LET’S INSURE OUR HOME

Consumer Guide
Natural disasters can happen anytime, anywhere, their consequences are often unexpected and they can affect any of us. That’s why it’s important to protect your assets as well as your health and life.

In August, Slovenia was hit by one of the worst disasters in its history, with many people suffering material and emotional damage as a result of the heavy rains. The consequences of disasters can have a profound impact on our lives, especially when they take away our homes and livelihoods. Home is not just about a house or an apartment. It is the place we make for ourselves to live. A place where we are at home, where we give our heart and soul, and to which we are attached.

With the damage caused by the recent rains, it turned out that many homes were not adequately insured or not insured at all. Some were left without everything. It is therefore important to consider adequate home insurance with an insurance company.

In order to raise consumer awareness, the Insurance Supervisory Agency (ISA) provides in this brochure some explanations on home insurance and guidance on what to do in the event of an accident. It also publishes answers to frequently asked questions on its website.
INSURE IN TIME WHAT WE CANNOT REPLACE

When we buy a new car, we don’t think too much about whether we should get it insured, we just get it insured, even though we can live without or even replace our car. Why do we think differently when it comes to insuring our home?

The key question of whether to insure your home is to consider what your life would be like if you were to suddenly lose your home. Can we replace it? If you can’t live without certain assets, or if they would turn your life upside down, it makes sense to insure them with one of the insurance companies. When you choose to insure your assets with an insurance company, it is important to choose the right insurance coverage level. We need to keep in mind disasters and especially those risks that can completely destroy our home: earthquake, flood, landslide, storm, fire.

CHECK THE ADEQUACY OF THE INSURANCE

First, check whether you already have insurance for your home, otherwise check the offer from insurers and buy the appropriate insurance.

Check your existing insurance and find out what is and isn’t covered. If necessary, change your existing insurance.

Make sure you understand your insurance, in particular the coverages and any exclusions or limitations, as well as any delays in the start of cover for specific risks or deductions (e.g. underinsurance, deductibles, waiting period, etc.)

Make sure you get help with your insurance from insurance agents, insurance brokers or insurance company staff. They will help you take out or change your insurance, answer any questions you may have, and give you advice and a written recommendation if you request it.
Buying insurance online / Consumer Guide

BE AWARE THAT...

... most home insurance policies do not automatically cover all the damage caused by various natural disasters, so the risks of some natural disasters need to be covered in addition.

... zavarovanje pred nevarnostjo, npr. izliva vode ali strojeloma (okvare hišnih) insurance against risks such as water leakage or machine breakdown (breakdown of household appliances) does not cover destruction of or damage to property or household appliances caused by a natural disaster.

... home insurance does not cover damage to your damaged vehicle or its removal, this is covered by the relevant insurance cover for your vehicle.

WHEN WE BUY OR CHANGE HOME INSURANCE

1. Together with your insurance agent or broker, find out what your needs and requirements are and choose the insurance covers that are right for you.

2. Take the time to ask your insurance agent or broker anything you are interested in, especially if you don’t understand the insurance coverages, using concrete examples to explain them to you.

3. Be careful whether you take out insurance on the new value or the actual value and, above all, to avoid underinsurance, set a sufficiently high insurance cover for your home.

4. Pay attention to the start of the insurance cover and any waiting period or postponement of the start of the insurance cover for each risk.

5. Pay attention to whether you have covered risks that could completely destroy your home, such as earthquakes, floods, windstorms, landslides, fire.

6. Check the offers of several insurance companies or find an insurance agent or broker to help you.

7. Before signing the insurance contract, please read the General Insurance Terms and Conditions carefully.
**KEY CONCEPTS**

**SUM INSURED** - Means the maximum amount up to which the insurer guarantees in the event of an insured event (claim) and is specified in the insurance policy.

**INSURANCE COMPENSATION** - The amount paid by the insurer to the insured (the injured party) when a loss or damage occurs. This amount is not necessarily the same as the sum insured.

**UNDERINSURANCE** - The sum insured is less than the actual value of the insured home. In the event of a damage, the insurance compensation will therefore be proportionately lower than the actual damage.

**OVERINSURANCE** - The sum insured is higher than the actual value of the insured home. Due to the principle of non-enrichment, the insurer will only reimburse the actual loss, despite the higher sum insured.

**‘REAL VALUE’ INSURANCE** - The insurance company pays the insurance compensation taking into account obsolescence or depreciation of the insured item or the residual value of the insured item. If the real or actual value of the insured item is higher than the insurance amount, there is underinsurance, and if it is lower, there is overinsurance.

**‘NEW VALUE’ INSURANCE** - The insurance company pays an insurance compensation equal to the new value of the same/comparable insured item, which means it does not take depreciation into account when calculating the damage. This type of insurance can also involve underinsurance and overinsurance.

**‘FIRST RISK’ INSURANCE** - The insurance company pays the sum insured agreed in the policy for specific risk and regardless of the insured value of the property, which excludes underinsurance and overinsurance. The insurer will then reimburse the insured property up to the amount of the agreed sum insured for specific risk.

