



<http://understandinsurance.com.au/when-to-review-and-renew>

When to review and renew

Most general insurance policies run for **12 months**, though some policies allow policyholders to choose a semi-annual (**six monthly**) policy if they wish, and others – such as travel insurance – cover specific dates.

The renewal date for your insurance policy is based on the date you agreed with the insurer that the policy would take effect when you first signed up. This means renewal dates can fall on a weekend or public holiday.

Your insurer has to give you notice that your policy is going to expire. This is usually **14 days**, but the renewal notice information will be listed in your Product Disclosure Statement. Under the terms of some policies, they will automatically renew unless you notify your insurer otherwise. This is another reason to read your PDS closely and [understand your insurance policy](http://understandinsurance.com.au/understand-your-insurance-policy) [<http://understandinsurance.com.au/understand-your-insurance-policy>] .

Your insurance policy might allow for certain changes during the term of the policy, but the renewal notice might prompt you to take another look at your insurance policy and decide if you want to make any changes.

When you are renewing your policy, it is important to check that all of the information you originally supplied to the insurer is correct. You must let your insurer know if anything has changed.

For example, if you are renewing a motor vehicle insurance policy and you have since fitted special high-performance modifications to your car, you have a duty of disclosure, meaning you are obliged to tell your insurer about it.

You may also choose to examine the level of cover, perhaps if you have recently purchased new furniture or whitegoods for your home or completed a renovation.

In some rare instances an insurer may decide not to renew a policy. If so, it must give the policyholder at least **14 days'** warning.

Renewing your insurance policy

Renewing your insurance policy is usually quite straightforward. By paying your premium, you let your insurance company know that you agree to continue the policy. Your insurer will tell you how much you have to pay and how much time you have to make a payment on your insurance schedule.

It is important to meet the payment deadline.

If your insurer does not offer a grace period and you do not make your premium payment on time, then you may find yourself without any insurance cover.

If you decide that you are not going to continue the policy, you should make sure that you tell the insurance company before the renewal date. Depending on the terms and conditions in your policy, you may get charged for the time that the insurer extends as a grace period for payment.

When should I renew and review my insurance?

Though the annual policy renewal notice is a good prompt to look over your insurance policy and make changes, there are other times when your circumstances change and when you should notify your insurer because it may affect your cover.

These include:

- **Change in relationship status**

If you get married or enter a de-facto relationship, you should check how this affects your insurance policy. You would normally take out a combined home and contents policy, and you might find that you get a discount on other insurance, such as car insurance, if you and your partner both choose policies with the same insurer

- **Change of address**

Moving house is a good time to review your insurance policy. You may find that if you move to a different suburb, your risk will change accordingly and this may affect your insurance premium

- **Renovations**

Improvements to your property could affect your risk or your sum insured. Insurers will assess whether changes to a property, such as installing window and door locks and changing to hail-resilient roofing, could change your premium

- **Change in how you use your vehicle**

For instance, if you start using your car for business it may affect your policy. If another person starts using your car more often, you may need to list that driver on your policy.

- **End of financial year**

This is a good time for owners of small or medium enterprises to make sure their insurance policies are still relevant. Though it's often a hectic time for small business owners, having the business's paperwork in front of you means you can see how your business has changed during the past 12 months

Checking your insurance needs

At the time you are renewing your policy, it is important to check that all of the information you originally supplied to the insurer is correct. If there have been any changes to your circumstances, you should advise the insurer of this.

For example, if you are renewing a motor vehicle insurance policy and you have since fitted special high-performance modifications to your car, you have a duty of disclosure, meaning you are obliged to tell your insurer about it.

Before you renew your policy, check whether you need to change the level of cover. Take the time to work out if your possessions have grown in value over the last year. If you have made any significant purchases during the year, such as jewellery or perhaps an expensive camera, check to see if you need to list that item separately under the policy.

You can also complete a [household inventory \[http://understandinsurance.com.au/calculators \]](http://understandinsurance.com.au/calculators) to help you make a list of the things that you own.

You can also do something as simple as making a paper or electronic list, and adding to that list when you make a major purchase. It's a good idea to store this information off site in case of fire or other major disaster.

How to review and renew your insurance policy:

- Put a reminder in your diary well before the renewal date so you have plenty of time to prepare
- Check for changes to your Product Disclosure Statement (PDS) and call your insurer for more information
- Re-evaluate your needs. If you have more items in your home, for instance, you may need to increase your sum insured to avoid underinsurance, or list specific items on the policy. If you have an older car, you may decide you no longer need comprehensive cover
- Don't focus on price alone. Choose the policy that offers the best value. When comparing policies, it's important to choose one that offers the inclusions and features that best meet your needs. Consider product inclusions, deductibles, exclusions and coverage limits
- Make sure the information you provided to the insurer about yourself and the assets you are insuring are still accurate. Gifts and purchases made throughout the year can quickly add up. Check you have enough insurance and make sure any new assets are covered by your policy
- Talk to your insurer if you are unhappy with your premium. Many insurers will review your premium if you can provide more information.
- Australia's general insurance market is highly competitive with a wide range of products to meet most people's needs. [Find an Insurer \[http://www.findaninsurer.com.au/ \]](http://www.findaninsurer.com.au/) can help find the right insurer for you.