



A Guide to Rebuilding and Refurbishing Costs

Your home is likely to be your most valuable asset. It is important that you choose sums insured sufficient to cover the cost of rebuilding or repairing the house or replacing the contents. This is because the sums insured are the maximum amounts we pay in the event of a claim for loss or damage. Sums insured which are too low may mean you have to cover part of the cost from your own savings or by borrowing.

This guide is designed to help you arrive at proper sums insured for:

- **the Buildings of your Home** comprising the private dwelling and its garages, greenhouses and outbuildings, landlord's fixtures and fittings, tennis courts, swimming pools, terrace, patios, cess pits, septic tanks, drives, footpaths, walls, fences, hedges and gates, all on the same premises
- **the Contents of your Home** comprising household goods, valuables and personal effects and fixtures and fittings (not the landlord's) belonging to you or to members of your family and any other person permanently living with you excluding paying guests.

The sums insured you choose can be affected by inflation and therefore need to be kept up to date. We help you to do this by increasing sums insured automatically in line with the House Rebuilding Cost Index (for Buildings) and the Consumer Durables Index (for Contents). This inflation protection will not be fully effective if the sums insured you choose are too low at the outset. You should therefore review your sums insured periodically and make an appropriate adjustment if you improve your home or make new purchases or acquisitions.

When considering the sum insured for Buildings you should bear in mind that neither the price at which you could sell your house nor the Council Tax valuation band gives a reliable indication of the sum insured. The sum insured must reflect the full rebuilding cost, including the cost of debris removal, architects' and surveyors' fees and local authority requirements. The rebuilding cost varies from property to property and the chart on Page 2 is designed to be a general guide to help you to arrive at the correct figure.

For advice on choosing your sum insured on buildings – see pages 2 and 3

For advice on choosing your sum insured on contents – see page 4

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Choosing your Sum Insured – Buildings Insurance

Find out the external floor area of your home – both upstairs and downstairs. The best way is to go outside and measure the length and width of your home and multiply these figures together. If you cannot measure outside, measure inside and add the thickness of the walls. You can measure either in feet or metres.

Whilst an integral garage would be included in this calculation, if the garage is separate or built on the side of the house, an appropriate amount will need to be added to the rebuilding cost of the house. To take account of fences, gates, walls, patios, paths, drives and swimming pools, an appropriate amount should also be added to this figure.

You now know the ground floor area. For upstairs, you may be able simply to double the ground floor area. If the other floor area is a different size then calculate the upstairs area separately and add the figures together. For three storey houses, only 70% of the floor area of the third storey need be included. A third storey of a house does not mean the attic in a two storey house, unless the roof space has been converted into a third storey. Write the answer against A in the table on page 3.

Identify your type of home in the appropriate table and work along the line until you reach the right age bracket. Finally, according to whether your home is small, medium or large (based for three storey houses on the area of the first two floors) choose the appropriate figure per square foot or metre. Put this figure against B and complete the calculation.

These costings do not apply to all types of property - see Page 3												
JANUARY 2009 COSTINGS - £/m 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	1196	1281	1311	1146	1204	1236	949	1036	1067	947	943	1032
<i>Typical Area m²</i>	320	155	120	237	127	98	237	126	98	224	131	89
Semi-Detached House	1177	1205	1220	1240	1199	1205	904	956	1020	991	1020	1097
<i>Typical Area m²</i>	212	153	110	125	105	84	153	125	97	147	86	62
Detached Bungalow				1220	1141	1183	1028	1059	1106	1063	1070	1099
<i>Typical Area m²</i>				153	129	94	231	123	94	177	90	68
Semi-Detached Bungalow				1241	1205	1173	993	1019	1098	1028	1159	1218
<i>Typical Area m²</i>				126	109	76	126	109	76	88	53	47
Terraced House	1278	1270	1270	1240	1242	1240	903	979	1085	1043	1076	1073
<i>Typical Area m²</i>	151	123	95	123	95	78	151	120	84	84	72	60

Note: To convert square metres to square feet multiply by 10.7639

To convert square feet to metres multiply by 0.0929

Choosing your Sum Insured – Buildings Insurance

The sum insured is the amount of money for which your home is covered. It is the most Cornish Mutual will pay under any circumstances. You must calculate an adequate sum insured to avoid claim payments being reduced because of under insurance.

Regular checks should be made to ensure it remains correct. **It is your responsibility to get the sum insured right.**

The sum insured under a buildings policy must be the full rebuilding cost of the home. The market value of your home or the Council Tax band valuation have no direct relationship to the rebuilding cost of your home.

