How to Read an Insurance Policy Without Getting Lost

Buying insurance is one thing. Understanding what you have actually bought is another.

Many people only look at the price, the headline cover, and maybe the insurer name. The problem is that the most important details are often buried in the wording. Taking a few extra minutes to review the policy properly can help you avoid gaps in cover, claim disputes, and costly misunderstandings.

Start with the policy schedule
The schedule is usually the quickest way to see the basics of your cover. It often shows:

- who is insured
- what is insured
- the policy start and end dates
- the cover sections included
- the sums insured or limits
- the excesses that apply

This is your snapshot. If something is wrong here, it can affect the whole policy.

Check the statement of fact or application details
This section matters more than most people realise. It confirms the information used to offer the policy. If details are wrong or incomplete, it can cause problems later. Check names, addresses, dates of birth, property details, claims history, occupation, and any other information provided.

Understand what is covered
Look for the core cover sections. For example, this may include buildings, contents, travel cancellation, liability, medical cover, or accidental damage depending on the policy type. Do not assume all sections are included as standard.

Look carefully at exclusions
Exclusions explain what is not covered. This is where policies often differ. Common examples include wear and tear, poor maintenance, pre-existing issues, gradual damage, or certain high-value items unless separately declared.

Review excesses
An excess is the amount you pay towards a claim. Some policies have more than one excess, such as a standard excess plus an additional one for escape of water, subsidence, or accidental damage. Cheap premiums can sometimes hide chunky excesses.

Check limits and inner limits
A policy may have an overall cover limit, but also smaller limits for certain categories. For example:

- jewellery
- bikes
- phones
- laptops
- freezer contents
- alternative accommodation

The headline cover can look generous until the small print takes a chunk out of it.

Watch out for conditions
Policies often include conditions such as:

- keeping doors and windows secure

- maintaining the property
- notifying the insurer of changes
- storing valuables correctly
- reporting claims quickly

If conditions are ignored, claims can become harder work than they need to be.

Questions to ask before buying

- What is actually included as standard?
- What is excluded?
- What excess applies?
- Are there category limits?
- Are there important security or maintenance conditions?
- Do I need to declare anything else?
- Would I be happy making a claim under this wording?

Final thought

Do not buy insurance purely on autopilot. A low premium is not always a good deal if the cover is narrow, the excess is high, or the conditions are unrealistic. A quick review now can save a major headache later.