

Common Insurance Mistakes That Can Cost You Money

Insurance is supposed to protect you financially, but poor decisions at the buying stage can leave you exposed. Here are some of the most common mistakes and how to avoid them.

1. Buying on price alone

Cheap is attractive. Obviously. But a lower premium may come with:

- higher excesses
- less cover
- tighter exclusions
- lower limits
- weaker optional extras

Price matters, but value matters more.

2. Giving incorrect information

Even small mistakes can cause problems. Examples include:

- wrong address details
- undeclared claims
- inaccurate mileage
- incorrect occupation
- failing to mention property changes or special risks

Always check the details before buying and renewing.

3. Assuming you are covered for everything

Many people believe terms like “comprehensive” mean “everything”. They do not. Every policy has exclusions, conditions, and limits.

4. Underinsuring

This is especially common with home, contents, and specialist cover. People guess values, forget rebuild costs, or underestimate the cost of replacing possessions.

5. Not reviewing renewals properly

Auto-renewal is convenient, but it can make people lazy. Your needs may have changed, the price may have jumped, and the cover may no longer be the best fit.

6. Ignoring excess levels

A policy can look cheap until you discover the excess wipes out the value of smaller claims. Always check what you would actually have to pay.

7. Forgetting to update the insurer

Changes that may matter include:

- moving home
- renovations
- changes in occupancy
- business use
- new valuables
- changes to driving habits
- changes in health or travel plans where relevant



8. Not keeping records

Receipts, photos, valuations, and policy documents can make claims easier. Without them, proving ownership or value can become painful.

Quick checklist

Before buying or renewing, ask:

- Is the information accurate?
- Are the limits high enough?
- What is excluded?
- What excess applies?
- Have my circumstances changed?
- Is this the right policy, not just the cheapest one?

Final thought

Most insurance mistakes are preventable. A few minutes of checking can save a lot of money and frustration later.

