

STRICTLY EMBARGOED UNTIL 20.02.2010

FASHIONISTAS SHOULD ENSURE THEY'RE PROPERLY COVERED THIS SPRING

- With the value of the average woman's wardrobe estimated at £7,000, many of us are potentially at risk of being underinsured claim Defaqto.

With London Fashion week already in full swing, you may well be dreaming of snapping up the perfect investment purchase to ensure you're on trend for the season ahead. But whether you have a passion for designer clothes or your tastes are more Primark than Prada, you are potentially at risk of underinsuring the clothing, shoes, jewellery and accessories in your wardrobe claim ratings agency Defaqto.

Recent research into wardrobe contents valued the average woman's wardrobe at approximately £7,000* – around double what she thinks it's worth! This means we are all probably badly underinsured and in the event of a major claim, such as a fire or flood, destroying contents/clothes, we could receive a smaller payout from our insurer than we expected.

Mike Powell, Insurance Analyst for Defaqto said: "Always look at the detail of your insurance policy to ensure you're properly covered. Many people end up underinsured as insurance providers frequently apply specific single item limits for valuables kept in the home. In fact, 34% of home contents policies available state that they have a valuables single item limit of £1,500 or less for items kept in the home. This means that you need to specify any valuable that is worth more than £1,500 to ensure that full cover is given".

Tips to ensure that you do not end up underinsured include:

1. Estimate value on a "new for old" basis: Insurers base contents sum on the full replacement costs of replacing items with brand new items. Most insurers provide cover on a 'new for old' basis and therefore, the overall contents sum insured should reflect this.

2. Keep abreast of changes to your lifestyle: To calculate the appropriate level of cover for your contents involves nothing more than going from room to room, itemising everything and assigning a replacement value to each item. In any event, it is usually advisable to compile a proper inventory. Once you have recorded the value of your worldly goods on a spreadsheet, it should not be too

difficult to keep it updated. It is also advisable to keep receipts, valuations and photographs of valuable items.

3. Make valuables a special case: Remember to consider that valuable items, such as jewellery may need to be specified if they are higher than the insurers 'single item limit' for valuables. Check with the insurance provider whether they have a specific limit. Generally most insurance providers will apply specific limits for valuables, but there are a few that also have a limit for general contents.

4. The devil is in the detail: To avoid disappointment, consumers should think carefully about exactly what they need from a financial product at a given time, as features and benefits vary enormously. Defaqto's independent "Star Ratings" provide you with an easy way of assessing the quality of a financial product so that you can make an informed purchasing decision based on more than just price.

Mr Powell concluded "A 1 Star rated product is not necessarily a poor product - it just doesn't have the bells and whistles of a 5 Star rated product so it might suit a consumer who is looking for a basic level of cover or just the standard benefits. But, making an investment purchase such as an item of designer clothing, wedding dress or wedding ring can change your requirements so it's worth using the tables as a benchmark to ensure you're always got the right policy for you."

The 30 product areas that have been rated are available via www.defaqto.com/star-ratings :-

Credit cards

- Credit Cards
- Premier Credit Cards

Current accounts

- Standard (Free in Credit) Current Accounts
- Added Value Current Accounts
- Premier Added Value Current Accounts
- Student Current Accounts
- Graduate Bank Accounts

Mortgages

- Offset Mortgages
- Lifetime Mortgages (Equity Release)

Home insurance

- Buildings Insurance
- Contents Insurance
- Premier Home Insurance
- Buy-to-Let Home Insurance

Motor insurance

- Motor Insurance
- Premier Motor Insurance
- Motorbike Insurance

Pet insurance

- Cat Insurance
- Dog insurance

Travel insurance

- Annual Travel Insurance
- Single Trip Travel Insurance
- Gap Year Travel Insurance
- Long Stay Travel Insurance

Payment protection insurance

- Credit Card Payment Protection Insurance
- Personal Loan Payment Protection Insurance
- Mortgage Payment Protection Insurance

Investments

- Onshore Bonds
- Offshore Bonds

Pensions

- Self Invested Personal Pensions

Protection

- Critical Illness Insurance
- Income Protection

-Ends-

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About Defaqto: www.defaqto.com

Defaqto is an independent financial research company specialising in rating, comparing and analysing financial products.

Since 1994, Defaqto has built the largest, whole of market, financial product database and become one of the leading providers of financial product data in the UK. We now cover over 30,000 products across banking, life, pensions, investments and general insurance.

Our experts validate and analyse the data to provide insight and consultancy to all layers of the financial services sector including IFAs, mortgage and general insurance brokers, providers, web aggregators and the public sector.

Our products and services include the following:

Aequos Online

An extensive, independent, financial product analysis and comparison database available in the UK. The database contains feature, rate and fees information on more than 30,000 products from nearly 2,000 providers. Our customers include leading insurance and assurance companies, banks and building societies and investment organisations.

Defaqto Engage

An integrated system for independent financial advisers (IFAs) and insurance brokers. The system makes the reporting, analysis, recommendation and review process easy, delivering the perfect product to meet client needs.

Defaqto Compare

An interactive, comparison tool enabling consumers to easily compare product features against each other on a host of key features, using a simple 'traffic light' system.

Defaqto Star Ratings

Our Star Ratings reflect the quality of a financial product and help to identify the range of features and benefits in each one. We review and assess every financial product across various categories and



award a Star Rating from 1 to 5. The ratings are aimed at helping consumers and advisers decide which product suits their specific needs. Providers also use the ratings to ensure they offer products to meet differing consumer demands.

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