



Building Valuations

Desk-based e-valuations

Asset Protection

HOWDEN

Is your building adequately insured?

Having an incorrect rebuild value could result in overpayment of premium, or worse still, a major financial loss in the event of claim.

Underinsurance remains a significant issue in both commercial and residential properties. Statistics from our preferred supplier for Reinstatement Cost Assessments (RCAs) show that around 80% of properties are underinsured. Where identified as being underinsured, the average increase required was 36%.

Responsibility falls with the property owner to ensure that the value of the property on the insurance policy is correct.

When a claim is made, a Loss Adjuster will assess whether the property was accurately insured. If it is underinsured, the insurer is likely to apply the Condition of Average clause, whereby the amount of the claim is reduced proportionally to the value of underinsurance. It is also possible that the insurer may be entitled to avoid the policy if it materialises that the risk was unfairly presented.

If a commercial property claim for €200,000 is made on a building which is insured for €480,000, but should in fact be insured for €600,000, the insurers would only be liable to pay 80 percent of the €200,000 damage. Therefore, the claimant would only be entitled to €160,000. And even though they are well within the €600,000 sum insured, this will be the entitlement limit.

How could underinsurance affect you?

Condition of Average example

Benchmark desk-based e-valuations

Questions to ask yourself to determine whether your property may be incorrectly valued or should be considered for an RCA are as follows:

- Has it been a while since the last professional reinstatement assessment?
- Is the market value being used as the reinstatement value?
- Is the location of the premises difficult to access (town centres, terraced buildings)?
- What is the age of the property (Older buildings often cost more to rebuild)?
- Is the property listed?
- Has the property been built with new eco-friendly features or designs?
- Does the building have extensive external features (yards, car parks, gardens)?
- Has the building recently been altered or extended?
- Have changing building regulations been accounted for?

To help ensure our clients are correctly insured and subject to qualifying criteria, desk-based benchmark e-valuations can be carried out for a discounted price to Howden clients.

Our desk-based e-valuation service provider utilises its own dataset of fully compliant site-based RCAs. This is in addition to other recognised databases, including the Building Cost Information Services (BCIS) provided by the Royal Institution of Chartered Surveyors (RICS).

Our preferred supplier's service represents the 'gold standard' of desk-based services owing to its data sources, process and practitioners who undertake both desk-based and visit-based assessments. Their wide knowledge of buildings, gained from preparing fully compliant RCAs, can therefore be applied to desk-based e-valuations.

An individual property could be suitable for this service if it:

- Has a current declared value of up to €5m for commercial property and €2m for residential property.

We offer this service for a flat fee of €120 + VAT.

For more information or a quote, please visit www.howdenbroking.com or email info@howdeninsurance.ie

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