

CONTENTS INSURANCE

Protect the things you value in your home

What is Contents Insurance?

Contents insurance covers your personal belongings inside your home. If things like your furniture, electronics or clothes get damaged, stolen or destroyed, this insurance helps pay to replace them.

If you're renting your home, you may want to consider renters insurance for your personal belongings. It helps to cover the cost if your belongings are damaged or destroyed, providing you with peace of mind that you'll be covered when something unexpected happens.

Choosing the right Contents Insurance

1. Make a list of your belongings and how much they would cost to replace to work out how much coverage you'll need.
2. Look at different insurance providers and compare their coverage options, limits and premiums.
3. Check for exclusions to help you understand what is not covered by the policy. For example, if you are running a business from your home and your business items get damaged or stolen, this might not be covered by contents insurance.
4. Decide if you want coverage for the full cost to replace items or their current value after depreciation.
5. Check reviews and ratings to find a reliable insurance provider.
6. Ask about discounts for things like bundling your insurance.

Common terms you may come across

- ★ **Product disclosure statement (PDS):** A document provided by your insurer to explain what the insurance covers, what it doesn't cover, and any special conditions you need to know about. It is best to read this on a laptop or computer screen rather than on a phone, or you can ask your insurer to post it to you.
- ★ **Policy:** The agreement between yourself or business and insurance providers.
- ★ **Premium:** The amount of money you pay to an insurance provider for coverage.
- ★ **Exclusions:** What is not covered by your insurance.
- ★ **Cover Limits:** The maximum amount an insurer will pay for a covered claim.
- ★ **Excess:** The amount of the insurance claim that you must pay. This amount is on your insurance policy. Usually, a higher excess will mean you pay a lower premium.
- ★ **Depreciation:** How much value a belonging decreases due to time, wear and tear or both.
- ★ **'New for Old' and/or replacement value:** It covers the full cost of replacing your belongings with new ones, which often cost more.

Smart Tip:

Keep a list of your belongings, take photos and keep receipts. This helps when you need to make a claim and ensures you get the right coverage for your belongings.



With contents insurance

Meet Ruby

Scenario: While Ruby was away on a holiday, her home that she rents was broken into and her laptop and some jewellery were stolen. Luckily, Ruby has contents insurance to protect her when situations like this happen.



1. Ruby reports the break-in to the police and gets a report.
2. Ruby calls her insurance provider to report the break in.
3. She provides the insurance company with the police report and a list of the stolen items with their estimated value.
4. The insurance company reviews Ruby's claim.
5. The insurance company has approved Ruby's claim and can reimburse her the money for replacing her laptop and jewellery minus the agreed excess amount.

This situation taught Ruby the importance of reliable contents insurance that covers unexpected events like theft. Having the protection allowed her to replace her belongings without causing great financial strain.

Without contents insurance

Meet Jess

Scenario: One day Jess came home and noticed her home had been broken into. Her laptop and jewellery were stolen. Unfortunately, Jess doesn't have contents insurance to protect her belongings in case something like this happens.



1. Jess calls the police to report the break-in and theft of her laptop and jewellery.
2. Jess had to figure out the total cost of her stolen items. She realised it would cost around \$3000 to replace her laptop and jewellery.
3. Without insurance, Jess must use her savings to replace the stolen items, which causes financial strain.
4. Jess works out that she doesn't have enough money in her savings to replace the items and will need to keep saving for a few months before she can replace her laptop and jewellery.

This situation taught Jess the value of reliable contents insurance in providing financial protection and peace of mind for unexpected events like break-ins and theft.

For more information, visit moneysmart.gov.au/home-insurance/contents-insurance

The information in this Fact Sheet is intended to provide general information and guidance and you should obtain your own professional advice before following any of the information provided.