



Insurance Changes: Short-term Gain or Long-term Pain?

Cash-strapped consumers continue to cast around for quick ways of cutting costs, even though interest rates are starting to fall. A common course of action is to switch down to an apparently cheaper insurance policy that – miraculously – offers the same, or even better, benefits. But, buyer beware! When claim time comes, the results can be catastrophic.

“Up front, it might look like a good deal, but, in both life and short-term insurance, the results of making the wrong move can be calamitous. Nine times out of ten, the hard-pressed consumer sees only price and fails to compare apples with apples. When it comes to a claim or future premium increases, often policies don’t pay out the same,” says Corporate Actuary of PPS, Chris de Klerk.

Consult a properly-qualified broker. Remember, long-term clients are highly valuable to any industry and reputable insurers will go out of their way to retain your business. Keep changing from company to company in search of a lower price, well... at some point you are likely to end up with a bad deal, warns PPS Insurance.