

Half of homeowners not confident that their home is fully insured

- Only a quarter of homeowners have reviewed the cost to rebuild their home in the last year.
- Almost two in five (38%) have not checked the cost to rebuild their home in over three years, cannot remember checking, or have never checked the cost to rebuild.

DUBLIN, 28th March 2024: As rising inflation and increased building and rebuilding costs continue to impact the cost of rebuilding a home, almost half (49%) of homeowners in Ireland said they would not be confident that their home would be fully insured if they made a claim today. This is according to a survey of over 1,000 homeowners, undertaken by Qualtrics for Zurich Insurance, which revealed that many homeowners are not confident that their insurance cover is in step with both rising inflation and increased building and rebuilding costs, leaving them at risk of potentially being underinsured.

A recent report from the Society of Chartered Surveyors Ireland (SCSI) revealed that house rebuilding costs have increased by an average of 12% nationally over the last 12 months on top of an average 21% increase in 2022. The overall cumulative impact in rebuild costs is 35.5% over two years. The survey carried out for Zurich found that despite the findings of the SCSI report;

- Only a quarter of respondents (25%) have reviewed the cost it would take to rebuild their home over the last 12 months;
- 22% of homeowners reviewed the cost to rebuild one year ago;
- Almost two in five (38%) have not checked this in over three years or cannot remember checking or have never checked the cost to rebuild. The SCSI attributed the yearly increase in rebuild costs to a continued shortage of labour and high demand for builders.

Siobhan Corbett, Chief Underwriting Officer at Zurich Insurance, commented on the findings; *“With our survey revealing that despite the rise in costs only a quarter of homeowners have reviewed the cost to rebuild in the last year, many homeowners may be at risk of a financial burden if an incident were to occur and they were underinsured, leaving them responsible for covering the balance of the cost themselves.”*

“Last year, Zurich Insurance wrote out to its customers to highlight the risk of underinsurance and we again are encouraging all homeowners to review and update their cover to make sure their home is covered for the right amount. To mitigate the risk of home underinsurance, we recommend homeowners regularly review and update their insurance policies to ensure they accurately reflect the current cost of the property

rebuild and its contents. Customers should be aware that if their home is underinsured, they may not receive the full amount if they make a claim, of any size.”

In last year’s research, only half (51%) of homeowners were correctly insuring their properties and over one third of homeowners (36%) were incorrectly insuring their properties by basing their calculation on their home’s market value rather than the home’s rebuild cost. While the number of homeowners not confident that their home is fully insured remains high at 49%, this is down from 66% in Zurich’s last survey undertaken in 2022, which indicates that homeowners are starting to take the necessary steps to ensure their homes are insured.

Zurich Insurance offers the following tips to homeowners on how to avoid being underinsured:

- “Each year, homeowners should review the amount for which they have insured their buildings and contents, especially in times of high inflation.”
- “Upgrades or additions to your home, including contents and personal possessions, may change the amount you need to insure your home for. Items such as a new sofa, laptop, television, or carpets may increase the cost to replace all contents as new. Installing a new kitchen, office, bathroom or fitted wardrobes may require a review of the cost to rebuild your home.”
- “To be totally confident that your home is fully insured, contact an independent surveyor, who will calculate the exact rebuild cost of your home. The Society of Chartered Surveyors Ireland (SCSI) provides both a House Rebuild Guide and a House Rebuild Calculator to assist you in insuring the buildings of your home. They also provide a link to find an expert should you determine your home is best assessed by a local Chartered Quantity Surveyor.”
- “Keeping your insurer informed of changes to your home, such as those listed above, will mean you are best protected in the event of a loss or damage.”
- “Homeowners should also look out for policies which include an ‘index clause’ which may increase the sums insured in line with an inflation index.” Zurich includes indexation as part of its policies.

For tips on how to avoid your home being underinsured and to watch our short explainer video, see here: [How to avoid home underinsurance](#).

ENDS

Notes to the Editor

<https://scsi.ie/house-rebuilding-costs-have-increased-by-an-average-of-12-nationally-over-the-last-12-months/>

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About Zurich in Ireland

Zurich is one of Ireland's leading insurance companies providing a wide range of general insurance and life insurance products and services. The company employs over 1,000 people across its locations in Dublin and Wexford.

Zurich in Ireland is part of Zurich Insurance Group (Zurich), is a leading multi-line insurer serving people and businesses in more than 200 countries and territories. Founded 150 years ago, Zurich is transforming insurance. In addition to providing insurance protection, Zurich is increasingly offering prevention services such as those that promote wellbeing and enhance climate resilience.

Reflecting its purpose to 'create a brighter future together,' Zurich aspires to be one of the most responsible and impactful businesses in the world. It is targeting net-zero emissions by 2050 and has the highest-possible ESG rating from MSCI.

In 2020, Zurich launched the Zurich Forest project to support reforestation and biodiversity restoration in Brazil. The Group has about 60,000 employees and is headquartered in Zurich, Switzerland.

Further information is available at www.zurich.com.

About the Research: This research was conducted by Qualtrics Research on behalf of Zurich Insurance with a nationally representative online panel of 1,050 homeowners in the Republic of Ireland aged between 18 and 65 years old. Fieldwork was conducted in November and December 2023 and also in June and July 2022.