



The
**Insurance
Institute**

Personal General Insurance

CIP-03 KEY POINTS



CHAPTER 4

PERILS INSURED UNDER A HOUSEHOLD BUILDINGS AND CONTENTS INSURANCE POLICY

Household buildings and contents are normally insured against damage caused by the following 14 events or 'perils':

1. fire, smoke, lightning, explosion, (or thunderbolt) and earthquake
2. storm and flood
3. freezing/burst pipes
4. subsidence, landslip or ground heave
5. theft or attempted theft
6. riot, civil commotion, strikes, labour or political disturbance
7. vandalism and malicious damage
8. escape of water
9. leakage of oil
10. impact or collision
11. falling trees or branches
12. falling or breakage of aerials/aerial fittings/satellite dishes/masts
13. accidental damage
14. liability cover.

Cover under a household policy is normally subject to a standard excess for each incident of loss or damage. It is important to note that only one excess applies per claim, regardless of the number of policy sections that contribute to the payment. The excess applicable will depend on the section of the policy the claim is being made under. Where multiple sections contributed to the payment, the proximate cause of the loss will usually dictate the excess to be applied.

Contents cover can be sold separately (from the main insurance policy on a property) to tenants as their contents are not usually insured under the owner/landlord's main household building and contents policy.

Most household policies will apply some restrictions to cover where a property remains unfurnished or unoccupied for more than a specified number of consecutive days.

Despite this restriction, liability cover is not affected and this cover is maintained subject to any conditions imposed.

Fire, smoke, lightning, explosion (or thunderbolt) and earthquake

Exclusions under this section include:

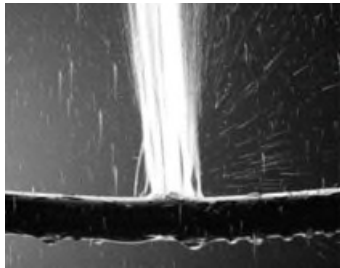
- smoke damage caused by fireplaces
- smoke damage from agricultural or industrial operations.

Storm and flood

Insurers normally exclude loss or damage caused:

- by frost, subsidence, **ground heave** or **landslip**
- to gates, fences or hedges
- by wear and tear or gradual deterioration.

Freezing/burst pipes



All resultant damage is covered under the policy, but damage to the apparatus itself (i.e. the pipe) is not covered.

Cover under this section often operates in tandem with cover under the **trace and access** section.

Subsidence, landslip or ground heave

Insurers normally exclude loss or damage:

- caused by settlement
- caused by building on made-up or filled-in ground
- to walls, gates, fences, hedges, terraces, patios, drives, paths and tennis hard courts, unless the policy covers damage to the home from the same cause occurring at the same time
- to solid floors unless the foundations are damaged at the same time by the same cause
- to the contents, unless the policy covers damage to the home from the same cause, occurring at the same time
- caused by subsidence or ground heave, but arising prior to the period of insurance
- or destruction, if any part of the buildings suffered previous damage by this peril, unless the previous damage has been disclosed to, and accepted by, the insurer.

Theft or attempted theft

There is no requirement under the household policy for physical or forcible entry to, or exit from, the premises to have occurred.

Insurers normally exclude loss or damage caused:

- while part of the home is lent, let or sublet, unless entry to, or exit from, the home is made by violence and force
- by a member of the household, other than domestic staff.

Riot, civil commotion, strikes, labour or political disturbance

Cover normally excludes loss or damage to:

- boundary walls and hedges
- tennis courts and pools
- gates and fences
- driveways
- lawns and trees, shrubs, plants.

Vandalism and malicious damage

Damage caused by someone lawfully on the premises is not normally insured.

Escape of water

This covers escape of water from:

- any fixed domestic water or heating installation
- any washing machine, dishwasher, refrigerator, freezer or fixed fish tank.

Leakage of oil

Any legal liability arising as a result of escape of oil is covered under the liability section of the policy.

Impact or collision

Policies normally exclude damage to buildings or contents caused by animals.

Falling trees or branches

Policies normally exclude:

- damage to gates, fences or hedges
- the cost of replacing the tree(s).

Falling or breakage of aerials, satellite dishes, masts

Damage to the equipment itself is usually limited to a specified amount.

Accidental damage

The main exclusions relate to:

- damage caused by the policyholder's pets
- damage while the home is lent, let or sublet
- jewellery, watches, furs, contact lenses, hearing aids, mobile phones or computer equipment designed to be portable
- any loss or damage or amount shown as not insured under the various perils listed in the previous sections.

Liability cover

Cover under a buildings policy relates to the insured's responsibilities as a property owner. Cover under a contents policy relates to their liability as an occupier, employer of household staff and as a private individual.

Liability cover provides protection in situations where the policyholder (or a member of their household) may be legally responsible for an injury to a third party or damage to their property.

The most that will be paid for any claim or claims arising from one event usually varies between €1.3 million and €3 million.

ADDITIONAL COVER AND BENEFITS AUTOMATICALLY INCLUDED

Additional cover and benefits under the buildings section



- Accidental breakage of fixed glass or sanitary fittings
- Accidental damage to pipes and cables
- Architect, surveyor, legal and other fees and costs
- Trace and access
- Fire brigade charges
- Rent/alternative accommodation
- Selling your home
- Title deeds
- Door lock replacement.

Additional cover and benefits under the contents section

- Accidental breakage of mirrors or glass
- Accidental damage to audio equipment
- Personal money
- Credit cards
- Freezer or refrigerator contents
- Contents temporarily removed
- Removal by professional furniture removers
- Leakages
- Title deeds
- Fatal injury/compensation for death
- Extra contents cover at Christmas
- Wedding presents

- Contents in the open
- Jury service expenses
- Visitors' and guests' property.

OPTIONAL EXTENSIONS

Cover offered as an extension of a household insurance policy tends to provide less flexibility than would be available in a stand-alone policy.

Where optional extensions are included in the household policy to cover these risks, the general exclusions and conditions that apply to household policies will apply to these sections, along with their own specific exclusions.

The most common optional extensions are:

- Personal possessions outside the home ('all risks')
- Pedal cycles
- Caravans and mobile homes.

GENERAL HOUSEHOLD EXCLUSIONS (APPLICABLE TO ALL SECTIONS)

Household policies do not cover:

- any event arising from war, invasion, act of foreign enemy, hostilities, civil war, rebellion, revolution, insurrection, military force or coup
- loss or damage arising directly from pressure waves caused by aircraft and other aerial devices travelling at sonic or supersonic speeds
- any expense, consequential loss, legal liability, or loss of, or damage to, any property, directly or indirectly arising from:
 - ionising/radiation
 - contamination by radioactivity from any nuclear fuel, or from any nuclear waste, from combustion of nuclear fuel
 - the radioactive, toxic, explosive or other hazardous properties of any nuclear assembly or nuclear component.

Other exclusions relate to:

- loss or damage as a result of confiscation (by government order)
- consequential loss (excepting loss or rent cover)
- fees (incurred in preparation of a claim)
- wear and tear, or similar
- business, trade or professional purposes
- deliberate damage
- damage caused by pets, insects, vermin.

SPECIALIST INSURANCE POLICIES

- Extended warranty insurance

- Pet insurance
- Family legal expenses insurance
- Small craft
- Gadget insurance.