



# Underinsurance in 2026

A simple guide to help understand the key risks behind underinsurance and practical steps to stay protected.

## Why this matters now

- Business assets are evolving quickly whether its automation, cloud systems, EV charging and more.
- Rebuild and replacement costs have surged, meaning older insurance valuations are often out of date.
- Banks and lenders increasingly review insurance adequacy as part of financing decisions.
- Risk-based pricing means accurate information can improve affordability and cover.

## Common underinsurance risks

### • **Outdated asset valuations**

Buildings, machinery and digital assets often don't reflect current rebuild or replacement costs, a major driver of underinsurance.

### • **Business interruption periods that fall short of reality**

Many policies still use older 12-month assumptions, while today's rebuild, supply-chain delays and specialist lead times typically required 18-24+ months.

### • **Digital and technology assets underestimated**

Modern businesses rely on cloud systems, software re-licensing, automation equipment and specialist technical recovery, all frequently undervalued or missing from sums insured.

### • **Supply-chain or utility disruption not fully mapped**

A disrupted supplier, port, utility or manufacturer can halt operations. Many businesses have not assessed how these external dependencies affect recovery time and cost.

### • **Contract, lease and lender requirements overlooked**

Policies sometimes fall below the limited requirement by financing agreements or commercial contracts, exposing businesses to breach-of-obligation risks.

## How to strengthen your cover

- Refresh building and equipment valuations every 2-3 years.
- Align your BI indemnity period with realistic recovery timelines.
- Include modern assets such as IT systems, automation, EV chargers in your valuations.
- Map your key suppliers and understand the impact of delays or outages.
- Review loan covenants and lease obligations which require higher limits.

## Why choose Gallagher

When you work with Gallagher, we focus on three things:

### 1. **Accurate, up-to-date valuations**

Specialist-informed assessments of buildings, equipment and technology assets, ensuring sums insured are aligned with true replacement costs.

### 2. **Realistic recovery modelling**

We factor in outage scenarios, supplier disruption, site access issues and specialist lead times to set appropriate indemnity periods and coverage levels.

### 3. **A strong risk story to insurers**

Clear, credible information helps insurers price risk more competitively, often improving both premium and coverage outcomes.

Contact a Gallagher broker to ensure your insurance cover reflects the business you run today.

## Connect with us

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