**DEDUCTABLES** – Contractually determined amount, which the insurance company deducts from the payment in any case when settling the claim (participation of the insured in the claim).

**WAITING PERIOD** - Period of time set forth in a policy which must pass before some or all coverages begin.

An **INSURANCE AGENT** is a person, who acts in the name and on behalf of usually one or more insurance companies. On behalf of the insurance company, they inform the consumer, advise him, perform activities related to the preparation for the conclusion of an insurance contract, conclude an insurance contract, inform the consumer during the insurance period, assist the consumer in exercising their rights under the insurance contract, in particular in the event of a claim, or in the event of amendments to or termination of the insurance contract.

An **INSURANCE BROKER** is a person who mediates in the conclusion of a contract between a client and an insurance company and does not conclude an insurance contract. They act in their own name and on its own account, and in the interests of the client and the insurance company by seeking the best insurance offer on the market for the client, taking into account the client’s needs and wishes, and by drawing the client’s attention to any shortcomings in particular offers.

An explanation of insurance terms is available on the website of the Slovenian Insurance Association, which publishes a comprehensive **Glossary of Insurance Terms**.
WHEN A NATURAL DISASTER STRIKES

Get out of your home and to safety as quickly as possible.

Check online for possible notices and guidance from government authorities and insurance companies on what to do in the event of a natural disaster, how to report damage and how to protect your health and property.

Only return home when it is safe to do so and make emergency temporary repairs to protect your property. Save all receipts.

If an accident has destroyed your insurance policy, you can get all the information about your insurance from your insurer.

Contact your insurance agent or broker or insurance company to report the damage or make a claim.

Resolving and liquidating your claim at the insurance company will be easier and faster if you strictly follow the instructions of your insurance company. Above all, take accurate photographs of the condition of the real estate and property after the disaster, even though you may have already started the recovery and clean-up. List the destroyed and damaged possessions (including quantities, values, size of premises, etc.) in as much detail as possible and save and keep an inventory of invoices and estimates for restoration. The more detailed the inventory and the more photographs there are, the easier it is to assess the extent of the damage and the easier and faster it is to resolve and close the damage.

Before throwing away damaged items or having them repaired, consult your agent or broker or your insurance company. Insurance companies want to inspect and assess the damage.

If you need another place to stay, keep a record of expenses and keep receipts. You may be eligible for reimbursement for additional living expenses.

Insist on a written estimate of the costs before starting repairs and don’t sign repair contracts until the insurance company’s appraiser has assessed the damage. In some cases, the appraiser will want to see an estimate of the contractor’s costs.

Be present when the insurance company’s appraiser inspects your property, and your contractor should also inspect the valuation. If the contractor discovers hidden damage that was not listed in the original assessment by the appraiser, please inform your insurance company.

I AM GLAD MY INSURANCE AGENT PERSUADED ME TO GET FLOOD INSURANCE AND KEEP ALL MY IMPORTANT DOCUMENTS TOGETHER.
IF YOU DISAGREE WITH THE ASSESSMENT AND COMPENSATION

The Insurance Supervision Agency does not have the authority to resolve disputes arising from insurance contracts. Please address your complaint to the insurance company’s board of appeal. Each insurer has an out-of-court dispute resolution procedure and publicly available complaints procedure rules. If you disagree with the decision of the insurance company’s board of appeal, you can address your complaint to:

- **Mediation Center** of the Slovenian Insurance Association GIZ, Železna cesta 14, 1000 Ljubljana, regarding insurance and compensation relationships based on insurance contracts
- **The guardian of good business practices** in the insurance industry regarding non-compliance with good business practices and basic standards of the insurance profession

If you believe that there has been a misrepresentation or unfair business practices, the **Market Inspectorate of the Republic of Slovenia** is responsible for this.

If you are unsuccessful or dissatisfied with the out-of-court settlement, you have the option of seeking judicial redress, which you can also use directly as a first option. Courts have jurisdiction over disputes arising out of property and other civil law relationships between natural and legal persons. According to the Insurance Act, the Insurance Supervision Agency is not competent to resolve disputes arising from insurance contracts. For any legal advice or assistance or in the event of any disputes within the jurisdiction of the courts, you will be advised by a lawyer.

ROLE OF THE INSURANCE SUPERVISION AGENCY

**The Insurance Supervision Agency** is a supervisory institution that supervises insurance companies, pension companies, insurance agents and insurance brokers and ensures that they operate legally and in accordance with risk management rules. Its role is to protect the interests of policyholders, insured persons and beneficiaries of insurance contracts.

The Insurance Supervision Agency is not an appeal body, so it does not decide or advise consumers on specific concluded insurances and is not competent to resolve disputes between the consumer and the insurance company in relation to an individual insurance contract.
Insurance Supervision Agency
Trg republike 3, 1000 Ljubljana
Phone: + 386 (1) 2528 600
Fax: + 386 (1) 2528 630
E-mail: agencija@a-zn.si