

Home insurance – protecting your clients from under-insurance

Main reasons for being under-insured

As lifestyles and circumstances change, clients may not consider the effects on their insurance cover. Here are the main reasons for clients being under-insured.

Estimating values

It is very time consuming to systematically go through each room, list each item and find out the true replacement value. Most people believe they can estimate the value of their possessions and therefore guess the level of cover needed but often they forget just how much they have accumulated over the years.

Upgrading and moving home

As lifestyles change, belongings are often upgraded; second hand furniture replaced with new and latest hi-tech gadgets purchased.

Home improvements/extensions

Whilst the rebuild cost is normally provided on the mortgage valuation, any work completed afterwards such as loft conversions, conservatories, extensions and expensive new kitchen/bathroom fittings can all significantly change the rebuild cost of the home.

Babies and teenagers

The arrival of a baby can mean new furniture, gadgets, toys, clothes etc and in all the excitement reviewing insurance cover is a low priority and gets forgotten. Similarly, teenagers are now accumulating more valuable possessions, such as designer clothes, games consoles and CD's. How many parents know the exact value of what their children have in their rooms?

Inheritance

Possessions can be passed on from family or friends. Values are rarely known and your clients may be too emotional to consider the effect these possessions may have on their insurance cover.

Help protect clients from under-insurance

Santander's Peace of Mind home insurance provides your clients with an unlimited sum insured for homes with up to five bedrooms (see note 1).

Note 1: For properties with six or more bedrooms, the contents sum insured needs to be specified by your clients.

Note 2: Peace of Mind was awarded the 2005 5-Star Rating part way through the year.

Note 3: Limits apply to certain areas of cover.

Award-winning cover

For six years in a row (see note 2) our Peace of Mind policy has been awarded a 5-Star Rating by Defaqto – a leading independent research company. The 5-Star Rating applies to both buildings and contents cover on properties with up to and including five bedrooms.



The consequences of being under-insured will usually only become apparent just when your clients need insurance most, for example, when they receive a reduced claims payout.

With Santander's Peace of Mind home insurance your client can benefit from an unlimited sum insured (see note 3) on:

- Buildings
- Contents
- Temporary accommodation
- Replacement locks and keys
- Freezer food

Your clients will not need to calculate the value of their home or contents and won't need to worry about a reduced claims payout. They only need to let us know about their more valuable items to ensure they get the cover they need.

Where will your clients want to live if disaster strikes?

Should the worst happen and the home is uninhabitable because of an insured event such as a fire, explosion or flood, your client won't have to move into a small caravan, rely on friends and family or worry about any limitations on the value of their claim.

With an unlimited sum insured for temporary accommodation, the cost of comparable accommodation will be covered for as long as it takes to be able to move back home.

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Peace of Mind home insurance from Santander

Santander's Peace of Mind home insurance is one of the most comprehensive policies available. See the table of limits below for more details on what is covered as part of our buildings and contents policies.

Category	Peace of Mind home insurance
Buildings	
Buildings cover	Unlimited
Buildings extended accidental damage option	Unlimited
Liability cover	£2,000,000
Temporary accommodation and loss of rent	Unlimited
Tracing and accessing leaks	£5,000
Theft or loss of keys	No individual limit
Accessing blockages in sewage pipes	£1,000
Contents	
Contents in the home cover	Unlimited – 1 to 5 bedrooms Specified sum insured (minimum £35,000) – 6+ bedrooms
Contents extended accidental damage option	Unlimited – 1 to 5 bedrooms Specified sum insured (minimum £35,000) – 6+ bedrooms
Valuables in the home	Up to £10,000. Option to increase, subject to underwriting.
Valuables definition	Items containing precious metals or precious stones, jewellery, watches, furs, curios, works of art (including paintings and pictures), stamp or coin collections, photographic equipment and musical instruments.
Valuables single item limit	£1,000 unless detailed individually on policy
Specified valuables	Items worth more than £1,000 must be specified on the policy
Theft or attempted theft of contents in the open	£1,000
Loss or damage caused by storm or flood to contents in the open	No individual limit
Theft or attempted theft of contents from outbuildings	£2,000
Theft or attempted theft from an unattended vehicle within the boundaries of the home	No individual limit
Money and credit cards	£500 each
Temporary accommodation	No individual limit
Office equipment	£10,000
Office equipment single item limit	£2,500
Replacement locks and keys	No individual limit
Frozen food	No individual limit
Accidental loss of or accidental damage to downloaded digital information and music	No individual limit



