS

MOTING CONVICTIONS AND FIXED PENALTIES HAVE A DIRECT BEARING ON THE COST OF INSURANCE AND THE PRICE OF YOUR PREMIUM.

Insurance data suggest that those who have just one fixed penalty speeding offence are more likely to make a future claim. So when working out your premium cost, insurers may take into account the type of conviction, penalty points and the period of incident free driving since the conviction. Although the premium loading varies, it does grow exponentially, so two or more even minor convictions will make a substantial difference to premium.

So when hurrying back home from work, remember that the monetary costs of your speeding conviction could extend beyond your initial fine.

Source - Aviva

CAR CRUSH

Latest estimates suggest that around 1.5 million vehicles on the road in the U.K. are uninsured. It is hoped that Continuous Insurance Enforcement (CIE), a new scheme for 2011, will play a part in reducing the number of these uninsured motorists whose road traffic accidents add on average £30 to every car insurance policy.

Once a vehicle is insured it is registered on the Motor Insurance Database (MID). By accessing the database Police can easily identify uninsured vehicles on the road. As a result they are seizing as many as 500 uninsured vehicles a day, and in 2008 forty percent of these were actually crushed. The MID has also led to around 232,000 convictions for uninsured driving last year.

The CIE will identify uninsured vehicles by allowing DVLA records to be compared with those on the MID. Where the comparison shows that a vehicle is not insured or registered as 'off the road' a letter will be sent to the registered keeper. If no action is taken the keeper faces a fixed penalty notice of £100, wheel clamping action and possible court prosecution which carries a fine up to £1,000.

If your vehicle is kept off the road make sure you have completed a SORN (statutory off road declaration) to the DVLA. You can also check your car is correctly registered on the MID at <http://www.askmid.com/ownvehicle/>, saving you the inconvenience of being contacted by the DVLA when the scheme comes into force.

All statistics from Motor Insurers' Bureau

DID YOU KNOW?

DID YOU KNOW that all domestic property owners in the U.K. are responsible by law for maintaining the underground water service pipe that runs from the boundary of their property into their home?

DID YOU KNOW that some Water Supply Companies provide insurance policies that cover the property for trace, access and repair of the damage to the supply pipe? However, this may only cover the water supply to your home and not inside the home.

DID YOU KNOW that most comprehensive Home Buildings Insurance policies cover the trace, access and repair of pipes inside your boundary and also inside your home? This often covers you for higher costs than Water Supply Companies' policies.

'Trace, access and repair' of leaks in a Buildings Insurance Policy often covers the repair of damage to your home caused by escaping water within the home and the action necessary to find and repair the source of the leak, usually up to a fixed cost limit. You are often also covered for trace, access and repair to the underground service pipes. However this will depend on what the root cause of the claim is. Some things that may or may not be covered are:

WILL USUALLY BE COVERED

- Accidental damage to underground pipes
- Tree root damage
- Pipe blockage
- Subsidence, ground heave and landslip

WILL NOT USUALLY BE COVERED

- Wear and tear
- Vermin
- Gradual deterioration
- Faulty workmanship or materials

It is also worth noting that in some cases your responsibility for the water supply pipes may extend beyond your boundary, for example if you share supply pipes with other properties. You should be able to establish this from your deeds.

Comprehensive buildings insurance policies are designed to cover unexpected risks and will often cover more than you think. Check that 'trace, access and repair' is included in your buildings policy, and if not, please speak with us to discuss a broader insurance policy.

FESTIVAL THEFT

Each year millions of teenagers head off to festivals. Parents enjoy a peaceful weekend swiftly followed by the stench of three days worth of unbathed youth! They arrive back home with a wallet lightened by the high ticket and travel costs. Unfortunately others will arrive home lightened of their valuables too.

Research from Zurich Insurance reveals that almost a million festival-goers, nearly one in ten, have had their possessions stolen at Festivals*. Items include mobile phones, wallets, mp3 players and cameras. The value can soon add up. So what can you as parents do?

It's all too easy for teenagers and even adults to get swept up in the festival spirit, neglecting to take care of their belongings. Festival goers should be cautious with the items they take to festivals. Remind your children to leave their credit cards and mp3 players at home. They should also consider getting travel insurance before they go, or check to see if they are covered on your household insurance- Personal Possessions insurance, often called 'All Risks' cover, is available in some household policies and covers possessions while they are outside your home.

*Zurich research, 2008 data

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