



Everywhere you look there's pressure for you to 'shop around' and 'get the best deal', but unfortunately when it comes to insurance, the cheapest policy is very rarely the best deal.

Why is that?

Because insurance premiums are directly related to the quality of the product. Translation: the pay out at claim time. Sure, you can save \$100 by shopping around for the cheapest insurance policy, but that could end up costing you \$1,000s in costs which aren't covered by your insurance when you have a claim. The very fact that you're purchasing insurance indicates you're trying to reduce your risk by passing it off to an insurance company, so why sabotage your own great intentions?

Here are 5 things to watch out for when shopping for Car Insurance.



1. ALL the excesses

The basic excess, the voluntary excess, the unlisted excess, the 'I was driving with my knees' excess...

- When choosing an excess, think about how much you want to pay today if you crashed your car yesterday. For most people that would be \$0. So get as close to that as you can and see how little your premium increases. Saving \$300 today could cost you \$1,500 tomorrow when you back into the garage.
- The other thing to watch out for is multiple excesses for different things, like an Unlisted Driver excess, a Young Driver excess.... think about who could possibly be driving your car and make sure you're fully aware of the additional excesses involved before you let your son's girlfriend borrow your wheels, or your husband, depending on how strict your policy is.
- Final note, when is the excess payable? Some companies require you to pay the excess when you lodge the claim, even if it's not your fault, and they will only refund your excess after they've recovered their costs from the other party. No joke.



Everything but the kitchen sink

Are your personal items covered if you had an accident or the car was stolen?

The cheaper the policy the less likely it will cover your personal items stolen from or damaged while in or on your car. That doesn't just mean the pram in the boot, it means your mobile phone, your hand bag – or man bag – your wallet, your cash, your cards, your little packet of travel tissues you keep in the glove box. Zilch, nadda, nothing will be covered.

And if you've gone cheap as chips on your car insurance, chances are you've done the same for your home insurance which means you won't be covered for accidental loss or damage outside the home and your \$200 saving will have cost you \$500+ replacing all the odds and ends which aren't covered by either insurance policy you have. You'll be left wondering why you even bothered purchasing insurance in the first place! Pay slightly more to have cover when it counts, don't skimp.



Dodging the tax man

If you rely on all those cash jobs to make ends meet, could you survive without your Tools of Trade?

And we're not just talking the old Phillips head and cordless drill... maybe you're a make-up artist? Or photographer? Even a dog groomer has tools of trade, small businesses rule the Australian economy so it's important to check your tools of trade are covered if you couldn't afford to replace them.



Don't scratch the Duco!

If your car is your pride and joy, chances are you want Your Choice of Repairer

Some people think it's great that they can drop their car off to a repair centre and have their car fixed while they're shipped back to work via the complimentary taxi service. Other people are reading this in horror realising that they could have no control over who fixes their car and what parts they could be using to fix it with.

If the phrase 'your choice of repairer' is important to you then make sure your policy will allow that combined with 'guaranteed repairs' because you don't want to have them turn around and say that you didn't use their authorised repairer therefore they don't guarantee the repair work done.



This makes my skin crawl every time

Depreciation for wear & tear.... on the repair costs! Can you believe it?

If the repair of your car leaves it in a better condition than before it was damaged (ie. because you had a tiny bit of rust, or your battery was on the way out, or your windscreen wipers needed replacing), we may require you to contribute to the repair cost.

This is one of those clauses which is hidden in plain sight, even if you read the policy wording like you're supposed to, you'd probably read straight through thinking that it's fair and reasonable... but let me tell you now – this is not standard. Sure if you have a total loss and you're insured for Market Value, your insurer will pay you the Market Value for the car taking into account the rust spots around the windscreen and the small dint in the back quarter panel, but as far as I'm aware it's not normal to apply depreciation to the repair costs following an accident, on top of the excess you have to pay.

So there you have it, 5 traps you need to watch out for when buying Car Insurance. People often ask, why should I use a broker when I can do the same thing myself? Because the products available through brokers aren't the same ones you have access to, they're better.

Policies do vary, but these are industry standards:

- Unless you choose a Named Driver policy (very uncommon) or the person's under 25, you won't be penalised by way of additional excesses just because the driver wasn't listed on your policy.
- Personal items are automatically included, the standard limit is \$500.
- Tools of Trade is an optional extra, but the standard sub-limit is \$1,500 which makes it more worthwhile than a measly \$500.
- You can choose a repairer if that's important to you .
- THAT clause we hate to even mention will only enter brokered policy wordings over their dead bodies.

So the next time you think your insurer is charging you too much and you want to shop around for a better deal, just make sure you read the fine print so you're fully informed before you need to make a claim. Often the best deal is actually the one that costs a little more up front. Find a broker at www.getinformedinsurance.com.au.