



Rene Otto of MiWay, the newest entrant into the direct insurance market

# Insurance: it pays to shop around

## Angelo Coppola

In tough economic times, when disposable income is squeezed, it pays to shop around — especially for vehicle insurance — as the savings on premiums alone will put a smile on anyone's face.

According to Rene Otto at MiWay, the newest entrant into the direct insurance space, many consumers take out insurance on their vehicles and forget about it. The premiums go up annually and as there have been no major incidents during the previous year, the consumer carries the premium increase, because it is sold to them as an inflation-related increase.

Insurers are aware that consumers are strapped for cash and searching for better and cheaper offerings. Yet, consumers need to compare apples with apples rather than cheap versus expensive insurance. In the cut-throat insurance market cheap is not necessarily good, because excesses may be loaded to com-

pensate for the premium discount.

"We agree that consumers should look for the most cost-effective cover. But consider factors such as excess and conditions of cover before jumping into something that could get you into even hotter water when it comes to the crunch," says Otto.

The direct financial services market has seen many newcomers offering competitive rates and this is true especially in the direct insurance market. Consumers would do themselves a favour by approaching these direct players when shopping around for their insurance needs. Consider the cost benefits of dealing directly with an insurer intent on delivering customer service versus a broker representing a group of insurers.

Otto's advice is simple. "Call around and get a set of quotes. You can then make an informed decision which will definitely save you money. The price of the call or the time spent online will be well worth the effort."

