



ARE YOU UNDERINSURED AND DON'T KNOW IT?

What You Need to Know to Avoid Financial Ruin

WHAT IS UNDERINSURANCE?



Insurance is about getting you back on your feet as soon as possible after the worst happens. Your house is probably your most valuable asset and clearly you should insure it and your contents. Losing the family home to a fire when it's not insured adequately can put significant strain on your family finances & wealth, in most cases it will lead to financial hardship. Underinsurance is a major problem for Australian households and many people just aren't aware that you might not have sufficient cover.

Underinsurance occurs when you do not have enough insurance to fully recover or rebuild after a loss. Insuring a house for less than its rebuilding cost is an example of underinsurance.

IMPACT OF UNDERINSURANCE

Underinsurance can be devastating. The loss of a family home can have significant impact on personal wealth.

- ✓ **Inability to rebuild your assets**
- ✓ **Family burden**
- ✓ **Bankruptcy**
- ✓ **Social, economic, mental stress**

REASONS WHY YOU MIGHT BE UNDERINSURED

Often people are underinsured without realising it. Costs to rebuild, changes to building codes, unexpected costs, general accumulation of assets & upgrades significantly impact your level of insurance.

Often people think that the amount they paid for the property is the insurable value or alternatively the amount the bank is requesting the building be insured for, this is not the case. In relation to contents just consider for a minute, how many new items you buy in a year and the cost to replace these goods in addition to replacing all of your existing property.

FINANCIAL CHOICE

Based on the cost of the policy you decide to take a cheaper option, despite not being adequately covered.

UPGRADING & ACCUMULATION

General accumulation of assets over time and improvements on your property during the year.

INCREASED BUILDING COSTS

Building costs increase every year and should be taken into account with your policy coverage.

CHANGES TO BUILDING CODES

Additional costs are regularly incurred to bring the building up to the current building code.

Overview:

80% of homeowners and renters are underinsured.

33% of house holders risk underinsurane by not updating their policies to cover refurb extensions or new possessions.

67% of renters have no cover at all.

83% say that they could not continue their standard of living if their property was badly damaged because they don't have enough insurance.

10% deliberately under insure to save premium.

Many risk underinsurance or absence of covers by selecting their policy based on price rather than the cover they need.

How:

Many people use the purchase price or market value of the property, minus the the value of the land but this doesn't produce an accurate demolition and rebuilding cost.

Others use the figure the Bank nominates but the Bank is generally only interested in covering the value of the mortgage.

Outcome:

We know that many Australians don't have enough insurance but unfortunately, they don't realize until it's too late.

The savings you make by being underinsured can ultimately prove to be the more expensive option as the cost of rebuilding has to be carried by someone... if it's not you... will it be your family... friends... or may be you have enough cash available to put in the difference?

HOW TO AVOID UNDERINSURANCE



REVIEW YEARLY: When your insurance premiums are due it can be easy to just pay it and forget about it for another year. However, you should be reviewing of cover every year to ensure you are adequately covered in the event an unexpected catastrophe occurring.



RESALE VALUE VS RE-BUILDING VALUE: The real-estate value of your property is not the insurance rebuilding value. It is not uncommon for a property to be sold for significantly less the re-building cost. Consider the cost to rebuild your existing property. Your building will also need to be built to current codes.



ASSET REGISTER: An itemized asset register or inventory list with replacement values is always a great way to understand the true value of possessions & to keep track of your contents sum insured. Insurers will ask for a detailed list of all of the contents which have been lost, even photos on your mobile phone is a great start.



SPEAK TO THE EXPERTS: Speak to people who live and breathe insurance and understand what you need and what should be included in your policy. This can save you thousands of dollars and a lot of unnecessary stress if anything is to happen.



MAKE SURE YOU ARE NOT UNDERINSURED

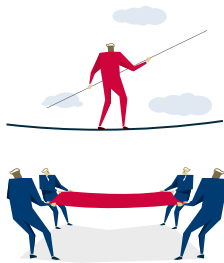
Book a free insurance consultation with
one of our experienced insurance experts

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WHY OVER 6,000 CLIENTS CHOOSE RIVERS INSURANCE

YOU'LL NEVER BE ALONE

If something bad happens, we'll be there for you.

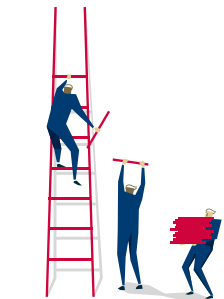


WE ANTICIPATE RISK BEFORE IT HAPPENS

Our 35 years in the insurance game has taught us to sniff out risk and make sure our clients are covered.

WE'LL ASK MORE QUESTIONS

Our job is to ask lots of questions and construct an insurance solution that's perfectly customised to make sure you are covered.



OFF THE SHELF INSURANCE WON'T CUT IT.

What's the point of being insured if you are not properly covered? If you had a claim and your insurance fell short, would you be ok? As brokers, we say off the shelf insurance won't cut the mustard.

[FIND OUT MORE](#)



WE START BY GETTING TO KNOW YOU

Our process starts with getting to know you and understanding your situation.



The Rivers team will then go into bat and get you the best policy with the right features to make sure you are protected.



With a policy that fits like a glove you'll be ready to go back to business as usual. If you do need to make a claim we can help!



Our advisors are trained to identify risks, especially unique cases or little known issues that can pop up from time to time.



We work with over 50 insurance partners to bring you the best policy at the fairest price.



YOU'RE COVERED!



WHY RIVERS INSURANCE

Using a Rivers Insurance broker is much more than just comparing policies and providing the best deal. We have a deep understanding of insurance fine print and that can save your bacon down the track if bad things happen. We genuinely care.

**MAKE SURE YOU ARE NOT UNDERINSURED.
BOOK A FREE INSURANCE CONSULTATION WITH ONE OF
OUR EXPERIENCED INSURANCE EXPERTS**

BOOK NOW



Cairns Office 07) 4051 8422 | Innisfail Office 07) 4061 1766 | Brisbane Office 07) 3028 9494

Note: this info sheet contains general advice only & you should seek further information from your personal Rivers Insurance Broker about the impact of underinsurance on your personal or business assets.

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