

How to establish the right sums insured for buildings

The sums insured selected are index linked which means they will be adjusted each month to protect against inflation during the period of insurance. These adjustments are free until the next renewal date when we will advise your client on the renewal notice of the revised sums insured and the premium to be paid.

Costings - £/ft ² gross external floor area													
		PRE 1920			1920-1945			1946-1979			1980- DATE		
		LARGE	MEDIUM	SMALL	LARGE	MEDIUM	SMALL	LARGE	MEDIUM	SMALL	LARGE	MEDIUM	SMALL
DETACHED HOUSE	Region 1	94.00	101.00	103.00	90.00	95.00	97.50	75.00	81.50	84.00	74.50	74.50	81.00
	2	84.00	90.00	92.00	80.50	84.50	87.00	67.00	73.00	75.00	66.50	66.50	72.50
	3	77.50	83.50	85.00	74.50	78.50	80.50	62.00	67.50	69.50	61.50	61.50	67.00
	4	72.50	77.50	79.00	69.50	73.00	74.50	57.50	62.50	64.50	57.50	57.00	62.50
	Typical area sq.ft	3450	1700	1300	2550	1350	1050	2550	1350	1050	2400	1400	950
SEMI-DETACHED HOUSE	Region 1	92.50	95.00	96.00	97.50	94.50	95.00	71.00	75.50	80.50	78.00	80.50	86.50
	2	83.00	85.00	86.00	87.00	84.50	85.00	63.50	67.00	71.50	69.50	71.50	77.00
	3	76.50	78.50	79.50	80.50	78.00	78.50	58.50	62.00	66.50	64.50	66.50	71.50
	4	71.00	73.00	73.50	75.00	72.50	73.00	54.50	58.00	61.50	60.00	61.50	66.50
	Typical area sq.ft	2300	1650	1200	1350	1150	900	1650	1350	1050	1600	900	650
DETACHED BUNGALOW	Region 1				96.00	90.00	93.00	81.00	83.50	87.00	83.50	84.50	86.50
	2				85.50	80.50	83.00	72.50	74.50	77.50	75.00	75.00	77.50
	3				79.50	74.50	77.00	67.00	69.00	72.00	69.00	69.50	71.50
	4				73.50	69.00	71.50	62.00	64.00	67.00	64.50	64.50	66.50
	Typical area sq.ft				1650	1400	1000	2500	1350	1000	1900	950	750
SEMI-DETACHED BUNGALOW	Region 1				97.50	95.00	92.50	78.00	80.00	86.50	81.00	91.50	96.00
	2				87.50	85.00	82.50	70.00	71.50	77.00	72.50	81.50	85.50
	3				80.50	78.50	76.50	64.50	66.50	71.50	67.00	75.50	79.00
	4				75.00	73.00	71.00	60.00	61.50	66.50	62.00	70.00	73.50
	Typical area sq.ft				1350	1200	800	1350	1200	800	950	550	500
TERRACED HOUSE	Region 1	100.50	100.00	100.00	97.50	97.50	97.50	71.00	77.00	85.50	82.00	85.00	84.50
	2	90.00	89.00	89.50	87.00	87.50	87.00	63.50	68.50	76.50	73.50	75.50	75.50
	3	83.00	82.50	82.50	80.50	80.50	80.50	58.50	63.50	70.50	68.00	70.00	69.50
	4	77.50	77.00	77.00	75.00	75.00	75.00	54.50	59.00	65.50	63.00	65.00	65.00
	Typical area sq.ft	1650	1350	1050	1350	1050	850	1650	1300	900	900	750	650

(Jan 2002)

Regions

- 1 London and Channel Islands
- 2 South East,
- 3 South West, North West, Eastern, Scotland
- 4 North East, East Midlands, West Midlands, Yorkshire & Humber, Wales and Northern Ireland.

Buildings

The full rebuilding cost should be insured which is often different from the market value. The value of the land should not be included.

It is important that an accurate figure is reached and the table and chart can be used to calculate the approximate cost of rebuilding. Properties of three storeys or more or where there are design features or unusual materials, require special valuation.

The cost per square foot shown includes an allowance for additional charges which could be involved in the rebuilding, that is, demolition and debris removal costs, professional fees and local authority requirements. They are based on the rebuilding costs of medium sized properties.

The exterior dimensions of your client's home should be measured to find the **total floor area**. Multiply this by the cost per square foot to establish the rebuilding cost and add a suitable figure for garages and outbuildings.

Remember the sum insured will need to be increased if your client extends the building.

REBUILDING CALCULATION			
1	EXTERNAL MEASUREMENTS		
	Ground floor length	x width	= sq.ft.
	First floor length	x width	= sq.ft.
		Total floor area	= <u>sq.ft.</u>
2	Rebuilding cost per square foot	(see table above)=	£
3	Rebuilding cost of the home	(multiply 1 x 2)=	£
4	Add allowances for garages, outbuildings, swimming pools, tennis courts, walls, gates and fences		= £
	TOTAL REBUILDING COST (add 3 + 4)		= <u>£</u>