



The Cambridge Catch-up

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Welcome to our first edition of the Cambridge Catch-up

The Cambridge Catch-up is our quarterly newsletter to all our valued clients and friends.

Cambridge Insurance Brokers Pty Ltd is a proudly WA owned company and next year we celebrate our 10 year anniversary. We wouldn't be here today without your loyal support and the main purpose of this newsletter is to ensure we are always keeping in touch.

We pride ourselves on not only providing you with professional service and expertise, but also keeping you up to date with insurance developments and areas that could impact on your business.

Each edition of the Cambridge Catch-up will feature an article on an insurance related area and in this edition we look at the effects of under insurance and the importance of ensuring your sums insured are adequate.

Once again, welcome to our first edition and we appreciate any feedback you may have.

SPECIAL OFFER

Are you happy / satisfied with the service you receive from us? If so, please refer a friend and/or business associate to us and if that referral results in a successful transaction, we will feature an article about your business in our next newsletter.

This newsletter goes out to over 1,400 clients so that is a lot of free advertising for your business!

Introducing the team at Cambridge:





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CHRISTMAS BREAK

Please be advised that our office will be closed from Friday 25 December 2009 and will reopen on Monday 4 January 2010.

We would like to take this opportunity to wish your family, friends and staff and very Merry Christmas and a safe and prosperous New Year.

IN THE NEXT EDITION:

- Workers Compensation – Cover for contractors and subcontractors
- Business Interruption and how to get it right.
- Special “New Year” offer

Thank you to our valued clients for your continual support.

THE EFFECTS OF UNDER INSURANCE

Many businesses do not consider worst case scenarios and wrongly think “it will never happen to my business”.

However by taking this approach, you are risking extreme financial adversity because you could be under insured. And generally it is only when a major event occurs that the true extent of under insurance is evident.

If you are under insured* an “Average” or Co-Insurance provision applies and you will be required to bear a proportion of any claim yourself.

Example:

Total value = \$200,000
80% of value = \$160,000
Sum Insured = \$144,000

If a \$100,000 loss occurs, the Insurer will pay $(\$144,000 / \$160,000) \times \$100,000 = \$90,000$. The Insurer would pay \$90,000**

Insufficient cover can emerge over time so even if you correctly estimate the cover initially and index the sum insured each year, it could still be well below the actual rise in building costs.

Remember to insure your property for its replacement value and not for the purchase amount.

Please contact your Account Manager if you would like further information on under insurance or to discuss your current sums insured.

** Generally by more than 80% of the full insurable value of property.*

*** Example only and calculations could vary depending on the type of policy and Insurer.*

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