



TEN TIPS FOR BUYING HOME INSURANCE

Everywhere you look there's pressure for you to 'shop around' and 'get the best deal' and insurance is no different, but like most the cheapest 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. You can save \$100 by shopping around for the cheapest policy, but that could end up costing you \$1,000s in things which aren't covered anymore.

Don't be fooled by marketing tricks and use our **Top 10 Tips** to make sure you really are getting the best deal.

1 / GIVE YOURSELF SOME WIGGLE ROOM

CHOOSING A SUM INSURED FOR BOTH YOUR BUILDING AND YOUR CONTENTS

The industry standard is new for old replacement, which means you have to pick a sum insured which will let you rebuild and fill up your home with new things, even if the couch was free from Gumtree. Spend the time doing it right up front, then make sure your sum insured is increased for CPI and new purchases, also check the latest council requirements for rebuilding. It's better to ensure that you are fully covered, than under-insure and not have enough... give yourself some wiggle room.

2 / WHAT AM I UP FOR?

CHOOSING AN EXCESS YOU'RE HAPPY TO PAY

Your excess is the first amount you have to cover before your insurance kicks in and is additional to the premiums you pay each year. Let's say you back into the garage door, if you've got a \$1000 excess for the car repairs PLUS a \$500 excess for the garage door (yes, that's two claims, not one) you won't be too impressed. Choose an excess you'd be happy to pay if something happened tomorrow.

3 / STANDARD OR PREMIUM LEVEL COVER

EXTENDING YOUR COVER FOR ACCIDENTAL LOSS OR DAMAGE

You can cover all sorts of crazy things like flushing your wedding ring down the toilet, your kid leaving their saxophone on the school bus, even putting a cricket ball through the LCD. You can cover individual items within the home, individual items outside the home, OR you can get a blanket accidental damage policy to cut out the guess work altogether. If you're shopping around, make sure you're covering benefits like this – every policy is different.

4 / LESS IS NOT MORE

CHECK THE SUB-LIMITS ON EVERYTHING FROM COMPUTERS TO JEWELLERY

Don't short change yourself by buying cheap. Some insurance products may limit computers to \$1,000 each and \$5,000 all up. For the 2.5 kid family that's barely going to cover the iPads. Jewellery and watches can be limited to \$1,000. Medical equipment \$1,000. Tools of Trade \$1,000. Only YOU know your personal circumstances and what's important to YOU, so make sure that the product you're purchasing provides the cover YOU want to have.

5 / WHAT'S IN A NAME?

WHO IS INSURED UNDER THE POLICY

If you're taking out a policy to cover everyone living with you, make sure it covers everyone. Your insurance policy will only cover the person/s named on the schedule and their immediate family which can make a big difference if you're renting with friends.

6 / EXCLUSIONS, EXCLUSIONS

BE INFORMED BEFORE YOU NEED TO CLAIM

The Product Disclosure Statement is the rule book for how claims are paid, the rules aren't decided when you have a claim, they're laid out in that booklet that is provided to you when you purchased the cover. Don't get caught out, read the book and get informed beforehand. If you can't understand it, refer to Tip number 10 and find an insurance broker to help you.

7 / OPTIONAL COVERS

WHAT'S INCLUDED AND WHAT'S OPTIONAL

In some cheaper policies, standard inclusions have been made optional in their home insurance products. They make you think you've saved hundreds when you've really just lost thousands of dollars in coverage you no longer have. Every policy is different so when shopping around make sure you know what you're losing.

8 / PROVING YOUR CLAIM

RETAIN YOUR PROOF OF PURCHASE

Insurance companies have a legal right to make sure you're not claiming more than what you had. They will generously replace your old things with brand new and are more than happy to close, they just need a little bit of proof first. Keeping records in your email account is a good one.

9 / MONEY, MONEY, MONEY

SAVING MONEY ON PREMIUMS

By now you've learnt that the cheaper policies are more likely to have more sub-limits, more optional covers and higher excesses than their competitors because those things all reduce the amount that the insurer has to pay should the worst case scenario happen to you. Don't be fooled by marketing gimmicks offering to 'save you money' on insurance.

10 / INSURANCE BROKERS AT YOUR SERVICE

IF IN DOUBT... ASK AN EXPERT

The expert is not the family friend, it's not the guy who bought insurance last week, unless any of those people are licensed general insurance brokers. Brokers are trained professionals who act for their clients and their clients alone, the same way a lawyer does. They often have access to better products which generally pay out more in more claim scenarios, and they will advocate for your interests at claim time for no additional cost.



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