

The Case Has Never Been Stronger to Review Sums Insured

With the recent horrific fire events in Queensland and New South Wales, coupled with the end of year bringing destructive storms, tropical lows and cyclones up north; it's time to review property sums insured, to make sure adequate insurance cover is in place.

The recent fire events have seen many houses, sheds, appurtenances, plant and equipment destroyed with the losses no doubt yet to be counted.

It is important to remember that adequate insurable value be properly quantified when enacting an insurance policy as "under insurance" can pose a real risk in the ability to rebuild in the event of a loss.

With regard to property and improvements, it is important to consider the replacement cost of all the structures on the land. Additionally ground improvements such as swimming pools, fencing, landscaping and any other ancillary improvements need to be considered. This is just a part of the equation, however.

Insurers look at the total sum insured, and this also includes an allowance for demolition and removal of debris for the damaged improvements as well as such costs as consultants in the rebuilding process and allowances for building lead times etc. It is also important to allow for this in the whole insurance calculation process.

When we turn our minds to plant and equipment, there are several other factors that have to be considered. Is the equipment to be replaced with like for like on the second-hand market, or is it to be replacement with new? Further to this, what are the commissioning costs with new machinery? Has recent currency fluctuations had an impact on values? Keep in mind also demolition and removal of debris is also applicable to the total sum insured.

What is the solution?

Quite simply the best and most efficient way is to engage a suitably qualified valuer to help through this process. Our highly experienced team of valuers at Preston Rowe Paterson have a team of appropriately qualified property as well as plant & machinery valuers who have had many years of experience in insurance valuation work.

We are cognisant of insurers requirements and the reporting requirements they have.

We conduct onsite inspections of all asset classes and take the appropriate data and photographic evidence required to calculate the correct sums insured for all your assets. Our reports contain comprehensive asset descriptions on all asset classes.

Whether you're a broker, property owner, large or small corporate or institution, we are more than happy to discuss any needs that you may have.

Contact your local Preston Rowe Paterson office, details can be found at <http://prp.com.au/australia/>

