



A Guide to Contents Insurance for Strata Properties

A common misconception of living in a unit or apartment complex is the assumption that Strata Insurance will also provide cover for the contents within each unit. Unfortunately, many people are caught out, because this is not the case.

Living in what insurers call a “strata title unit”, doesn’t remove the need for property owners to protect themselves from loss and / or damage to their possessions. If you live in a Strata property, Contents Insurance is a must.

Whilst Strata Insurance will cover the building, common property and legal liability in the common areas of your strata title property, it does not cover the contents of your property or liability within your property.

A separate Contents Insurance policy is required to protect your belongings, but there are many things to consider when finding a policy that is right for you.

1. Don’t fall into the trap of undervaluing possessions – it happens!

One of the biggest challenges when arranging contents cover is estimating the actual value of your belongings.

Most people underestimate the total value, remembering big-ticket items such as furniture and sports equipment, but forgetting smaller items such as kitchen utensils, clothing and books. Large amounts of smaller items soon add up in value, often equalling or surpassing the dollar value of your more expensive possessions.

To avoid underinsurance, which can leave you out of pocket should disaster strike, the easiest way to generate an estimate “sum insured” figure is to use a comprehensive contents insurance calculator, or our contents insurance checklist.

You can also use an online Contents Sum Insured calculator* recommended by Steadfast - simply click here to access the calculator.

2. Are my valuables covered appropriately?

In most policies, items such as jewellery, fine art and antiques are subject to sub-limits or in layman’s terms - the maximum value you can insure for under each policy category.

Contents insurance for Strata

Policy sub-limits differ between insurers, so to ensure your valuables are covered for the appropriate value, you should ask your insurance broker to assist in finding the policy that best suits your needs.

In addition, we recommend that high-value items should be valued regularly, as replacement costs can often change e.g. – a situation which could lead to the underinsurance of your most precious possessions.

You should also check to ensure items such as laptops, iPads and iPhones are insured. Sometimes these are not automatically covered in contents policies unless they are specified as named items on the policy. The same can apply to sporting equipment such as bikes, or musical instruments which aren't always automatically covered.

3. What type of policy do I need? Accidental Damage vs. Defined Events.

Aside from protecting your belongings against insured perils such as fire, theft or natural disasters, contents insurance policies can also provide cover for accidental damage, as well as covering your belongings when they are away from the home.

These policies are called Accidental Damage Contents policies.

We highly recommend you find out whether you have a Defined Events or Accidental Damage policy. There is a substantial difference in what is covered between the two, which could see you lacking sufficient coverage when you need to make a claim.

Accidental Damage Contents policies provide additional peace of mind that your belongings are safe and secure at all times, under almost all circumstances.

As a general rule, we recommend Accidental Damage policies over Defined Events policies, however your insurance broker can provide a policy cover comparison for you, to assist in evaluating which policy best suits needs.

Key things to remember about Contents Insurance



Strata insurance does not cover the contents or liability within your property

Regularly review your contents sum insured



Avoid underinsurance, use a contents calculator to estimate your sum insured

Check that your contents policy extends to personal property e.g. smart phone, bikes



Check policy limits for items such as jewellery

Make sure you have an accidental damage policy



Contents insurance for Strata

4. How can I lower my insurance policy premium?

Security measures at your property are just one of the factors insurers consider when calculating your premium, and in fact many policies stipulate minimum security requirements in their conditions depending on the value of your belongings.

Having security measures such as deadlocks, key-locked windows and monitored alarm systems in place can help to reduce your insurance costs.

If your property does not have them, consider their installation, as this is one way you can manage and reduce the risk exposure to your contents, in turn lowering your premium.

Some additional points to protect yourself:

1. New purchases

Tell your broker about any significant new purchases you have made to ensure they are insured under your policy. It is also advisable that you review your contents sum insured at each renewal.

2. Stored contents

Another issue to look out for is whether stored contents are covered under your policy. This isn't usually the case, and your broker will need to negotiate this point with the insurer to keep your valuables protected.

3. Workers Compensation

Contents policies do not automatically cover you should a person you employ injures themselves whilst working for you. If you have domestic workers, such as a nanny, cleaner or gardener, in some circumstances workers' compensation cover is compulsory. If you are unsure, check with your local Workers Compensation Authority or speak with your broker.



For further advice on Contents Insurance and to ensure you have an appropriate level of coverage, please contact Whitbread on 1300 424 627 or email info@whitbread.com.au

This insight article is not intended to be personal advice and you should not rely on it as a substitute for any form of personal advice. Please contact Whitbread Associates Pty Ltd ABN 69 005 490 228 Licence Number: 229092 trading as Whitbread Insurance Brokers for further information or refer to our website.

**Typical building contents replacement costs are provided by Sum Insured Pty Ltd (A.B.N. 55 947 630 521 ('SI') trading as Home Contents. Whilst every care is taken to ensure the accuracy of the information as a guide for costing, no responsibility is accepted by SI, Steadfast or the Steadfast Broker for its accuracy. Please check with a Valuer or other suitably qualified professional for an accurate estimate. Neither Steadfast nor the Steadfast Broker takes any responsibility for the costs provided by SI, or any liability for the accuracy of or reliance upon or use of, the costs. To the fullest extent permitted by law, SI, Steadfast and the Steadfast Broker expressly disclaim all warranties, express or implied, including, but not limited to, the implied warranty of fitness for a particular purpose. SI, Steadfast and the Steadfast Broker do not warrant or make any representations regarding the use or the results of the use of the information provided in terms of its correctness, accuracy, reliability, or otherwise.*