

Media Release

June 21, 2015



Understand
Insurance

New study exposes Australia's great fashion crime – valuable but underinsured

One in three Australian women who think their wardrobe is worth more than \$5000 don't believe their insurance policy would cover the total replacement cost if they had to make a claim, a study that opens the closets of more than 900 women has found.

The UnderstandInsurance.com.au survey, conducted by Newspoll, also found one in five women who own an item of clothing worth more than \$5000 don't believe their current contents insurance policy would cover it if they had to make a claim.

Despite women's love affair with clothing – with some revealing they spend up to half their salary on clothes, shoes and handbags – many are underinsured or don't have any cover.

Understand Insurance spokesperson Campbell Fuller says the survey shows many women are probably significantly underestimating the value of their wardrobe.

"Australia is full of fashion lovers – and that love often knows no bounds when it comes to how much women are prepared to spend on a single item of clothing," Mr Fuller says.

"It's likely many women underestimate the value of their wardrobe when we consider the most expensive items in many wardrobes, whether it's a leather jacket, a designer handbag or a wedding dress. Things can quickly add up.

"By having inadequate cover or not having insurance at all, they're exposing themselves to financial loss that could amount to thousands of dollars. And that would be a real fashion crime."

Recent [Australian Bureau of Statistics](http://AustralianBureauofStatistics) data shows clothing sales continue to be the standout performer in the retail market, surging 3.1 per cent in April 2015.

Case study:

Fashion fan Stephanie Corp, co-founder of Instagram's @EVERYDAYRUNWAY_, says she spends about half her take-home salary on her wardrobe, but doesn't have contents insurance.

Key survey findings

- Almost one in three (31 per cent) either don't know or are unsure whether their insurance would cover the cost of replacing their wardrobe
- One in five (20 per cent) own an item worth \$1000 or more, but three in 10 (28 per cent) either don't know or are unsure whether their insurance would cover it

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“I used to have renter’s insurance for the sole purpose of insuring my wardrobe but I recently forgot to renew my policy,” Stephanie says.

“If I think about the items in my wardrobe, such as my fur coats or designer outfits, there’s no way I could afford to replace them if something unfortunate were to happen.”

Mr Fuller says Stephanie is an example of the three in four Australian renters who do not insure their home’s contents.

Other key findings of the Understand Insurance survey:

- The average estimated cost of a woman’s wardrobe is \$3400
- 14 per cent of all respondents don’t have any form of insurance
- Common expensive items in Australian wardrobes include coats, dresses, wedding dresses, handbags and boots
- Women who own individual items worth more than \$5000 each are more likely to be married and are without children
- Women who estimate that their whole wardrobe is valued more than \$5000 are significantly more likely to be married and are without children

Top insurance tips for Aussie fashionistas:

- Look through your wardrobe and estimate how much it would cost to replace each item, then compare the total with your contents cover
- Contact your insurer if you need to change your contents insurance cover
- If you have made any significant purchases during the year, remember to update your policy to reflect these new items and ensure your sum insured is adequate
- Keep copies of receipts for expensive items, such as designer handbags and coats
- Compile an inventory of your home’s contents, including what’s in your wardrobe, and store it somewhere safe. Download Understand Insurance’s inventory template: www.understandinsurance.com.au/calculators
- Make sure you read and understand your Product Disclosure Statement (PDS) and policy documents

-ENDS-

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