

CHEAPER CAN BE EXPENSIVE

Choose insurance coverage wisely

By BRIAN BERGMAN

We all love to save money on the products or services we spend our precious dollars on. Who wouldn't? No matter what you are looking for, saving here and there on the cost can seem like a good thing. However, it may not always be the best thing to do in every situation. Can saving money come at a large expense that may be difficult to absorb?

Purchasing insurance is up there as one of the more important decisions we make, yet so often it is relegated to trivial levels. The means and method you buy insurance aside, the product itself has so many intricacies that often the true value is lost in the whole "pay-as-little-as-possible" frenzy.

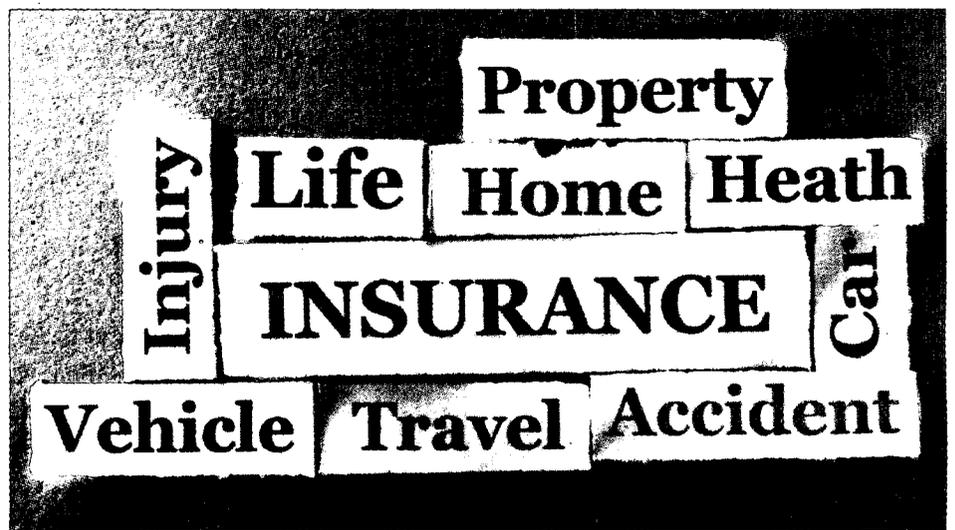
Not too many products or services have the leverage to save us considerable money (thousands to hundreds of thousands) in the event of a major damaging event; or at the same time cost us that same considerable money by not carefully considering certain options that can be overlooked in trying to compare on price alone. Too often the cheaper price is obtained by eliminating, reducing, or just plain overlooking coverage available. And what happens when that coverage is needed?

I am reminded of a client years ago wanting to save on their auto policy. We did as much as possible that made sense; raised

deductibles, maximized discounts, quoted alternate companies for lower cost. Where I would not budge was on Personal Injury Coverage for the cost of injuries to the driver and passengers (a/k/a No-Fault coverage). Having a limit of \$175,000 they wanted to reduce to the minimum New York State limit of \$50,000, saving about \$100 a year. I just plain refused. Fast forward about a year and the client was in a major car accident, severely injured with medical bills approaching \$200,000.

You tell me, what was the right decision the year prior? You just never know what will be. Yet this coverage is often missing from many policies, which contributes to the cost being thought of as "better".

Usually the difference between the price of insurance policies covering the same item(s) comes down to the coverages included in the policy, the additional options available (which may add cost), the financial stability and reputation of the insurance company, and using the services of a trusted insurance advisor (always speak with a licensed agent or broker). While the airways and print media blast us with percentage discounts and expected dollar savings compared to the prices of unnamed "others", many consumers are left to discover possible shortfalls in coverage at the time of a claim.



How consumers buy everyday products is changing rapidly, but there's one thing that you can still count on: there's an insurance broker in your community who's there for you providing the right insurance coverage, trustworthy advice and service in the event of a claim or change that affects your policy.

Whether you are purchasing homeowners, automobile, business or any other insurance coverage, always make sure you are comparing the exact same coverage offered by each quote. Where often it can be uncomplicated to compare other products we know and use almost daily, comparing an insurance policy needs to have a more thorough approach with a line by line review of everything available.

Know what you are and are not getting for your money. This is where the trusted agent/broker is most valuable. Digging into details pays off immensely down the road if there is an unfortunate event or potential claim. Cheaper is not always better. As the saying goes, you get what you pay for.

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