

<Insert Customer Name>  
<Insert Customer Address>  
<Insert Customer Address>  
<Insert Customer Address>



<Insert Date>

Your Home Insurance Policy Number: <Insert policy number>  
Your Home Insurance Risk Address: <Insert risk address>  
Your Home Insurance Broker: <Insert broker name>

Dear <Insert Customer Name>,

At Aviva we know that insuring your home is important; it's a way to protect perhaps the most valuable investment you will ever make. As your home evolves and changes over time, so too should your insurance cover. With rising inflation and the cost of building increasing in recent years, as well as many deciding to renovate or extend their homes, it's never been more important to get it right.

Research by the Central Bank of Ireland has found that one in six Irish homes don't have sufficient insurance cover<sup>1</sup>. Under-insurance occurs when your home is insured for less than its re-build cost. Under-insuring a home can be a costly error. In the event of a claim, you may not be fully protected and may not receive the full amount necessary to rebuild, repair or replace your home.

If you are under-insured and you make a claim, you run the risk of only a portion of your claim being paid out. For the majority of policies an 'average' condition will apply which in the event of under-insurance will reduce your claim payment by the percentage you are under-insured. Here are some examples of how under-insurance could affect a claim payment.

### Partial Damage Example

- The home is insured for €300,000 but the full cost to rebuild the property is €400,000.
- This means that the home is under-insured by €100,000 (25%).
- Damage occurs to the home and the cost to repair the damage is €100,000.
- Where the condition of average applies a deduction of 25% (€25,000) is made from the cost of repairs.
- Therefore, the most the policyholder will receive is a payment of €75,000.

### Total Loss Example

- The home is insured for €300,000 but the full cost to rebuild the property is €400,000.
- This means that the home is under-insured by €100,000 (25%).
- Damage occurs to the home where it requires a complete rebuild.
- As the home has been insured for €300,000 this is the maximum payment that can be made. The outcome is the same when the condition of average applies.

In both of the above scenarios the payment made to the policyholder is not sufficient to fully repair the damage caused.

Note: The above examples do not include other settlement factors, such as excess.

Directors: M Shaw (Chairman) (Canadian), D O'Rourke (Chief Executive Officer), L Caslin (British), S McCarthy, S O'Brien, A O'Riordan, T O'Rourke, J Poole (British), A Winslow (British).  
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With re-build costs increasing by up to 40% in some areas in recent years it's important to get it right. Indexation i.e. increasing your sums insured in line with inflationary indices, does not currently apply to your policy so it's important that you reassess the accuracy of your sums insured as rebuild prices increase.

We want to ensure that our customers have the right cover in place and would encourage you to take the opportunity to review your sums insured and consider whether they are sufficient.

Your policy details are as follows:

- Buildings Sum Insured € <insert Sum>
- Contents Sum Insured € <insert Sum>

If you would like to review your home insurance policy in its entirety you will find further information in your policy documents.

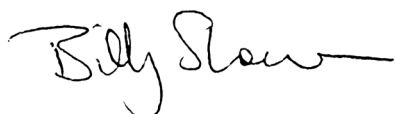
The SCSI's House Rebuild Calculator available at [scsi.ie](https://scsi.ie) can help you calculate the current rebuild cost of your home.

If you find your home is under-insured you can update your policy by contacting your insurance broker, <insert broker name> Please note that increasing your sums insured may increase your overall insurance costs.

For your information we have enclosed some Frequently Asked Questions on the topic of under-insurance.

If you have an open claim with Aviva and are concerned about how under-insurance could impact you, please don't hesitate to contact your claims handler who will be able to provide advice.

Thank you for your valued custom.



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**Billy Shannon**  
**MD Personal Lines**