

HOUSEHOLD INSURANCE FOR THE HEALTH PROFESSIONAL

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Insurance is an essential factor in running a home or any business. A serious loss such as a fire or flood could be financially crippling. In this Household Insurance Article, I want to cover issues around your own protection, the protection of their patients and the general public.

There are many organisations offering Household Insurance, and core cover is now fairly similar if you compare one wording with another. It can be quite confusing when faced with making a choice, and the temptation is just to go for the cheapest- at least there is a clear differentiation between policies on that point! However, for a Health Professional working from home, there are important considerations which can affect whether your claim will be met or declined. Over the years, we at Balens have spoken to a substantial number of Health Professionals who have had trouble getting household insurance, had restrictions put on their practice (e.g. maximum number of clients entering the home per week allowable), loaded premiums, or most commonly, being told they cannot continue their present insurer who have now learnt of them running a practice from home.

A Health Professional individual or Company has choices:

- a) To self – insure- i.e. do nothing, or take the chance that the policy is not adequate
- b) To take time, check out the market for yourself. Maybe dealing direct with an insurer, and/or arranging it as conveniently, quickly and cheaply as possible
- c) Go for a quality solution- rely on an Independent Specialist with some expertise in your profession, who has thought through potential problems, and found a solution for them. Information regarding scope of cover and small print take time to understand and absorb. The right questions need to be asked. When considering who to insure with, a good question to ask yourself is “How do I want to feel at the end of a phone, if I have a catastrophe of some description on my hands, and I need support?” What kind of firm am I dealing with? Will I like being a statistic serviced by a call centre?

What does a Standard Household Insurance Cover?

The standard householders’ policy will cover the building of your home or the contents for specific perils like fire, lightning, storm damage, overflowing of water, explosion, earthquake, aircraft, riot and civil commotion, malicious damage, theft and subsidence. Most policies offer an extension for accidental damage, to cover such things as staining, breaking, tearing, scratching insured items. There are sections covering your legal liability if you damage

someone's property or injure them in your capacity as a householder or occupier of a dwelling, Money Insurance, Credit Card Fraud, Freezer Content damaged following breakdown, and many more features besides.

A word of warning for the practitioner; the standard house policy is intended for a home which is occupied residentially and many insurance policies will not provide cover where there is business use, especially not if members of the public are routinely coming in. Some Insurers take the view that if the house is used for business purposes, the risk is changed and may well be increased. It is vital that insurers are advised of business use so that they cannot repudiate a claim because they were not informed. This is technically called a "material non —disclosure" and Insurers normally take a dim view of this because they see it as breaking a contract, which is based on utmost good faith at the outset. Innocent non disclosure may mitigate things up to a point, but not always!

It is very important that you confirm your position with the insurer and preferably obtain a satisfactory response in writing. There are now a number of policies which combine Home and Business covers, but check these out before buying, as they can be a little inflexible and can be more expensive than a specialist Surgery/Office policy plus ordinary Household Insurance combination. As always on any policy, check out the exclusions particularly with regard to theft, which may only be restricted to forcible or violent entry, or may require certain locks and protections to operate, and restrictions on leaving items in an unattended vehicle.

Sums insured need to be calculated on the basis of today's prices for most of your contents (not clothing or Linen) irrespective of what you may have originally paid for them. A rough total per room for general contents will give you a rough guide, and can yield surprising results! Buildings sums should be calculated on the rebuild cost, not the sale value of the house, which can vary according to where the home is situated. Your broker can guide you through all this.

Some policies will give you All Risks cover for items you may take outside the home, such as jewellery and personal effects, and abroad for holidays, this can be on a blanket basis with a limit any one item, or on a listed basis where each item is described- usually a mixture of the two will suffice. Other sections typically seen include Legal Expenses Insurance giving criminal defence, contract and property disputes cover, helplines, Jury service cover, advicelines, tax investigation cover etc.etc. Insuring pets, bikes and hobbies can also be catered for with some schemes.

You may not be penalized for under insurance, but it will make it hard for you to replace what you have lost if large amounts of money are involved, especially on a buildings claim- your home is one of your largest investments normally. Business policies, or business contents sections on household policies are subject to a proportionate reduction of claim in event of underinsurance.

The market place is very wide and apart from Affinity Group Bulk Schemes offering features and discounts, there are a plethora of options. For the ethically minded, there is an insurer who gives a discount if you are involved in charity work etc. Some insurers operate no claims bonuses, some give a blanket sum insured to take the guesswork out of your cover, whereas others rely on you to calculate your sum to be insured. There are special policies for high net worth individuals, who may have valuables, Fine Art and high Contents sums insured.

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