



HOW TO ENCOURAGE CORRECT VALUATIONS FOR INSURANCE

To help the customer, suggest they start with their five most valuable items. This will help them to break it down in their own mind so it is not such a huge undertaking. They will then be a lot more confident in calculating a value for these and then their other items. Remember the insurance we arrange on your behalf that you offer to your customers is on a replacement as new (with the exception of clothing and household linen) basis i.e. new for old, so customers will also need to factor in the cost to replace their old items with new items.

Unfortunately it is a fact of life that once customers are wise to the fact that the higher they value their belongings the more they will have to pay to insure them, the temptation is there to under-insure.

As well as explaining the pitfalls of 'average' other tips to prevent this happening are:

- (i) Asking the customer for the value of their belongings at the start of the sales process i.e. at the time of discussing the amount of storage space required. When you move on to the subject of insurance you will already have the true value of their belongings rather than the customer deciding on the value according to how much they want the insurance to cost them!

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- (ii) Incorporate a sliding price scale so that higher value customers pay a lower cost per £1,000 - doubtless you do this already on the rental charge according to the amount of storage space, so the customer should see the same economies of scale in the insurance offering
- (iii) Do not include a minimum level of insurance in your pricing - whilst there is an argument that if the minimum is set at the right level it ensures most customers have adequate insurance, the fact remains the majority of customers will simply proceed with the minimum level as the default option in order to save money. Customers could blame you in the event of being under-insured as you guided them in that direction in the first place by setting a minimum level. For the same reasons you should resist the temptation to suggest average insurance values to your customers based on the size of storage space that they require

Insurance policies can only ever provide compensation for an item based on its monetary value. Many of your customers' belongings will have huge sentimental value to them but this has no bearing on any insurance claim. An obvious example may be old photographs of relatives which have significant importance to your customer as they are the only photos they may have of a certain family member. Unfortunately, they have very little intrinsic monetary value and it will be on this basis that any insurance claim is assessed.

Finally, remind your customers to keep re-visiting the value of their belongings in store as it remains their responsibility to let you know if the value has changed – have they put extra items in to store or replaced items with more expensive items? Even with the rate of inflation being low for long term customers, is the value they gave you when they moved in to store five years ago still adequate if they needed to make a claim tomorrow especially on a new for old basis?

Applying these basic but important measures will not only help your client insure for the correct value, but in the event of a claim, reduce confusion and disappointment that can affect your brand.

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