

Safe as houses

Insuring your property and contents is vital but needn't be expensive. Shop around, switch to our Best Buys and you could save a fortune

Almost two fifths of Which? members feel that the convenience of sticking with their insurer is important. But not shopping around could be costing you hundreds of pounds.

Which? member Russ Rowe, 62, from Exmouth, Devon, had seen his insurance premiums creep up each year. He decided to get quotes from price comparison websites and direct from insurers, and told us: 'I reduced my premium from the £712 renewal quote down to just £141 with Liverpool Victoria – a saving of £571.'

Play the game

Half of the Which? members we surveyed had obtained two or fewer quotes when they last renewed their insurance or took out a new policy, with 17% getting no quotes at all. However, insurers generally offer the best deals to new customers, so make sure you shop around and then ask your current insurer to match or beat the best quote.

Which? member Peter O'Brien, 45, from Dromore in Omagh, did just that. Having received a renewal quote of £388 from his insurer, Tesco, Peter visited Tesco's website posing as a new customer. 'I was astounded to find that I could get identical cover for £239, a saving of £149 on my renewal quote,' he said. 'Tesco said that this was a promotional offer for new customers, and its advice was to close my current policy and start a new one.'

Instead, Peter switched to Legal & General and still saved £110 for the same

level of cover. By switching provider each year, Peter will get the cheap premiums reserved for new customers, and could build up a no-claims bonus, worth up to 40% with some insurers.

Cut your costs

There are several other ways to keep your premiums low. Some insurance companies offer online discounts. For example, Best Buy Churchill says it will give up to a 15% discount for internet quotes.

However, it's still worth getting both telephone and internet quotes.

Which? member Mike Upson rang John Lewis and found its telephone quote was £20 cheaper than the online price.

Increasing the security of your home – fitting five-lever mortise locks on doors, locks on windows, smoke detectors and a burglar alarm can help reduce your premium. Non-smokers may also be able to negotiate a lower premium.

Be sure to include all items of value in your contents policy, including bicycles, garden equipment and even the contents of your freezer, but review this regularly, particularly if the kids move out permanently, taking any expensive electrical items with them.

Price comparison sites

Be careful when using price comparison sites – make sure you're getting the cover you need, rather than just the cheapest



One of our Best Buys is Churchill Insurance



Not shopping around could be costing you hundreds of pounds

price. A quarter of you used a comparison site when you last renewed your home insurance or took out a new policy, rising to 37% for under-45s.

However, most of these sites don't cover the whole market and will make assumptions about your circumstances – check all the details carefully to ensure you have sufficient cover.

Haggle and switch

Even if you're happy with your current insurer, it may pay to spend a few minutes getting quotes from other companies.

And don't be afraid to haggle with insurers – in a competitive market, they will often drop their initial price to gain or retain customers.

OUR RESEARCH

Between 21 and 29 February 2008, 2,500 Which? online panel members completed our survey about their priorities when buying home insurance. Thanks to all those who took part.

CUT THE TIES

Matthew Stapley 35,
Purchasing manager

Some mortgage providers will try to tie you in with their own home insurance and may charge a penalty if you buy elsewhere.

Matthew, pictured with wife Claire, took out a mortgage with Coventry Building Society last year. As it offered a competitive quote, he insured their home with it, too.

When Matthew's renewal quote increased significantly, he shopped around and switched to the AA. However, he was surprised to find that a £25 administration fee had been added to his mortgage because he had switched insurer.

Matthew told us: 'The admin fee was not explained to us when we took out the cover, although Coventry insists it's in the small print. I threatened to close my savings accounts with Coventry in protest and it refunded the charge. However, I feel that companies should not impose a fee for an insurance policy that has simply expired.'

If you are charged an administration fee, you should still shop around, as the savings you make on your insurance should exceed any penalty. Some companies, including Insure4Retirement, will even pay switching fees up to £50.



Checklist

How to get the best deals and save money

■ **Shop around** Get quotes online and by phone from Best Buys. Don't be scared to haggle.

■ **Keep them informed** If you decide to switch, inform your previous insurer so it doesn't renew your policy.

