National Traveller mabs Money Advice & Budgeting Service

Insurance Explained

A handy guide to help you navigate insurance

List of Contents

The information contained in this booklet is intended for general informational purposes only.

It should not be considered as professional advice or a substitute for seeking professional guidance.

The information contained in this booklet has been sourced from the Consumer Protection and Competition Commission (CPCC): https://www.ccpc.ie/consumers/money/insurance/ and Insurance Ireland: https://www.insuranceireland.eu/consumer-information

Insurance: The Basics

What is insurance and how does it work?

Insurance is like having a safety net for unexpected events. You pay a small amount of money regularly (called a premium) to an insurance company. If something bad happens, like a car accident or getting sick, the insurance company helps you cover the costs. It's a way to protect yourself financially from things you can't predict. To get insurance you choose the type of insurance you need (like health, car or home insurance), pick a plan that fits your needs and budget and then sign up with the insurance company.

It all sounds simple enough but it can be tricky to navigate the world of insurance and there are some things you should know when looking for insurance.

Shopping around

The insurance market changes all the time and shopping around for the best quote can save you money and ensure that you get the right level of cover for your needs. Shopping around means going to different insurance companies for quotes. There are a number of price comparison websites which will compare insurance policies for you for free. You can also go to a broker who will do the shopping around for you but you will have to pay them for doing this.

Important things to know when it's time to renew your insurance

Non-life insurances, like home, car, health and general liability insurance, have to be renewed every year.

Your insurance company must send you a renewal notice at least 20 days before your renewal date and include the following:

- the premiums paid for the policy in the previous five years, and
- a list of any claims, including third party claims paid by the insurer to the consumer or to a third party(ies) in the previous five years.

It is the responsibility of the insurance company to ask the consumer all relevant questions in the application process so they get all the information required. The questions must be in plain easy to understand language. If there is something that you do not understand or does not make sense please ask questions.

You as the person taking out the insurance must answer fully and honestly all the questions set out in the application process.

Consumers are not required to give any additional information to the insurance company at renewal time unless the insurance company has specifically asked for it.

When you are shopping around for insurance, don't forget to bargain, especially with insurance policies that need to be renewed annually. If you get a good quote from one company, it is often worth checking if your existing insurer is prepared to match it or do better, in order to keep your business.

Remember when you get a quote from an insurance company, this is usually only valid for a certain amount of time, so make sure to ask the insurer.

Take note of exactly how much extra you are paying if you decide to pay your insurance by instalments. By law, you must be told the cost of credit and the APR. The APR allows you to compare the cost of paying by instalments with different providers.

Information you must be given

Under the Central Bank's Consumer Protection Code, firms must:

- Tell you when the quote they have given you expires so you know that if you want to get that price you will have to sign up before a specific date.
- Make sure you are aware of any special conditions or restrictions that apply to the cover they are offering you (for serious illness cover only).
- Tell you about any discounts that apply or any extra premium being charged, when they give you a quote.
- Tell you that your cover or any claim you make, could be affected if you give incorrect or incomplete information when applying for cover – for example telling them that you do not smoke when you do.
- Issue your policy document within 10 business days of providing you with cover.

Things to consider

- What type and level of cover best meets my needs?
- How many quotes will my broker look for? Does my broker provide extra services, such as help with making claims?
- What fee, if any, will I be charged by my broker/bank? Is this instead of commission or will they also receive commission?
- Could I get a lower quote by dealing directly with the insurance company or looking online?
- What loadings are the insurance company applying in my case?
- Do I qualify for any discounts?
- Can I reduce my premium if I choose a larger excess?
- What is included in the policy and what is excluded?

Things to do when buying insurance

- Keep track of quotes. The CCPC has handy shopping around checklists for motor insurance and home insurance to help you keep track of quotes and benefits from different insurers available from their website https://www.ccpc.ie/consumers/money/insurance/getting-insurance-quotes/
- Always cancel old policies: if you move to another provider, make sure you cancel your old policy and any payment you set up, such as a direct debit. It is advisable to inform your bank in writing, as well as your insurer if you are canceling a payment such as a direct debit.

What happens if an insurance company cancels my insurance?

When an insurance company cancels your policy they:

- must repay any outstanding balance to you if you have paid your premium in full;
- must provide the reason for cancellation; and
- cannot impose a charge or fee on you for cancelling the policy.

Making a Claim

How you make claim will depend on your insurance company and your policy but in general these are the steps you should take:

- Call your insurer or broker as soon as you discover a problem. They often have a free emergency helpline. You will find this number on your insurance policy documentation or on the insurance company's website.
- You will have to explain what has happened to the insurance company and request a claim form.
- Depending on the type of claim, your insurer or broker will give you advice on what to do next. For example, if your home has been damaged, they may suggest you get some emergency repairs done. Always check that your insurer will cover the cost of any repairs.

