

# **SURGERY/PRACTICE** **INSURANCE:**

**A simple guide to calculating your**  
**sums insured.**



### **Is your practice properly insured?**

It is vital to make sure that you have adequate insurance otherwise you are not properly protected. It is your responsibility to ensure that you are insured for the correct amount - and being under insured will affect the amount of money you receive if you have to make a claim.

### **Surgery Contents:**

**When calculating an amount to insure; your Surgery contents sum insured should be based on the full value of each item if you had to replace them as new at today's prices.**

Have you been in every room at the practice: thoroughly reviewed what's in there and put a value against each item?

Have you purchased anything new since you last reviewed the amount you are insured for (your sum insured)?

What happens if your sums insured are too low?

Underinsurance is an unfortunate but common problem particularly if you have not thoroughly and realistically reviewed your contents - it can have dire consequences in the event of a claim.

Whilst you may save money in premiums; failure to provide adequate sums insured would result in the 'average' condition being invoked by your insurers in the event of under-insurance being discovered following a loss and will affect the amount of money you receive when you make a claim.

For example, suppose your surgery contents should be insured for £100,000 – but you have insured them for only £75,000; there is a major fire and you need to make a claim for £30,000 of damaged/destroyed contents.

You may think that the insurance company will simply pay you the whole amount as it is less than the £75,000 you are insured for; however this is not the case as the 'average' condition will be introduced. As you were only insured for 75% of the value of your surgery contents (therefore only paying 75% of the premium for the insurance you really needed) your insurance company will only pay you 75% of the claim i.e. you will only receive £22,500.

This is why it is so important that the sums insured shown in your policy schedule are sufficient for your needs and moreover that you check them regularly.

### **Buildings Insurance:**

Ensuring that the Buildings sum insured is adequate is just as important as the surgery contents in order to avoid under insuring your property and reducing any claim payout, as described above.

Equally if a property is over-insured, the sum insured can be adjusted to avoid paying unnecessary premiums.

**The Buildings sum insured is the amount your buildings are insured for and should represent the cost to re-build the property; not the market re-sale value.**

Market valuations can be inaccurate as they may not consider the cost of meeting current building regulations, a property's individual characteristics and location as well as debris removal costs, professional fees and VAT (where applicable).

When is that last time you had the building professionally valued?

If you have not checked this recently it may be prudent perhaps for you to employ the services of a surveyor to provide you with a sum insured for insurance purposes.

What if you do not own the building and are only a tenant?

Usually if this is the case, your landlord would arrange the insurance for the building and perhaps pass on the premium to you; however you would need to check your lease to see what your responsibilities are in this respect.

Tenants Improvements cover can be provided by your policy should you have altered the building; as cover for such alterations would not be provided by a landlords policy.