■ **Increase excess** You can often reduce your premium by upping your excess (the first part of every claim that you must pay yourself). Make sure you can afford the extra if you do need to claim.

■ **Brokers** If you have unusual circumstances or a history of flooding or

subsidence, you may struggle to find a new insurer. But that's no reason not to switch – in these circumstances a broker may be your best bet. The British Insurance Brokers' Association offers a database of specialist brokers (www.biba.org.uk).

■ **Buy together** Buying buildings and contents insurance from the same provider could earn you a discount. For example, Churchill currently offers 25% off your contents premium when you buy both.

■ **One-off payment** Try

to pay your annual premium all at once. You could be charged an APR of as much as 28.5% for monthly payments.

■ **Calculator** Some insurers provide an online contents calculator to check you're not under-insured. This can be useful for reminding you what you need to insure.

■ **Rebuild calculator** The Association of British Insurers has a calculator to let you work out your home's rebuild cost and the minimum for which you should insure the building (abi.bcis.co.uk).

Contacts

Admiral 0800 085 7467
www.admiral.com

Age Concern 0845 606 5075
www.ageconcern.org.uk

AIG Direct 0845 677 0097
www.aigdirecthome.co.uk

Asda 0845 300 7125
www.asdafinance.com

Bradford & Bingley 0800 107 3017
www.bradfordandbingley.co.uk

Budget 0800 197 1318
www.budgetinsurance.co.uk

Churchill 0800 200345
www.churchill.com

Insure4Retirement
0800 298 8707

www.insure4retirement.co.uk

MRL Direct 0845 676 0698
www.mrlinsurance.co.uk

Post Office 0800 169 6500
www.postoffice.co.uk

Sainsbury's Bank
0800 731 7978
www.sainsburys.co.uk

BEST BUY BUILDINGS	BEDROOM RATED		SUM INSURED	
	1938 HOUSE	1982 HOUSE	1938 HOUSE	1982 HOUSE
LOW RISK	Asda ^a Budget ^a Post Office	Budget Insure4Retirement ^a Post Office	Admiral Budget Post Office	Admiral Budget Post Office
HIGH RISK	Asda ^a Budget Sainsbury's ^a	AIG Direct Budget Sainsbury's ^a	Admiral Budget MRL Direct	Admiral Budget MRL Direct

BEST BUY CONTENTS	BEDROOM RATED		SUM INSURED	
	UP TO 50 YEARS OLD	MORE THAN 50 YEARS OLD	UP TO 50 YEARS OLD	MORE THAN 50 YEARS OLD
LOW RISK	Bradford & Bingley Budget Post Office ^a	Budget Churchill ^a Post Office	Admiral Budget ^a Post Office ^a	Age Concern Budget Post Office
MEDIUM RISK	AIG Direct Budget Post Office ^a	Bradford & Bingley ^a Budget Post Office	Admiral Budget MRL Direct	Bradford & Bingley ^a Budget Post Office
HIGH RISK	Bradford & Bingley Budget Post Office ^a	Bradford & Bingley ^a Budget Post Office ^a	Admiral Budget MRL Direct	Bradford & Bingley Budget Post Office

^a Not a Best Buy if you don't have a no-claims discount

USING THE TABLES

Best Buys are based on quotes for standard buildings and contents insurance, worth £120,000 and £40,000 respectively, for a semi-detached, three-bedroomed, brick house in good repair, empty during the day, with no subsidence and approved locks on doors and windows. Quotes assume that the policyholder has a five-year no-claims discount. **Bedroom rated** Premiums are based on the number of bedrooms. **Sum insured** You work out how much cover you need.

Buildings insurance

Covers damage to the bricks and mortar of your home, as well as permanent fixtures such as baths and kitchens. **1938/1982 house** When your house was built. **Low risk/high risk** Determined by the risk from flooding, storm damage or subsidence.

Contents insurance

Covers possessions. **Up to/more than 50 years old** Your age group. **Low/medium/high risk** Low risk is a rural area or small town, medium is a town or suburb, and high is an inner city.