



MANAGING YOUR MONEY ONLINE

Simple ways to save - comparing insurance providers

Lots of people are paying more for goods and services than they need to. Our research shows that saving money is easier with digital skills. Having the right digital skills can save you up to 12% more on utility bills. ([Lloyds Bank Consumer Digital Index 2020](#))

Lots of people turn to comparison sites to help them save on their utilities, but another way you can use them to save money is by comparing insurance providers. In this lesson, we'll help you to understand everything you need to consider when choosing insurance products and services. If you haven't already, we recommend looking at our lesson "Simple ways to save - comparing services and utilities" too.

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1. Understand what you're signing up to

Most contracts with utilities and household services will offer you a deal with an initial offer period that restricts what changes you can make. After this initial offer period you can expect your price to increase. For insurance policies this works slightly differently. Most insurance providers will offer you a fixed amount of cover for a fixed fee for a fixed period of time, either paid in full or in regular payments. **So, here are some things you should consider before choosing a policy:**

- **When you sign up for any insurance policy, your contract period should be clearly stated** - If you leave during this period you will most likely have to pay a cancellation or withdrawal fee – you need to check this with your provider before deciding to leave whilst you're still in contract



- **You will sometimes pay interest on monthly payments** to an insurer vs. paying in full at the start of the insured period
- **In most cases the insurer will increase your premium after the initial period or renewal date and continue to take payments at the higher rate** – known as an automatic renewal – although they will communicate with you to let you know this is happening
- **Even if you intend to stay with your current insurer** it's important that you contact them to ask if you're getting the best deal

2. Understand how to get the most out of comparison sites

Before you start

Firstly, before you use a comparison site, speak to your current provider and ask them what's the best deal they can offer you – there's no use comparing your current insurance policy if your existing provider is able to offer you a new deal that is better. You should have all of your details ready before searching for a better deal, for example:

- Current or best price from your current provider
- The details you want to compare, e.g. amount of excess, cover period, the date you're able to leave without incurring any charges or cancellation fees
- You need to understand your current cover, if you have it. You can find this on your current insurance schedule or usually as part of your renewal. An insurance schedule is a term used by insurance companies to describe the details included on your policy, for example name, address, amount of cover and excess. If you don't have cover currently, write down all your requirements instead

You can easily search for a better deal on lots of your costs by using comparisons sites. These sites will search dozens of providers for the best rate or fee, based on the information you have provided. Whilst they will present you with lots of options it's worth bearing in mind that not all options will be like-for-like.

Some well-known providers include†:

- [Confused.com](https://www.confused.com)
- [GoCompare](https://www.gocompare.co.uk)
- [Compare the Market](https://www.comparethemarket.com)
- [MoneySuperMarket](https://www.moneysupermarket.com)

3. Find the right policy for you

You will be presented with options from big name providers that you will recognise, but also some that you won't – do some research if you don't recognise a provider to see what other people have said about them.

Remember:

- **Always try and compare like-for-like with your current provider**
- **You can complete your switch or sign up through the comparison site**, or it may send you directly to the provider's site – if it does, double check that all information has copied over and is correct



- **If you are asked to select a start date**, make sure that this aligns with your insurance end date for your current provider
- **You will be asked to provide lots of information on the item(s) you want to insure**, e.g. house, car, travel
- **If there is a specific item you're looking to cover, you will be asked to provide specific details and in some cases proof of its value**. This could be a receipt, or you may be required to provide a valuation
- **It's important you are truthful in responses**, otherwise your insurance may be invalid
- **Use an existing insurance schedule** (if you have one) to ensure information is correct
- **If you don't have existing insurance or a current schedule**, it's important that you answer the questions honestly and to the best of your knowledge
- **If you don't know how much cover you require** there are free calculators available on most comparison sites to estimate this
- **Your cover start date should be your current policy renewal date** to avoid a situation where you have double cover
- **Most insurance policies will have an excess**, which is the amount you have to pay in the event of a claim. This excess will be made up of a mandatory excess, decided by the insurer, and in some cases an additional voluntary excess which is decided by you when you take out the policy. Increasing the voluntary excess may bring down your premium but if you were to make a claim bear in mind that you must pay the whole excess, which could end up being a very large amount of money
- **Along with the premium, carefully consider the total excess and level of cover** offered with the policy to ensure you are comparing like for like. Also consider the additional features such as legal protection and whether this is important to you
- **Be aware that there's a wide range of additional cover options to consider** - such as, accidental damage cover, taking personal belongings away from the home, pedal cycle cover etc.
- **Most importantly, always ensure you are not 'undercovered'**, i.e. your property is worth more than the amount of cover you purchase as this could impact any potential pay-out in the event that you make a claim

Important things to consider:

- You may be asked to provide information to your new insurer provided by the old insurer, e.g. proof of no claims
- There may be exclusions or specific conditions on the policy, for example the types of lock you have on your external doors – always check the policy wording carefully and read the insurance documents and policy booklet for what you are/aren't covered for (exclusions)

Related Links:

[Money Advice Service](#)



[Citizens Advice Bureau](#)

