

# HOW MUCH INSURANCE DO YOU REALLY NEED?



**UNDER-  
INSURANCE  
- MIND  
THE GAP!**



## Assets protection special

Dear Reader,

Welcome to the Q4 edition of Care Quarterly. With the end of year fast approaching, we thought it was a good time to take stock of your insurance requirements. By helping you decide whether you've got too much or too little in place, you can rest easy knowing that your family, assets and business are adequately covered, at the right price.

In other news, the idea of 'giving something back' to our clients has always been close to our hearts. We are therefore delighted to introduce our partnership with The Safari Collection and hope you enjoy reading about a special offer we have negotiated exclusively for clients of JW Seagon!

p.s. Don't forget about our client prize draw – details on the back page!

For more information, email [sales@jwseagon.com](mailto:sales@jwseagon.com)

Welcome to CARE QUARTERLY. We hope the issues we publish have been informative & entertaining. We value your feedback, do send us your comments through our contacts on the back.

CQ EDITORIAL TEAM

# HOW MUCH INSURANCE DO YOU REALLY NEED?

We've all heard the terms 'under-insured' and 'over-insured' but in reality, what do they really mean?

Having too much insurance in place means you are paying over the odds for your cover – quite simply, it's an unnecessary expense that could be better spent elsewhere.

Under-insurance however is far more problematic as it leaves the policyholder vulnerable to being paid out less than they might have expected in the event of a claim. You can be under-insured by either a) placing too low a value on the assets you are covering – which leaves you with a potential shortfall or b) failing to have any insurance in place – which leaves your assets uninsured with no cover at all.

## UNDERINSURANCE – MIND THE GAP!

The following examples highlight the potential headaches, hassle and expense of underinsurance – it's an area that shouldn't be ignored or left for another day.

### Case study 1 – homeowner

Mr X bought a new house in Kenya and was given a rebuilding cost of \$200,000 by a professional valuer. As Mr X had already incurred large costs on the purchase of the property, he decided to save money and only insure the property for \$100,000.

Unfortunately, his new house was completely gutted by fire just a few weeks later. Mr X's insurer paid a full payout based on the \$100,000 – leaving him with a significant \$100,000 shortfall. Ultimately, the cost to rebuild was beyond Mr X's means and he subsequently sold the land and duly down-sized his property.

The following graphic shows the full range of international insurance offered by JW Seagon and is a sensible starting point to see that you've got all bases covered.



## HANDY HINTS

### When it comes to home insurance:

- If a professional valuation has been carried out, take notice of that valuation, and remember it is the rebuild value not market value that is important
- If you do not have a professional valuation and do not want the expense of one, perhaps you know a friendly contractor who could help!
- Most policies will be written on a 'reinstatement' basis, otherwise known as 'new for old' - so it's vital that everything you value is at a cost to replace as new
- For businesses, when calculating plant and machinery values, never use your written down values in your accounts, check the costs to replace as new
- For home owners, you will need to go from room to room and estimate the value of everything...sofas, TV's, curtains, rugs, clothing...everything you own. It is a laborious task, but there are a whole host of handy websites and apps available which help you to get the right amount of cover in place

### And here are some general pointers:

- All insurances have their own ins and outs, it's worth taking the time to understand the key benefits and exclusions of each
- Talk to us. With over 21 years' experience in the insurance sector, we understand the details better than most and have strong links with reputable global providers such as Hiscox, Bupa and Allianz.

### Case study 2 – business owner

Company X based in Tanzania was badly hit by a storm and flood, where part of their roof was blown off and the ceilings were badly damaged by the water ingress. Their contractor advised that the repairs to the building would be in the region of \$25,000, but it transpired that Company X was underinsured by 50% due to a cost-cutting exercise a few months earlier. Ultimately, Company X needed to find the additional \$12,500 themselves to carry out the urgent repair work.

Both these case studies are basic (but very common) examples of underinsurance. They also highlight the condition of 'average' under all property insurance policies which simply means that the consumer assumes the risk for any shortfall between the claim paid out and the true value of the asset.



# ENVIRONMENTALLY FRIENDLY

**A**t JW Seagon we pride ourselves on offering the best advice to our clients at all times. Not only that, we understand the importance of trust in a broker/client relationship and that's why we've made it our mission to always act in a responsible and ethical manner.

But you don't need to just take our word for it; we believe our actions speak louder. Throughout 2015, we have been donating a percentage of all income earned on our Safari Plan (a range of insurance products designed exclusively for the travel and tourism sector in Africa) to our nominated charities shown below.

**We are also pleased to announce that since 2012 we have donated over Kshs.4,500,000 to Amref.**



**THE SAFARI COLLECTION**  
exceptional experiences in east africa

From time to time, we arrange special offers exclusively for our clients. In this issue, we are very excited about our partnership with The Safari Collection and hope our clients can take advantage of the great offer we have secured with them.

**Exclusively for all JW Seagon Clients - receive 35% off at 3 of The Safari Collection's portfolio of properties - Sala's Camp, Sasaab and Solio lodge.**

To read more about The Safari Collection please visit [www.thesafaricollection.com](http://www.thesafaricollection.com)

This offer is for Kenya residents, includes full board accommodation, house wine, house beers, house spirits, soft drinks, game drives, selected activities and airport transfers, is subject to availability, non-transferable and applies to new bookings only. It cannot be combined with any other special offers or reduced rates.

Proof of being a client of JW Seagon is required.

Valid for travel completed before 15th December 2016.



**Competition time!**

We are currently looking at JW Seagon branded giveaways for 2016 and we need your ideas. Simply email [david@jwseagon.com](mailto:david@jwseagon.com) with what giveaway you would love to receive and why. All replies will be entered into a prize draw to receive **Kshs 20,000** in shopping vouchers.