



## IMPORTANT NOTICE

### YOUR HOME INSURANCE IS CHANGING - PLEASE READ

Historically in New Zealand, most house insurance policies provided rebuild cover up to the floor area specified in the policy schedule. This has now changed.

House insurance policies will now provide cover for the cost to rebuild your home up to a sum insured. This means, in the event of a total loss, your insurance company will cover your rebuild costs up to the sum insured specified in the schedule. **It is therefore important that you ensure your sum insured is adequate to cover all costs associated with rebuilding your house.**

#### WHAT YOU NEED TO DO

It is important you tell us the cost to rebuild your house as this will become your sum insured. Your sum insured should represent what it would cost to rebuild your house, and any other improvements such as outbuildings, decks, fencing, retaining walls, drive ways, landscaping, swimming pools, tanks, tennis courts, private roads, ponds, fixtures and fittings, fixed floor coverings, fixed light fittings, built in furniture, exterior awnings and pumps, if they were totally destroyed and you should include an allowance for demolition and removal of debris, professional fees, council fees, inflation and cost escalation due to a wide scale event such as a natural disaster.

To help you establish the cost to rebuild your home you may like to:

- Seek independent advice from a Registered Valuer, Quantity Surveyor or other suitably qualified person. If your house is based in Taupo, we have an agreement with a Taupo Registered Valuation company who is able to complete an insurance valuation of your house at a reduced cost. Please contact this office for details.
- Use an online calculating tool created to help work out the rebuild cost of homes such as the online Cordell Calculator ([www.need2know.org.nz/nzi](http://www.need2know.org.nz/nzi) or [www.cost2build.co.nz](http://www.cost2build.co.nz)). The Cordell calculator is an independent online tool which asks you questions about your home. Depending on your answers regarding the makeup of your home (such as size, materials, fittings etc) it generates an estimated cost to rebuild your home based on industry average costs.

#### WHAT WILL HAPPEN IF YOU DO NOTHING

If you do nothing your house may be under insured. If your house is under insured it could mean that in the event of a loss, you will not be covered for the full cost to rebuild your house.

**Your policy has been automatically renewed using a default sum provided by the insurer.** It is possible that this default sum insured may not accurately meet the needs of your house as quality and improvements can be different.

It is very important that your sum insured is sufficient to cover the total cost of rebuilding your house and other improvements (as detailed above) including an allowance for demolition and removal of debris, professional fees, council fees, inflation and cost escalation due to a wide scale event such as a natural disaster. Your house will still be insured based on replacement value but only up to the maximum of the sum insured detailed on your policy schedule.

#### CONTACT US

Once you have established the rebuild cost of your house as detailed above, please compare it to the sum insured detailed on your policy schedule. If it is different, please contact this office immediately so that we may arrange for the policy to be amended. If you are unsure of anything, or have any questions please contact this office. We are here to help you.

#### Disclaimer - Replacement Sum Insured

The cover being offered by the insurer provides replacement up to a Sum Insured limit. In the event of a claim, the maximum liability of the insurer is the Sum Insured limit specified in the Policy Schedule.

As Insurance Brokers, we are not suitably qualified or experienced to provide advice on the replacement cost of your home. For this reason, we cannot advise you as to what would be a suitable Sum Insured. In order to obtain proper advice, we would recommend that you contact a valuer or Quantity Surveyor. However, should you wish to nominate your own Sum Insured, assistance on the likely cost of rebuilding your home is available via an easy-to-use calculator on your insurers website. We are happy to arrange insurance for that amount, but on the understanding that we make no representations as to the sufficiency or otherwise of that Sum Insured.

It is important that we only provide advice in areas in which we are suitably qualified, and trust you will understand that it is not an area in which we have expertise or should provide advice.