



ADVICE BULLETIN

from SMITHGREENFIELD

ARE YOU WORTH MORE THAN YOU THINK?

The good news is "yes, you probably are." For most of us, the true value of your possessions is very probably far greater than we realise. Just think. When was the last time you had your home valued? Or your holiday home? Have you ever made a detailed inventory of your home contents? Do you collect art? Or wine? Or cars? How about jewellery? Or even the contents of your wardrobe? If you sat down and added up the current cost of everything you've got, you'd probably get a very pleasant surprise.



But on the other hand, if something were to happen to your home or its contents – a burglary, fire or even a flood, you could end up losing a great deal of money.

It's a common problem. In 2006, for example, Norwich Union carried out "wealth checks" on 100 of its more affluent customers and discovered they were collectively underinsured by a total of £85 million, and these days, high value assets are far more diverse than traditional "family heirlooms" such as art, antiques and silverware. Steve Smith, joint managing director of SmithGreenfield says: "For many people, disposable income has grown considerably over the last decade with less wealth being positioned with the traditional land owning families and more with the younger city types and entrepreneurs."

This newer, younger generation is more likely to collect modern art than old masters or guitars and rare records to grand pianos and vintage cars but the message is still the same. "It's vital to get your contents valued every three to five years, but you should review annually to take into account any purchases or major rises in value of particular items." says Giles Greenfield, joint managing director of SmithGreenfield.



TIPS

- REGULARLY REVIEW THE VALUE OF YOUR CONTENTS.
- INSURANCE VALUATIONS OVER 3 YEARS OLD ARE OUT OF DATE.
- REMEMBER TO INFORM YOUR BROKER OF ANY RECENT PURCHASES OR INCREASE IN VALUE OF POSSESSIONS.
- HOME INSURANCE IS BASED ON REBUILDING COSTS, NOT THE MARKET VALUE - THE TWO CAN BE SIGNIFICANTLY DIFFERENT.
- DON'T RELY ON A MORTGAGE VALUATION TO CALCULATE YOUR BUILDINGS SUM INSURED - HAVE A PROFESSIONAL REBUILDING COST ASSESSMENT, PARTICULARLY IF OWN A LISTED BUILDING.
- USE OUR CONTENTS VALUE CHECK SHEET IN THE DOCUMENT CENTRE TO ASSIST IN VALUING YOUR POSSESSIONS.

"Collectibles can rise in value very quickly," he adds. "Take wine for example. The 2005 Chubb wine report cited the case of Chateau Montrose 2003, which went up 50 per cent in a single day."

But it's not just collectibles and high tech gadgets that need keeping an eye on, warn the experts at SmithGreenfield.

"In our experience, people are most likely to under-estimate the replacement cost of fabrics such as curtains, bed linens, carpets and clothing," says Steve Smith. "In some cases it can be tens of thousands of pounds – and while people often only think about theft, smoke damage and flood are the true worst case scenarios and that's where under-insurance of fabrics becomes very apparent."

Both Steve and Giles are adamant, however, that buildings cost is critical. "A common misconception is to insure for market value which generally bears no relation to rebuild cost," explains Steve. "Quite often a figure given by a mortgage provider some years ago has been used and never been professionally reviewed – the problem here is that rebuilding costs often rise faster than inflation so index linking can sometimes be adrift. The mortgage provider is also only interested in insurance up to the extent of their financial commitment in the property."

"In the case of listed properties, it's even more crucial for the rebuild cost to be examined every four to five years," adds Giles. "The rebuild cost can be higher than the market value due to the responsibilities of working with English Heritage."

If your initial warm glow at the thought that you are probably worth many thousands of pounds more than you thought has turned to icy dread at the thought of all the paperwork this extra wealth might involve, don't worry. A specialist broker such as SmithGreenfield can provide help and advice on the calculation of contents or can put you in touch with professional contents valuers, as well as surveyors and buildings valuers, and can provide access to bespoke insurance products that will ensure your true worth is protected.

To find out how SmithGreenfield can help you protect the true value of your home and contents with the minimum of fuss see our contents value checklist on our website or call 020 8263 6016.

RECOMMENDED VALUERS

For a full valuation of your contents, contact Paul Davidson at Bonhams.
Phone: 0870 0273611 Email: paul.davidson@bonhams.com

Bonhams¹⁷⁹³

For an assessment of your contents sums insured, calculation of your home's rebuilding cost or security advice, contact James Scott-Brown at Criterion. Phone: 01483 891999 Email: surveyors@riterionadjusters.com

BCH will provide an appraisal of the rebuilding cost of both private homes and commercial buildings as well as an assessment of contents sums insured. Contact Lorna Harrington at BCH - Barrett, Corp and Harrington Ltd. Phone: 01749 679145 Email: lorna@bch.uk.com

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