

# PITFALLS OF COMPARISON SITES

You have one major advantage over the comparison sites...your advice.

By providing quality advice, you can help your customers avoid the common pitfalls of using comparison sites and find value for money buildings and contents policies.

## Comprehensive cover

Most customers do not know what to look for when buying insurance, you can help ensure they buy a comprehensive policy.

For example, it is estimated around 20% of online policies do not cover Trace and Access. All First2Protect policies include £5,000 cover for Trace and Access.

## Selecting the correct cover

Many accidental damage claims do not pay out because customers have not selected the option. They would clearly like the cover but do not select it to keep the cost down.

A discussion can identify if there is a need for it. For example, most AD claims are caused by young children.

## Value for money

A policy is only good value if it provides comprehensive cover at a competitive price and will pay out in the event of a claim. A broker can advise on which policy provides true value for money.

## Advice

This is where a broker really adds value to a customer. Understanding their demands and needs, providing appropriate advice and ensuring they get the best possible cover. After all, it's vital the policy pays out when the customer needs it. A broker can help decide what cover is important and what is worth paying extra for.

## Charges for making amendments

In recent years, fees to amend policies have increased by around 50% but many customers would not know to check. First2Protect do not charge a fee for Mid Term Adjustments.

## Underinsurance

The average contents in UK is £35,000 (ABI Feb 2018) but up to 50% of customers may be underinsured.

Customers often select low contents Sums Insured to keep the cost down rather than considering the value of their entire contents but do not understand the risk. Insurers use the 'average' clause for underinsurance and will either reduce the payout or void the policy.

## Excesses

Escape of Water is the most common claim in winter months. Many online policies have a £500 Escape of Water excess yet many customers would not be aware until their pipe burst. First2Protect's Escape of Water excess is only £250.

Many online policies include both compulsory and voluntary excesses to keep the cost of the policy down. Customers are often unaware they must pay both which may mean it is not worth making a claim.