

INSURANCE POLICIES FOR HOMEOWNERS



Three insurance policies to consider when applying for a home loan

When applying for a home loan, some insurance policies are mandatory. It's important to know what is required to get your bond registered, as well as how to tie this in to your existing policies to ensure you don't pay twice or for extras you don't need. Insurance can be complicated, but let's start with the three policies to consider when buying a home...

There are three key insurance policies to consider when applying for a home loan:

- Homeowners Cover (HOC): building insurance that covers the structure of your home – mandatory if your home is bonded;
- Life Cover: insurance that covers the bond on your home in the case of death or serious illness – sometimes required by the bank if your home is bonded; and
- Household Cover: insurance that covers the content of your home – optional for all homeowners.

Banks usually require HOC (and sometimes Life Cover) for your bond to be registered. Household cover is an optional extra to consider.

Homeowners Cover

Building Insurance that covers the structure of your home. The first priority when applying for a bond is putting homeowners cover in place. This cover will protect you against damage caused by unforeseen events such as fire, flooding, lightening and/or burst geysers.

It also includes any other damage to the physical structure of your home: the walls, roof, and fixtures such as fitted carpets, built-in cupboards, gate and gate motor, and light fittings. It usually also covers garages, domestic quarters, outside laundries, greenhouses, and swimming pools.

This is the most essential cover for home owners, as it protects the asset you (and the bank) have invested in. Imagine if your house burns down and you are left with no home, and monthly bond repayments that you are still required to meet.

Life Cover

Life Cover steps in to settle the outstanding home loan amount in the event of death or permanent disability. If an income earner who is responsible for the mortgage bond experiences loss of income or temporary disability, repayments are taken care of for a period of time.

Typically, Life Cover is voluntary. However, with affordable housing or with certain FNB clients (based on the bond value) it is compulsory. Our consultants will point this out in the home loan T&Cs, if it is a condition.

Life Cover is an essential policy that we encourage all home owners with a mortgage to consider, as it ensures that the family will always have a home regardless of what circumstances may arise.

JOHANNESBURG OFFICE: +27 (0) 10 448 1757

E-MAIL: info@phoenixbonds.finance

WEBSITE: www.phoenixbonds.finance

PHOENIX BONDS (PTY) LTD

7 Mellis Rd, Bradenham Hall, North Block, Sandton
PO Box 71466, Bryanston, 2120 Docex 38, Rivonia

DIRECTORS

Hannah van Deventer (BEng, MBus)
Cor van Deventer (LLB)

COMPANY REG. NO. 2021/659925/07
VAT REG. NO. 4140305493

INSURANCE POLICIES FOR HOMEOWNERS



Household Cover

Household Cover (also known as **Contents Cover**) covers all home contents against theft, intentional damage, as well as damage caused by a power surge or a burst geyser. Plus, damage due to fire, lightning storm, hail and flood. Home contents includes electronics and appliances, to furniture and décor. Some policies even include protection for the items if they leave your home – like mobile phones and laptops.

This policy is totally optional for homeowners, however when combined with other mandatory policies, discounts on premiums can be negotiated.

When selecting insurance policies, you shouldn't just be concerned with your premiums. It's more important to know your excesses, exclusions, and potential payouts. A tailor-made and flexible policy will ensure that you are only paying for the things you need.

When applying for your bond through us, we'll ensure you are assigned an experienced insurance broker to help you navigate through the policy requirements of the bank, any optional extras or consolidation of all your insurance needs to reduce your total monthly premiums.

For comprehensive assistance when applying for your home loan, contact us now.

JOHANNESBURG OFFICE: +27 (0) 10 448 1757

E-MAIL: info@phoenixbonds.finance

WEBSITE: www.phoenixbonds.finance

PHOENIX BONDS (PTY) LTD

7 Mellis Rd, Bradenham Hall, North Block, Sandton
PO Box 71466, Bryanston, 2120 Docex 38, Rivonia

DIRECTORS

Hannah van Deventer (BEng, MBus)
Cor van Deventer (LLB)

COMPANY REG. NO. 2021/659925/07

VAT REG. NO. 4140305493