The chart on Page 2 is unsuitable for certain types of property including those listed below.

- Houses built of stone or materials other than brick
- Houses with more than three storeys, or basements and cellars
- Flats, because types of construction differ widely, as do responsibilities for shared parts
- Houses with special design features or of greater size than those described in the tables
- Houses containing hazardous materials e.g. asbestos, likely to require special precaution/treatment following damage or demolition
- Houses which are considered to be historic or are listed buildings, which will almost certainly have to be rebuilt to their original design using identical materials

For any of the above categories, seek professional advice: do not rely on these tables.

You can instruct a member of the Royal Institution of Chartered Surveyors to prepare a professional Rebuilding Cost Assessment for insurance purposes.

The rebuilding costs in the tables provide for an average home to be rebuilt to its existing standard using modern materials and techniques and in accordance with current Building Regulations and other statutory requirements.

Where it is necessary for your home to be rebuilt exactly in its original style to comply with local authority requirements, you must allow for the additional costs and a professional Rebuilding Cost Assessment is essential.

The rebuilding costs also include an allowance for full central heating costs (approximately £3,500), demolition and site clearance costs, architects and surveyor's fees, and one half of the cost of rebuilding party walls in both terraced and semi-detached houses. Figures in the tables are based on houses of an average quality finish and might need adjusting. If your house is of higher quality with, for example, a luxury kitchen and sanitary fittings, floor and wall finishes, or secondary or double glazing, your final figure may need to be increased by up to 25%.

Where a fire and/or intruder alarm system is fitted, replacement costs should be taken into account when calculating your sum insured.

For garages (other than integral), rebuilding costs range between £4,000 for a single pre-fabricated garage to £7,200 for a double pre-fabricated garage. Costs for a purpose built garage range between £10,000 for a single to £13,700 for a double built garage. Using the information as a guide, insert an appropriate figure against D.

Complete the calculation by estimating the cost of rebuilding outbuildings, walls and fences.

Total external area (Sq.m) = **A**
(Upstairs and down)

'Per Sq. Metre' = £ **B**

Rebuilding cost

Multiply A x B = £ **C**

Add for garage (see above) = £ **D**

Estimate the cost of rebuilding any outbuildings, walls and fences and any other items covered and put this figure against E = £ **E**

Now add C, D and E together = £

TOTAL = £

The figure is the approximate amount for which an **average quality** home should be insured.

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Choosing your Sum Insured – Contents Insurance

The sum to be insured which you choose is the maximum sum which we will pay in respect of loss of or damage to the Contents.

The sum you choose should represent the full cost of replacing all the Contents as new at current prices, with no allowance for depreciation and wear and tear except for clothing and household linen.

Index-linking. The sum insured on Contents is linked to the Consumer Durables section of the General Index of Retail Prices to allow for the effects of inflation. You should still check the sum insured from time to time, however, to ensure that it remains adequate, particularly when you make new purchases or acquisitions.

To help you choose your sum insured use the check list below. Take the replacement cost as new at today's prices, making a deduction for depreciation and wear and tear only on clothing and household linen.

Check List	Lounge	Dining Room	Kitchen	Conservatory	Landing, Loft	Hall, Stairs	Main Bedroom	2nd Bedroom	3rd Bedroom	Bathroom/ Toilet	Totals £
Carpets, rugs and floor coverings											
Furniture: tables, chairs, suites, cabinets, beds											
Soft furnishings: curtains and their fittings, cushions											
Television sets: videos, DVD players, Digital boxes, audio visual equipment											
Household appliances: cooker, microwave, fridge, freezer, washing machine, vacuum cleaner, electrical goods, heaters											
Cooking utensils and provisions: cutlery, china, glass, food, drink, fuel											
Valuables: gold and silver articles, jewellery, pictures, clocks, watches, cameras, ornaments, collections. N.B. Claim Payments for certain valuables (e.g. watches, jewellery, precious metals) are limited to 15% of the sum insured for Contents unless you arrange a higher percentage with us.											
Leisure items: sports equipment, cycles, books, CD's, computers, tapes, musical instruments, toys											
Garden and garage equipment: lawn mowers, spades, forks, hoes, shears, garden furniture, tools, ladders, paints											
Other items (except clothing and household linen)											
Clothing											
Household linen: bedding, towels, tablecloths and other table linen											
The Contents of your home should be insured for											

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