



# HOME INSURANCE RISK FACT

## HOME INSURANCE

Home insurance policies vary amongst different insurers. The main differences relate to cover, rates, conditions of insurance and levels of service.

FirstUnited, have a selection of home insurance policies to choose from – one of which may be right for you. This risk fact provides a general overview on the type of insurance cover normally provided and an outline of the benefits and extensions that can normally be included under a home insurance policy

and possible ways in which you can reduce your annual insurance premium. It does not detail all the policy cover, limits, terms, conditions and exclusions.

Failure to provide material information to your insurer at the time you complete and submit your home insurance proposal form may give the insurer the contractual right to avoid a claim and it is suggested that any concerns you may have over what would be considered material should be discussed with your

personal insurance broker.

A home insurance is generally offered on private dwellings whether owned or leased and regularly occupied. Therefore dwellings where some commercial activity takes place or which are rented out or which are used as summer residences are considered different risks by insurers who may only be prepared to provide cover under a more suitable policy.

## BASIC COVER

The basic cover provided by home insurance policies is outlined below:

- Fire, explosion and smoke
- Theft or attempted theft normally following forcible entry.
- Leakage of water or oil
- Civil commotion and malicious damage
- Impact by aircraft, vehicles or animals
- Storm or Flood
- Lightning, thunderbolt or earthquake
- Falling Trees, breakage or collapse of television and radio aerials
- Liability to third parties as owner or occupier of the buildings

## ADDITIONAL BENEFITS

Most home Insurance policies provide cover for:

- Accidental breakage of fixed glass, sanitary ware, mirrors and glass
- Payment for professional fees, site clearance and other costs
- The cost of reasonable alternative accommodation and/or loss of rent
- Pedal cycles and sports equipment – Limited to around Lm 250
- Freezer and Refrigerated Contents – Limited to around Lm 200
- Home Entertainment equipment – Limited to around Lm 1,000
- Wedding Presents and Gifts – Limited to around Lm 5,000
- Cover for locks and keys – Limited to around Lm 100
- Personal Money – Limited to around Lm 100
- Cover for contents in the open including TV aerials or satellites – Limited to around Lm 200

## OPTIONAL EXTENSIONS

For a small additional premium cover can be extended for an additional premium:

- Buildings and/or contents on an All Risks Basis
- Personal specified possessions on an All Risks Basis
- Full Theft Cover ( removal of forcible entry requirement )
- Personal Accident for any member of your household
- Including more than one property under the policy
- Agreed values on specified antiques or valuables



## WAYS TO REDUCE YOUR PREMIUM

Many insurers offer discounts to existing customers or to customers they wish to attract as they are perceived to be average or better than average risks. Policyholders with most insurers may take advantage of the following discounts to reduce their home insurance premiums:

### More than one Policy discount

A discount of between 7.5% to 10% is offered by some insurers to policyholders who insure their motor vehicle and their house with the same insurer.

### Senior Citizens or Mature Policyholders

Some insurers allow a discount to policyholders that are aged 61 or over.

### Intruder Alarm Discount

If your property is protected by a professionally installed burglar alarm with a current annual maintenance contract a discount of 10% may be available.

## VALUABLES

What is a valuable is defined under the policy and this definition is not identical for all policies. A common definition would define valuables as consisting of furs, jewellery, articles of gold, silver and other precious metals, watches, works of art, paintings, pictures, stamp, coin and medal collections.

These are insured as part of your contents and are often subject to the following limits;

Any single item; Lm 1,000 or 5% of the amount insured on contents, whichever is the less.

Total amount: One third of the amount insured on contents but not exceeding Lm 8,000 in respect of jewellery (unless kept in an approved safe).

## CLAIMS SETTLEMENT

Here again different insurers may have different valuation and claim settling procedures. However, all insurers protect themselves against under-insurance as otherwise they would be put at higher risk without having the opportunity to collect a fair premium for the risk.

Therefore insurers oblige their clients to insure in full and provided that this is

done they will normally settle claims in the following manner:-

Buildings: The full rebuilding costs or repair costs

Contents; The repair or replacement cost of the item lost or damaged where the policy is on a new for old basis of settlement.

**NB:** The onus for arriving at a realistic replacement or rebuilding cost is always the client's who should seek a qualified opinion on such value before insuring the buildings and/or contents.

## BROKERS RECOMMENDATIONS

Obviously, each insurer has its own preferred wordings, with particular exclusions and different limits applying.

If you need further information on your home insurance needs, please call us or send an email to [insure@firstunited.com.mt](mailto:insure@firstunited.com.mt)

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