For larger claims, such as a buildings claim on your home, you may want to hire an assessor. An assessor works on your behalf and will negotiate with your insurance company to settle your claim. Assessor's fees are not covered by your policy, so you will have to pay for this service yourself. An assessor is not the same as a loss adjuster, who is employed by the insurance company and works for them.

Things to consider before making a claim

- Check the excess you have to pay yourself on your policy. The amount varies but is generally between €100 and €500. If your claim is less than the excess amount then the insurance company will not pay you. E.g. If your claim is for €400 but your excess is €500 then the insurance company will not pay your claim.
- If the amount of a claim is small, consider whether it is worth making a claim. If you make a claim, you could lose your no claims bonus with certain insurers and you may find it difficult to shop around for certain types of cover the next time you renew your policy.

Types of Insurance

Life Insurance

Life insurance is a way to take care of your loved ones even after you're no longer around. It's a financial safety net that you create to help make sure your family or beneficiaries are supported when you pass away.

Here's how life insurance works:

You pay a regular amount of money (called a premium) to an insurance company. If something happens to you and you pass away while the policy is active, the insurance company pays out a sum of money, called a death benefit, to the people you've chosen as beneficiaries. These beneficiaries could be your family members, loved ones, or anyone else you want to provide for.

Life insurance can help your family in different ways:

- **Financial Support:** The money from the life insurance payout can help cover important expenses like mortgage payments, bills, education costs, and other financial responsibilities.
- **Debts:** If you have any outstanding debts, like loans or credit card balances, life insurance can help your family pay off these debts.
- **Funeral Expenses:** Funerals can be expensive. Life insurance can help your family cover the costs of a proper farewell.
- **Legacy:** Life insurance allows you to leave a legacy and provide for your loved ones even after you're gone.

There are different types of life insurance policies, and the two main categories are Term Life Insurance and Whole of Life Insurance:

- **Term Life Insurance:** This provides coverage for a specific period, like 10, 20, or 30 years. If you pass away during that time, the insurance pays out. It's like "renting" insurance for a set period.
- **Whole of Life Insurance:** This type provides coverage for your entire life, as long as you keep paying the premiums. It also has a savings component that can grow over time.

Choosing the right life insurance depends on your personal and financial circumstances. It's important to carefully consider how much coverage you need, how long you need it for, and what you want the insurance to achieve for your loved ones. Always read the policy details and ask questions to make sure you're getting the right protection for your future.

Whole of life insurance

Whole of life insurance is a type of insurance that provides coverage for your entire life, as long as you keep paying the premiums. This way, you can leave a legacy and ensure that your family is taken care of even after you're gone.

Here's a simple explanation of how whole of life insurance works:

- **Lifelong Coverage:** With whole of life insurance, you're covered for your entire life. It doesn't matter when you pass away, as long as your policy is active and you've been paying the premiums.
- **Pay Premiums:** You pay a regular amount of money, called a premium, to the insurance company. This keeps your insurance policy active and ensures that your beneficiaries will receive a pay-out when you pass away.
- **Death Benefit:** When you pass away, the insurance company pays a sum of money, called the death benefit, to the people you've chosen as beneficiaries. This money can help your family with things like funeral expenses, bills, debts, or other financial needs.
- **Savings Component:** Whole of life insurance often has a savings or investment component. Part of your premium goes into a cash value account that grows over time. You might be able to use this cash value for things like loans, withdrawals, or to help pay the premiums. You should check your policy to find out all the terms and conditions as you may need to repay the cash value if you want to maintain the original death benefit value.

Remember: Whole of life policies are not savings plans as you will never get back all your payments. You will only get back the cash value at the time of withdrawal, which is only one part of the policy, the other being the death benefit value.

Whole of life insurance can be a good choice if you want to provide long-term financial support for your family or leave behind an inheritance. It's like a permanent safety net that ensures your loved ones will have some financial security, even after you're no longer here. Keep in mind that whole of life insurance can be more expensive than other types, so consider your budget and what you want to achieve with the policy.

Types of whole of life insurance

Guaranteed whole of life

You can also get a policy where your premium is fixed, called a 'guaranteed' whole of life policy and your benefit is set at an agreed level. You will generally pay more throughout the period of cover for this type of policy than for one where the premium is not fixed.

Your payments for this cover will not change unless you choose a policy that is linked to inflation. If you buy a policy that is linked to inflation, the cost of your payments will increase every year in keeping with rising costs of living. In this case, the lump sum that will be paid when you pass away will also increase.

Unit-linked policies

With this type of policy, the life insurance company invests your premium in a fund. They manage the fund so that it is expected to grow at a certain rate and to increase in value over time.

The fund value is not guaranteed. It may grow by enough to pay for your life insurance throughout your life. Or, in some cases, it may fall short of the amount needed to pay for your life insurance. In that case, you may have to pay a higher premium to keep the sum assured at the agreed level. This is the main reason why these policies are reviewed regularly, typically after 10 years and every five years from then on. The life insurance company may review the policy yearly after you reach a certain age.

