



Protecting your purchase

When it comes to buying your new home, the insurance is just as important as the home itself.

There are a number of types of insurance you'll need to consider: building or home insurance, contents insurance and mortgage protection insurance to name a few.

Building or home insurance Depending on the type of loan you've taken out, it may be compulsory for you to take out building or home insurance to safeguard the lender's interest in the property. Even if this is not mandatory, it is strongly advisable.

Building or home insurance covers you for damages to your property or its fixtures. Depending on your level of cover, you may be able to protect yourself for anything from fire and storm damage to burglary.

Essentially, home insurance covers the cost of restoring your property to its present condition if it is damaged. Make sure you read and understand the policy as insurance cover can vary from issuer to issuer. Also, don't underestimate insurance costs, as you may end up out of pocket should disaster strike.

Contents insurance

Contents insurance protects you in the case of loss or damage to your personal belongings and items in your home, such as

whitegoods, clothing and furniture. While you may already have contents insurance, it's a good idea to update it after a move into a new property – especially if you've decked out your new house with brand new furniture and appliances.

You'll usually have a choice between two types of contents insurance: a policy that replaces the old goods with new ones or you can opt for an indemnity policy, under which you'll receive the depreciated value of what was damaged.

Mortgage protection insurance

Mortgage protection, while not mandatory for borrowers, can be an effective tool to help cover your mortgage should you find yourself unemployed, unable to work through injury or are diagnosed with a serious illness. Typically mortgage protection insurance covers the cost of your mortgage for the period of the claim, providing you time to re-enter the workforce or focus on regaining your health.

Speak with your broker if you'd like more information on any of these types of insurance – in many cases they can help arrange a policy for you.

Tips to finding the right insurance

Take time to shop around:

Compare the price of each policy with the cover offered – don't go for a cheap deal with very little cover or pay top money for cover you don't really need.

Engage specialists: Speak with your broker for options on the insurances related to your new property purchase – they'll be able to arrange the policies for you or alternatively refer you to a specialist.

Keep documents secure:

Remember to keep copies of your insurance policies, receipts and photographs away from the house, as they won't be much help to you if they are damaged. Leave a set at your parents or a friend's house, for example.