

Reinstatement Cost Assessments (RCAs)

Organisations need to ensure that correct property sums insured are declared to their insurers.

Property valuations for insurance purposes are not the same as the selling price or capital value – the reinstatement cost needs to reflect the replacement cost of the asset as well as inflation to arrive at an appropriate ‘declared value’. It is essential that these assessments are kept up to date – if the figures have not been reviewed for several years the organisation could be seriously under or over insured.

The Royal Institute of Chartered Surveyors recommends a full RCA is carried out every three years with costs updated each year based on inflation. Indeed, rising general inflation, combined with labour market and supply chain issues, has put significant upward pressure on building costs and it is therefore even more crucial to ensure reinstatement costs are accurate.



Our Services

A RICS accredited surveyor will provide an accurate Reinstatement Cost Assessment (RCA) for insurance purposes. Unlike some providers, our cost analysis will be prepared on a elemental cost basis rather than general rebuild values based solely on published rating guides which risk not providing sufficient accuracy due to the broad cost per square metre ranges provided. Two free index updates are provided to ensure sums insured remain robust in subsequent years.



Portfolio Healthcheck

A holistic view across your property portfolio to undertake analysis of current sums insured and adopted methodologies for setting such values. Most appropriate for organisations with large portfolios made up of small to medium sized properties, these reviews can also support identification of properties that would benefit from full RCAs.



Benefits

Undertaking RCAs provides peace of mind for organisations and ensures that buildings are insured for the correct values – underinsurance can lead to major problems in the event of a claim and the potential for reduced payouts. Conversely, over insurance can result in the organisation paying higher insurance premiums than necessary.



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