Buying or selling a home?

What insurance information should you check first?

Buying a home is one of the biggest financial decisions most people will make.

Most buyers spend considerable time reviewing the purchase price, arranging finance, obtaining building reports and comparing neighbourhoods. However, insurance considerations are sometimes left until much later in the process.

That can be a mistake.

Insurance availability, natural hazard exposure and property-specific risks can all influence the long-term cost and practicality of owning a home. As insurers increasingly use detailed property-level information to assess risk, understanding these factors before committing to a purchase is becoming more important.

A useful way to think about it is this: a home isn't truly affordable if it can't be insured appropriately.

Why insurance should be part of your due diligence



For many buyers, insurance is treated as something to organise immediately before settlement.

In reality, it's often worth thinking about insurance much earlier.

A property may appear ideal on the surface but have characteristics that affect insurance availability, policy conditions, excesses or long-term affordability. Understanding these factors early can help avoid surprises and support more informed decision-making.

The goal isn't necessarily to avoid properties with risk. Instead, it's about understanding those risks and how they may affect future ownership costs.

Check for natural hazard exposure

One of the first areas worth investigating is a property's exposure to natural hazards.

Depending on the location, these may include:

- Flood risk
- Coastal inundation
- Landslip exposure
- Earthquake-related hazards
- Severe weather vulnerability

Useful sources of information may include:

- LIM reports
- Council records
- Property files
- Hazard maps
- Professional advice

As insurers increasingly use property-level risk information, understanding a property's hazard profile has become an important part of the buying process.

Understand the property's history

Where information is available, it can also be helpful to understand whether the property has experienced significant damage in the past.

Questions worth exploring include:

- Has the property experienced flooding or storm damage?
- Have major repairs been undertaken?
- Are there signs of recurring maintenance issues?
- Have retaining walls or drainage systems required remediation?

Previous issues do not automatically make a property unsuitable. However, they can provide useful context when evaluating potential future risks and maintenance requirements.

Don't leave insurance until the last minute

One of the most practical steps buyers can take is speaking with their broker early in the process.

This provides an opportunity to:

- Confirm insurance is available
- Understand any special conditions
- Review excess levels
- Identify potential concerns before settlement
- Avoid unexpected delays

Leaving insurance arrangements until the final stages of a transaction can create unnecessary stress, particularly if additional information is required by an insurer.

It is also important to accurately disclose how the property

will be occupied, including whether it will be owner-occupied, tenanted, unoccupied, rented to boarders or used for short-term accommodation (for example, Airbnb).

Different occupancy arrangements can affect an insurer's acceptance criteria and policy conditions. Failure to disclose the correct occupancy may result in:

- A higher excess being applied
- Additional terms or conditions
- Restrictions in cover
- The insurer declining to offer or continue cover

Early engagement can make the process much smoother.

Sellers have a role to play too

Insurance considerations aren't only relevant for buyers.

Sellers can often make a transaction easier by ensuring relevant information is readily available.

Helpful information may include:

- Records of renovations and improvements
- Documentation relating to significant repairs
- Information about drainage or retaining wall work
- Building consents and approvals where relevant
- Maintenance records

Providing clear information helps buyers better understand the property and can support a smoother transaction.
It is also important to maintain appropriate insurance cover right up until settlement occurs.

Looking ahead

As insurers continue to improve their understanding of property-level risk, insurance considerations are likely to become an increasingly important part of property transactions.

For buyers, that means taking a broader view than simply purchase price and location. Understanding insurance implications before making a commitment can help reduce surprises and support better long-term decision-making.

The key takeaway is simple: insurance should be part of your property due diligence, not an afterthought.

Questions buyers should ask

Before committing to a purchase, consider asking:

- Can the property be insured on acceptable terms?
- Are there known natural hazards affecting the property?
- Are there any special policy conditions or higher excesses?
- Has the property experienced significant damage in the past?
- What information should I understand before settlement?

These questions can help identify potential issues early and provide greater confidence during the purchasing process.



How Rothbury can help

Whether you're buying your first home, upgrading to a new property or preparing to sell, your Rothbury broker can help you understand the insurance considerations associated with a property and assist in arranging appropriate cover when needed.

If you're considering a property purchase and would like to discuss insurance requirements before settlement, talk to your Rothbury broker.

Important: This article contains general information only and does not take into account your individual circumstances, objectives or insurance needs. Insurance cover is subject to the terms, conditions, limits and exclusions of the relevant policy. Please seek professional advice before making decisions about your insurance arrangements.

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