Category	Peace of Mind home insurance
Contents (continued)	
Fatal accident benefit	£5,000 per person
Contents temporarily removed	£5,000 per incident. No single article limit
Reinstatement of title deeds	£2,500
Metered water	£2,000
Loss of oil	No individual limit
Occupier personal liability	£2,000,000
Court awards	£2,000,000
Personal possessions option – choice of limits gives your clients true flexibility.	
Personal possessions option	Choice of cover level: £1,000 £7,500 £1,500 £8,000 £2,000 £9,000 £2,500 £10,000 £3,000 £11,000 £3,500 £12,000 £4,000 £12,500 £4,500 £13,000 £5,000 £14,000 £6,000 £15,000 £7,000
Single article limit	£1,000 £300 if pedal cycle (including accessories)
Specified personal possessions	Items worth more than £1,000 unless pedal cycle (more than £300)
Money and credit cards	£500
Family legal protection option (available with buildings or contents)	
Family legal protection	£50,000 per claim
Voluntary and compulsory excess comparison (see note 4)	
Buildings and buildings accidental damage – voluntary excess	£0, £50, £100, £150, £200, £250, £300, £350, £400
Buildings and buildings accidental damage – compulsory excess (in addition to voluntary excess)	£75 except subsidence at £1,000 (see note 5)
Contents in the home and contents accidental damage – voluntary excess	£0, £50, £100, £150, £200, £250, £300, £350, £400
Contents in the home and contents accidental damage – compulsory excess (in addition to voluntary excess)	£75
Personal possessions: – Unspecified personal possessions – Money and credit cards. (not specified articles) No voluntary excess	£35
Family legal protection – compulsory excess (no voluntary)	£30

Note 4: This does not include any excess which may be applied by endorsement.

Note 5: No voluntary excess applies to subsidence claims.

Important information

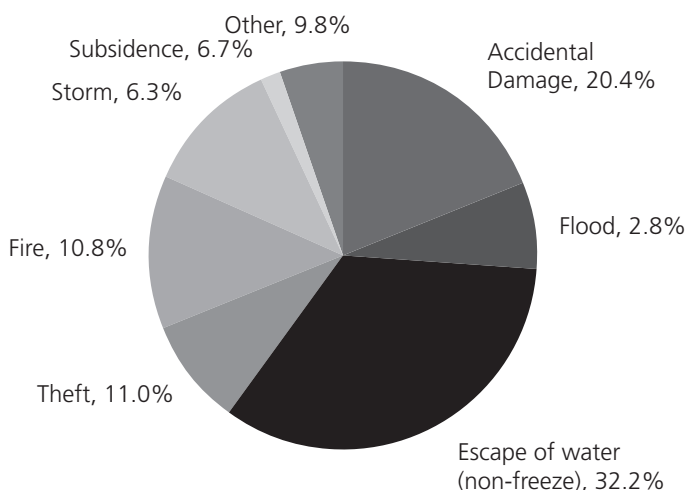
Financial Services Authority Regulation and Treating Customers Fairly

- Remember, you are responsible for ensuring the product meets your client’s needs.
- Ensure client’s circumstances and needs are fully understood.
- Tailor advice according to the client’s circumstances.
- Consider closely the suitability of the product against the needs of your client.
- Take into account policy exclusions, excesses, limitations or conditions.
- Recommend products that best meet the client’s needs and circumstances.
- Keep accurate client records and ensure they are kept up to date.
- Keep clear records of advice given and reasons for recommendations.

Peace of Mind 2009 claims data

Clients may not expect to claim on their policy so don’t spend the time making sure they have the right level of cover in place.

In 2009, our Peace of Mind policies had over 64,000 claims (on a per coverage basis), with a total value of claims paid out (as at March 2010) of over £69 million. Here is a breakdown of what claims were paid out on:



Santander is able to provide literature in alternative formats. The formats available are: large print, Braille, audio tape and PC disk. If you would like to register to receive correspondence in an alternative format please give us a call and ask for a 'Preferred Communication Request' form.

Peace of Mind cover is subject to terms and conditions, limitations, restrictions and exclusions. Full details are available in the policy document, which is available on request. We reserve the right to refuse cover. Any voluntary excesses will be in addition to any compulsory or insurer excesses which may apply. Peace of Mind provides an unlimited sum insured for buildings and contents. For properties with six or more bedrooms, the contents sum insured is specified by the client, but must be at least £35,000.

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