



Underinsurance

How Brokers Can Mitigate Underinsurance Risk



EXPERIENCE
EFFORTLESS
UNDERWRITING



Contents

- 1 How Brokers Can Mitigate Against Underinsurance
- 2 Problems You Could Encounter with Underinsurance
- 3 How Iprism Helps Reduce Underinsurance Risk
- 4 Key Broker Takeaway



What is covered:

Explore how underinsurance occurs, the risks it creates, and the practical steps brokers can take to identify, prevent, and manage exposure - plus how Iprism helps protect your clients and outcomes.

Learning Objectives:



By the end of this webinar, delegates should be able to:

- Identify the key signs of underinsurance in property and contents risks.
- Determine how underinsurance can reduce claim payments.
- Apply simple checks and reviews to help keep client values accurate.
- Outline how Iprism safeguards support brokers in reducing underinsurance risk.

How Brokers Can Mitigate Against Underinsurance



Desktop surveys

- Use desktop-based assessments to identify:
 - Property size and complexity
 - Extensions, basements, and outbuildings
 - Construction type and location risks
- A useful first step where a full site visit is not immediately required



Inventories and Physical Surveys

- Carry out or recommend:
 - Detailed contents inventories
 - Walk-through surveys for high-value homes
- Ensures high-value items, bespoke finishes, and lifestyle assets are accurately captured



Online & Visual Checks

- Utilise publicly available imagery and mapping tools to:
 - Validate property footprint and layout
 - Identify undeclared features or alterations
- Supports validation of declared information and highlights potential gaps

How Brokers Can Mitigate Against Underinsurance



Professional Valuations

- Essential for HNW risks, particularly for appreciating or volatile assets:
 - Watches & Jewellery
 - Art, Antiques & Collectables
- Regular specialist valuations help ensure:
 - Accurate sums insured
 - Like-for-like replacement at claims stage
 - Reduced dispute and delay



Client Education

- Clearly explain the client's responsibility to:
 - Declare accurate and up-to-date values
 - Notify changes such as acquisitions, renovations, or lifestyle changes
- Help clients understand that being insured does not automatically mean being fully protected



Ongoing Reviews

- Schedule regular reviews to capture:
 - Market value changes
 - Asset appreciation
 - Renovations and improvements
- Particularly important in periods of inflation or construction cost volatility

Problems You Could Encounter with Underinsurance



Application of the average clause:

- If a property or asset is underinsured, the Average Clause may apply
- This means claims payments may be reduced proportionally, even for partial losses



Example:

If a property is insured for 80% of its true value, only 80% of a valid claim may be paid!



How Iprism Helps Reduce Underinsurance Risk



Insure to the Declared Value

- Provides an additional buffer against:
 - Inflation
 - Valuation drift
 - Unintentional underinsurance



Visual Checks on Every Risk

- Iprism carries out visual checks across all risks
- Supports validation of declared information and early identification of discrepancies



Index Linking

- Automatically adjusts sums insured in line with inflation
- Helps protect values between review and valuation cycles

Key Broker Takeaway



Underinsurance is rarely intentional – it is usually the result of change over time.

Through proactive assessment, regular reviews, and the safeguards built into Iprism, brokers can significantly reduce the risk for underinsurance and improve claim outcomes for their clients.

Our Learning Objectives from the Beginning:

- Identify the key signs of underinsurance in property and contents risks.
- Determine how underinsurance can reduce claim payments.
- Apply simple checks and reviews to help keep client values accurate.
- Outline how Iprism safeguards support brokers in reducing underinsurance risk.

Thank you

Any questions?



iprism 

0207 553 0800
info@iprism.co.uk
www.iprism.co.uk

EXPERIENCE
EFFORTLESS
UNDERWRITING

EXPERIENCE
EFFORTLESS
UNDERWRITING

iprism 