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Another bill to pay?

Insurance sounds boring doesn't it? Many people see their annual insurance policies as just another bill to pay, and health, house or life insurance can be the first to go when hitting economic crisis.......

Please take a few moments of your time to read this article, and reflect on insurance as an investment, rather than a bill. Hopefully I can provide a few pointers on how to cut your costs without risking your future....

For example, house insurance. This, unlike car insurance, is not obligatory in Spain. However, with the world economy as it stands, in addition to the huge drop in the exchange rate, its worth considering what you might do in the case of a nasty accident.... If you had a fire in your kitchen, realistically can you afford to go out and replace your fridge freezer, washing machine, dishwasher, not forgetting the units themselves, right down to your pots, pans and cutlery... Now imagine that the fire was to affect the whole property – we are then looking at replacing everything on a huge scale – clothes alone are quite an investment for many! When we consider that the average contents sum to insure can range from 30 – 50,000 euros, this is a lot of money to have to find should the worst happen.

Surely an investment of 300€ (average premium) to safeguard your most precious possessions is a necessity? Another way to consider the payment of your premiums is to look at your approximate annual income..... if there is 20.000 euros making its way to your bank account annually, then again, 300€ deducted from this is not a great deal!

There are several ways of reducing the premiums on your home and contents insurance. Ask your insurance agent if they can apply further discount for having your car with them already, for example. Check the buildings sum that you have covered – again your agent should be able to advise you of the minimums per metre squared. Spend a few hours of your time reviewing your contents – take a notepad around the house, and make an inventory of items, with approximate replacement costs, at today's prices. This is important especially when looking at electrical goods, such as televisions, dvd players, computers etc. The plasma tv that you bought five years ago for 5000 euros can probably be replaced now with a similar model for around 1500 euros. It's also worth considering taking an excess on your policy – this would mean you would have to pay the first part of any claim, lets say 120€, but the savings on your annual premium could well make it worthwhile.

Another policy to review is life insurance. Unfortunately, statistics show that men generally have a shorter life expectancy than women. This is one of the reasons why life insurance is a little more expensive for the male of the species. In many cases, through his working life, the male partner has been the breadwinner of the family, hence a higher pension. However, it is fairly common that upon the death of hubby, the pension paid is reduced by half, often leaving mrs in trouble financially. Again, life insurance should be seen as protection for your loved ones – knowing that they will be looked after can give great peace of mind.

Finally, with the massive decline in the exchange rate over the last year, and no signs of it jumping up again in the near future, it's worth considering the way in which you bring your hard earned pounds over to sunny Spain... just because you have always used the bank, for example, doesn't make them your best option. As a company, we have shopped around on currency exchange, on behalf of our clients, as many do with car insurance – we have found a company offering much better rates than the banks. This company moved over 10 billion pounds around the world in 2008, and with neglible fees and the best possible rates, it has to be worth a call.