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Consumers more cautious buying insurance

Economic climate generates concern

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Consumers shopping for personal insurance are exercising more caution in their decision-making due to the economic climate, according to an online life insurance broker.

"Significantly more callers to our national broking service are enquiring about the financial viability of insurers," Lifebroker founder Chris Eade said.

As a result of AIG needing to be bailed out, people want to know the insurer they are considering will be around for the long-term, Eade said.

"The uncertainty is forcing people to take a greater interest in who they insure with, which is positive," he said.

Consumers were also more actively shopping around for the lowest premiums, Eade said.

"There are big variations in premiums between the top insurance companies and great opportunities to save money, depending on personal circumstances," he said.

"Income protection premiums for a 40-year-old male can vary by as much as \$600 a year, across the 13 largest insurance companies."

Consumers were also taking longer to commit to buying insurance, he said.

"Our advice to consumers is if they have a large debt like a mortgage, or they have a family to protect, the risks remain the same regardless of what is happening in the economy," he said.

Lifebroker is a national broker of life, income, trauma, and total and permanent disability insurance for 13 of Australia's largest insurance companies.