Insurance protection - a vital, helping hand

Flooding, bushfires and a string of damaging cyclones have put home and contents insurance back in the spotlight.

Our homes are usually our most valuable asset, one that often comes with a significant debt. That makes home and contents insurance an essential part of any wealth creation plan.

Underinsurance - beware:

Among those families who do have cover, underinsurance is rife. It's estimated that around 70% of Australian homes who do have home and contents insurance could be underinsured. Many of the victims of Victoria’s 2009 Black Saturday bushfires for instance, could not afford to rebuild because they did not have enough insurance. That makes it important to know just what you're covered for - and whether your cover is adequate.

The amount of cover will also vary. The Insurance Council of Australia identifies three main types of policies. A fixed sum-insured policy lets the policy holder nominate their home’s insured value. Other policies adopt a ‘sum insured plus margin’ approach where the policy provides cover for a fixed amount plus an extra 10% to 25% to reflect increased rebuilding costs.

A third type of policy - ‘total replacement cost’, automatically covers home owners for the cost of rebuilding their home, however, these require very specific descriptions of the property.

Coverage differs - check yours is right for you:

Under a ‘new for old’ policy your insurer will provide a new, exact replacement, or something as close to it as possible. A residual value means you will only receive a payout equal to an item’s depreciated value - so your television could be worth as little as $100 if it was a few years old.

Westpac Home and Contents insurance

At Westpac we can help you make sure your insurance cover is giving you the protection you need. Westpac provides a number of insurance options, all of which can be tailored to your current situation.


Understanding how much cover you have in place now could save a lot of heartache if you need to make a claim further down the track.