

Insurers plan higher 'excess' claim charges

□ IN her report (August 23), Caroline O'Doherty referred to the policy "excess" applied by household insurers. This is the amount of every claim the householder has to pay in relation to a claim. Your reporter's survey indicated that this amount varied significantly with different insurance companies and quite correctly suggested the householder should shop around.

However, of more significance is the way certain insurers apply this "excess". For instance, one Irish-based company applies a €1,270 excess for escape of water claims leading to "subsidence". It takes the view that these claims should be dealt with under the subsidence peril ("excess", €1,270) as opposed to an escape of water ("excess", €100).

However, subsidence as understood by an insurance policy is a British phenomenon and we do not have it here. Nevertheless, this particular insurer takes an arbitrary stance and instead of paying circa €100, the policyholder pays €1,270.

Now there is a move on by insurers to apply higher "excesses" and one insurer plans to apply a €10,000 "excess" for these type of claims which in essence means the householder will be prohibited from carrying out any underpinning or remedial work.

Other insurers are considering excluding this type of cover altogether — so householders should seek advice from an independent broker and, if they have a claim, engage an independent, regulated loss assessor.

Alan FitzGerald, FCII, FCILA

Property Assess
16 South Mall
Cork

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