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Guide to home insurance

What is home insurance?

Home insurance is an umbrella term that usually applies to two things: buildings insurance and contents insurance. These two types of policy can be bought separately or together, and they cover your home and possessions in the case of theft or damage.

Most companies that provide home insurance offer both buildings and contents insurance. Some offer a standard level of cover, while others offer a more specialised level of cover for people with more specific needs.

Unlike car insurance, home insurance is not compulsory by law, although buildings cover can be required by a mortgage provider. The level of cover opted for is generally a matter of personal preference, but being uninsured could result in big unexpected bills if you are unfortunate enough to experience a burglary, vandalism or flooding.

Which type of insurance do you need?

There are different kinds of building and contents insurance, and the best type for you will depend on your needs and circumstances. Our handy [home insurance glossary](#) covers all relevant terms to keep you informed.

Type of Insurance	What does it do?	Who is it for?
Contents insurance	Contents insurance protects the items that you keep within your home. This includes your possessions, such as electronics, furniture, jewellery and clothing. Some contents insurance policies include items that you keep outside, such as garden furniture.	Contents insurance is ideally suited to homeowners but it's also appropriate for renters who are not responsible for insuring the building.

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Type of Insurance	What does it do?	Who is it for?
Contents accidental damage insurance	Contents accidental damage insurance can pay for non-intentional damage to your belongings - for example if you break a treasured ornament.	Homeowners with valuable belongings or those wanting extra protection.
Personal possessions insurance	Insurer may pay for accidental loss of or damage to belongings that you would normally take outside of the house such as jewellery or a laptop, even when they're not in the home.	Insurance that covers personal possessions could be useful to anyone.
Landlords insurance	Landlords insurance covers damage to the building, fixtures and fittings as well as malicious damage by tenants and loss of rent.	This is designed for people who own a property and let it out to a third party.
Sum insured buildings insurance	Similar to bedroom rated buildings insurance, sum insured buildings insurance protects your home and its fixtures and fittings. In the case of sum insured policies, the amount you pay is based on an accurate calculation of how much your house would cost to rebuild from the ground up. In most cases you'll need a professional to do these calculations.	A sum insured policy is a good match for homeowners who don't want their premium to be based on the number of bedrooms they have. This is particularly helpful for those whose home is smaller than average for the number of bedrooms.

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Type of Insurance	What does it do?	Who is it for?
Bedroom rated buildings insurance	Buildings insurance protects buildings, fixtures and fittings. It will pay out in the event of damage to parts of your home such as walls, doors, carpets and windows. The amount you pay for bedroom rated buildings insurance is worked out based on the number of bedrooms your house has, regardless of size.	A bedroom rated policy is best suited to homeowners whose homes are a fairly standard size in relation to the number of bedrooms.
Flood insurance	If you live in a high risk flooding area, specialist flood insurance can insure against water damage to both your building and contents.	This insurance cover is suited for homeowners or renters who can't get insured against flooding on a standard policy.
Landlords insurance	Landlords insurance covers damage to the building, fixtures and fittings as well as malicious damage by tenants and loss of rent.	This is designed for people who own a property and let it out to a third party.
Tenants insurance	Tenants insurance is a type of contents insurance. Not only does it insure against theft or damage to possessions, some policies also cover accidental damage to fixtures and fittings belonging to the landlord.	Tenants insurance is designed for those renting. It's particularly beneficial for those who share with housemates, as getting cover in these situations with a standard policy can be difficult.
Non-standard construction insurance	Non-standard construction insurance is a type of buildings insurance that covers property that's built in a way that does not comply with standard regulations.	This kind of insurance is for people who own homes of non-standard construction, such as properties with a steel or timber frame.

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Type of Insurance	What does it do?	Who is it for?
Unoccupied property insurance	Unoccupied property insurance is designed for properties that are unoccupied for more than a couple of months at a time. This is important as standard home insurance policies often do not cover these cases.	This kind of cover is often used for holiday homes, or for people who travel for long periods of time.

Insurers may also offer additional products such as the following:

- Home emergency cover - providing a 24/7 helpline in the event of an emergency where a tradesman is required.
- Family Legal Protection - can help cover your costs if you have to go to court for a private legal dispute, such as personal injury or boundary disputes.
- Key Protection - can help with the cost of recovering or replacing your keys if they're lost or stolen.

What will you be covered against?

Home insurance can cover your property against something going wrong. It can protect you from having to pay to repair or replace items that are damaged or stolen.

