

Underinsurance

Closing the underinsurance gap in the property market.



TOKIO MARINE
HCC

TMHCC underwrites a specialised portfolio of property insurance on a delegated authority basis through an extensive broker network across the UK and Europe.

Together, our teams have over 125 years of knowledge and experience in the sector, allowing our specialist underwriters to provide an extensive range of residential and commercial insurance solutions for clients.

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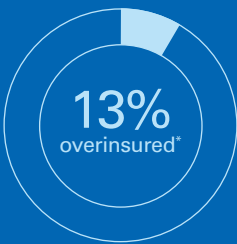
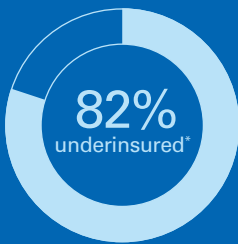
Tokio Marine HCC International

Underinsurance in the property market is a persistent and potentially devastating issue for affected policyholders and brokers play a crucial role in mitigating this risk. Their relationship with the client, their experience in placing risk and their expertise in navigating the insurance market give commercial and residential property owners the best chance of avoiding underinsurance.

Underinsurance doesn't only result in financial loss – it can lead to prolonged disputes, stress and often lifelong consequences. And with inflation impacting valuations on a regular basis, underinsurance remains one of the largest threats to UK property owners, yet it is barely recognised outside of insurance.

This is where broker expertise comes in.

Overall, residential properties in the UK are...



*31st August 2023, rebuildcostassessment.com

What to consider to mitigate risks:

The location of the building:

Buildings located in areas prone to natural disasters, such as floods or earthquakes, may require specialist advice.

The age of the building:

Older buildings may require electrical certificates due to listing. The materials and labour will be more expensive to repair following damage.

The construction type:

Certain materials and methods of construction can sometimes be excluded from policies or require extra disclosure.

The type of building:

Different types of buildings, such as commercial or residential, may require different coverage options.

Ensure the property is surveyed by a qualified surveyor to determine the correct rebuild value, including demolition costs, professional fees and VAT. It is estimated that professional fees have increased by 13.5% over the past 18 months (up to 21% on listed properties).

Underinsurance often results in the partial payment of a claim so it's essential that your sums insured are revised immediately or, as a minimum, are accurate for the next renewal once underinsurance is discovered.

Ensure policyholders invest in a professional rebuild cost assessment.

RebuildCostAssessment.com helps to provide affordable and professional building insurance valuations, to guarantee you're covered if you ever need it.

[ABI Public Rebuild Calculator](#) is another good source to use.

On average, underinsured buildings are covered for just **63%** for the amount they should be.