

BUILDING INSURANCE

Covering the cost of repairing damage to the structure of your property

If you own your own property, you'll need to have buildings cover just in case your home is damaged and needs a repair. It's usually a condition of your mortgage and, if you're a landlord, it's your responsibility – not your tenants'. Buildings insurance covers the cost of rebuilding a new or existing property if it's damaged or destroyed.

Buildings insurance covers the cost of repairing damage to the structure of your property. Garages, sheds and fences are also covered, as well as the cost of replacing items such as pipes, cables and drains. Your insurance policy should cover the full cost of rebuilding your house. This also includes the costs of demolition, site clearance and architects fees.

Buildings insurance usually covers loss or damage caused by:

- fire, explosion, storms, floods, earthquakes
- theft, attempted theft and vandalism
- frozen and burst pipes
- fallen trees, lampposts, aerials or satellite dishes
- subsidence
- vehicle or aircraft collisions

MORTGAGE CONDITION

If you are about to take out a mortgage or have a mortgage, buildings insurance will be a condition of the mortgage and must be at least enough to cover the outstanding mortgage. Your lender should give you a choice of insurer or allow you to choose one yourself. They can reject your choice of insurer but can't make you use their own insurance policy unless your mortgage package includes insurance. If you buy a property, you should take out buildings insurance when you exchange contracts. If you sell a property, you are responsible for looking after it until the sale is completed, so you should keep your insurance cover until then. If you're a leaseholder, your lease may say that you should have buildings insurance with a named insurer, or the freeholder may take out insurance and charge you for it.

HOME IMPROVEMENTS

Remember, if you improve your home, such as adding an extension or a loft conversion, the rebuild costs may also increase and you will need to make sure you're covered. If your property has special features (for example a thatched roof, or it's a listed building), you can pay for a survey from the Royal Institute of Chartered Surveyors to assess the rebuild costs.

AMOUNT OF COVER

It's important to make sure you insure yourself for the amount it would cost to completely rebuild your home. This is called the 'sum insured'. The cost of rebuilding your home is not the same as the price you paid for your home, or its current value if you were to sell it. Rebuild costs are usually less than the current market value, so make sure you don't over or under insure yourself. Some insurers offer unlimited cover so you don't have to work out the rebuild costs. However, if already know what they are, it may be cheaper to shop around for a policy that fits your exact needs.

GENERAL ASSESSMENT

Some policies work out the sum insured based on a general assessment of where you live and the type and age of your home. However, this may not fit your particular property, so you'll need to work out whether you've got enough cover. You should regularly review the amount your buildings insurance covers, as rebuild costs tend to rise over time.

Some insurers offer policies that will increase the sum insured automatically in line with rebuild costs.

You might want to consider taking out extra buildings insurance to cover you for other risks. You'll have to pay higher premiums for this cover.

You can add on extra insurance for:

- flooding or subsidence if you live in a high risk area
- accidental damage to your home
- alternative accommodation if you have to
- move out of your home after you've made a claim
- damage to boundary walls, fences, gates,
- driveways and swimming pools
- damage to underground pipes, cables, gas and electricity supplies
- glass in windows, doors, conservatories and skylights
- liability cover if someone else's property is also damaged
- legal expenses cover