Policies often insure against events like:

- Theft
- Accidental damage
- Loss
- Malicious damage and vandalism
- Fire
- Flooding
- Weather-related damage
- Leakages
- Subsidence

All insurance policies are different, and not all of them will cover against all of these instances. It's wise to read all policy documents carefully and ensure you know what your policy covers, and what it doesn't.

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When you purchase a buildings or contents insurance policy, you'll receive a policy summary and a policy document.

Policy Summary	Policy Document
This document will contain a brief summary of what your insurance policy covers, the date of the policy, and any extras you are entitled to.	This document is typically much longer, and details the full terms and conditions of your policy. It will also contain the contact details you'll need in the event of a claim.

These documents may arrive through the post or via email. Whether you receive hard or digital copies of the documents, it's important to keep them safe.

The cost of your buildings and contents insurance

There are many things to consider when it comes to the cost of your home or contents insurance. The price may be based on factors such as:

- The value of your home and contents
- How many bedrooms your home has
- How much your home would cost to rebuild
- The area you live in
- Whether your home is of standard construction
- Whether you are in a location that's likely to flood
- How many claims you've made in the past



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- How secure your home is (e.g. if you have recommended locks or an alarm system fitted)
- Whether you live within an active neighbourhood watch area
- Any optional 'extras' you choose to add to your policy (e.g. legal cover or key protection)

Finding the right home insurance policy

If you're thinking about taking out a home insurance policy, here are a few tips for getting it right:



- Make sure you get value for money by collecting quotes from more than one source.
 - If the quotes you're offered seem high, you could consider making your home more secure by changing to approved locks or getting an alarm fitted. In some cases, changes like these can reduce how much you pay.
 - Familiarise yourself with the key words that are used in insurance policies.
 - Answer all questions accurately when applying for a policy. If you give inaccurate information, it might mean that you're unable to make a claim later on.
- Finding the right home insurance policy to cover your property can be time consuming, but it's worth it. Taking the time to do your research now often means that the process will be much smoother in the event of you needing to make a claim.

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How to take out a policy

There are a number of ways to take out a home insurance policy. Some providers will allow you to set up a policy in branch, but most are arranged by phone or online.

Once you've done your research and have decided which policy is right for you, it's time to buy. During the process you'll need to have a number of details to hand. You may know some of these details already, but others could require some research.

Generally speaking, the details you'll need include:

- Your personal information
- The address of your home and the length of time you've lived there
- Your claims history
- The year your home was built
- How many rooms your home has
- Details about your home's construction, roof and door type
- Date and type of any extension that's been added to your home
- Any subsidence, heave or landslip history
- Security details, including door and window locks, and whether there is an alarm fitted
- Flooding history
- Information about any trees growing in close proximity to your home

Remember, it's important to be as accurate as you can with these details. If you're unsure, it might be wise to check the deeds of your home or consult your landlord.

Why it's important to have home insurance

Your home is probably the largest investment you will make in your life and it is therefore important to protect it should any disaster occur. In 2015, insurers paid out £12.9 million every day in property claims, of which £8.2 million were domestic, according to the [Association of British Insurers](#).

Protecting your home with appropriate cover could reduce the stress of any incidents or damages. Making a claim could help ease financial worries.

What happens if you need to make a claim?

If you need to make a claim on your home insurance policy, the process should be relatively straightforward.

1. Make sure the incident that has occurred is covered by your policy. You'll find this information in your Policy Document. Some types of incident, such as accidental damage, may not be covered, or may require an additional excess.
2. Contact your insurer promptly. Your policy document will also contain the contact details you need to contact your insurance company about the claim.
3. Once you've contacted your insurance company, they'll set the process going and talk you through the information they need from you. Be aware that there'll often be an excess to pay at this stage. The size of the excess will depend on the policy you've chosen.



For further information on how to make a claim, you might find [Which's advice](#) helpful.

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Links:

- 1) <http://www.sainsburysbank.co.uk/insuring/home/home-insurance-glossary.shtml>
- 2) <http://www.floodre.co.uk/homeowner>
- 3) <https://www.abi.org.uk/~media/Files/Documents/Publications/Public/2015/Statistics/Key%20Facts%202015.pdf>
- 4) <http://www.which.co.uk/money/insurance/guides/home-insurance-claims---how-to-make-one/homeinsurance-claims---making-a-claim/>

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This guide was published on 01/02/2017