



**TYSERS**  
UK CORPORATE RISKS



16 June 2008

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Insurance & Risk Management Solutions

## CLIENT BRIEFING NO:26

### NEW PROPERTY VALUATION SERVICE: AVOIDING THE RISKS OF UNDER-INSURANCE

One of the biggest issues we come across when arranging insurance cover for our clients is helping them arrive at accurate reinstatement costs for their buildings, plant, machinery and other contents.

Very often they are relying on out of date information or are simply valuing their property on an inappropriate basis, for instance, their book value.

Inevitably this can mean that they are either under-insured or over-insured.

Under-insurance – which is potentially more serious – means any claim may not be paid in full. The underwriters may invoke the so called 'Average' clause and reduce the amount payable in proportion to the degree of under-insurance. So if the sum insured was only 80% of the actual cost of reinstatement, they may only pay 80% of the claim, leaving the policyholder to make up the difference from capital or further borrowing.

Over-insurance means you pay too much for your cover. Simple as that.

Clearly, then, it's in everyone's interests that the policy is written on accurate reinstatement costs.

Underwriters want to base their premiums on the true risk exposure.

As brokers, we want to do the best job for our clients.

As the insurance buyer, you want to be able to demonstrate to your directors and shareholders that your assets are fully protected as far as is humanly possible.

And the only way to do that is to engage the services of a professional valuations firm. Using up-to-the-minute databases and information from manufacturers and agents, they can calculate the real cost of putting you back in business after a major incident.

Underwriters greatly value such information as it gives them confidence in their premium calculations. In many cases, the presence of a professional valuation means the 'Average' clause can be waived.

We are therefore pleased to introduce to you a firm of insurance valuation specialists with wide ranging experience across various industrial sectors who can provide accurate reinstatement costs for both buildings and contents.



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Rushton International summarise their key benefits as follows:

- Breadth of knowledge and experience in a wide range of industries, public sector organizations, educational establishments and listed historical buildings
- High quality written reports and plant registers
- Low cost re-valuations on second and third anniversaries
- National and international coverage
- Speed and flexibility of service

Rushton will aim to issue a no-obligation quotation within 24 hours depending on the complexity of the risk and, upon acceptance, will move quickly to put the work in hand.

So if you think you may be under- or over-insured and want the peace of mind that comes with knowing you're fully covered, please contact your usual Tyasers representative for more information.

(Panel)

Reasons why you may be under-or over-insured

- You haven't had a professional valuation for three years or more
- You've bought new equipment or replaced existing machinery
- You've recently completed improvements or alterations to your buildings
- There's been a change in building regulations or local authority regulations which could have an impact on building costs
- The worldwide shortage on materials and labour have led to soaring prices

For more information at Rushton International please contact:

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(Panel)

The worldwide shortage of building materials and skilled labour coupled with soaring fuel costs is having a dramatic impact on reinstatement costs for damaged buildings, plant and machinery. Index-linking is not enough to ensure your sums insured reflect the true costs of replacement.

Tysers corporate sign off, disclaimer, FSA etc.

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