Section 72 policy

A section 72 policy is a type of whole of life cover that is used to pay inheritance tax when you die. Under Irish law, inheritance tax is paid for by the beneficiaries of your estate e.g. your dependents. In general, this policy is suitable if you have dependents that are not in a position to pay the inheritance tax, or if the value of your estate is particularly large. The sum insured under a section 72 policy does not form part of your estate unless it is higher than the tax liability, then the remainder will be subject to inheritance tax.

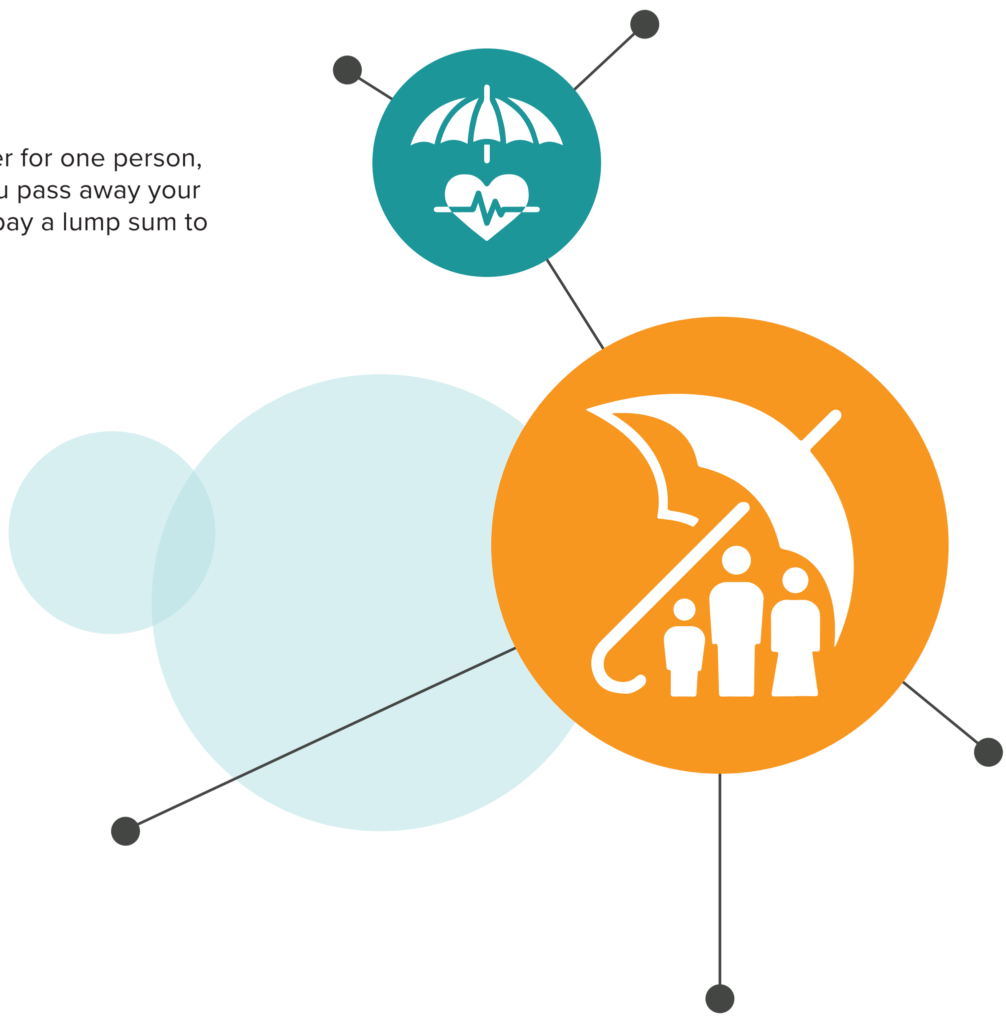
Types of cover

Single cover: this is cover for one person, this means that when you pass away your insurance company will pay a lump sum to your estate.

Joint life, first death: this covers you and your spouse or partner. Your insurance company will make a lump sum payment on the first death. Only one payment is made and it is paid when the first person passes away.

Joint life, second death: this covers you and your spouse or partner. Your insurance company will make a lump sum payment when the second person covered passes away. Only one payment is made and it is paid when the second person passes away.

Dual cover: This covers you and your spouse or partner. Your insurance company will make a lump sum payment for each death. Once regular payments continue to be made, the policy will continue after the first person passes away. It will end when the second person passes away and the final lump sum is paid.



Term Life Insurance

Term life insurance is like a financial safety net that you set up for a specific period of time. It's a way to provide protection and support for your loved ones if something happens to you during that time.

Here's how term life insurance works in simple terms:

- **Choose a Period:** You pick a certain number of years for your insurance coverage. This period is called the "term." It could be 10, 20, or 30 years, for example.
- **Pay Premiums:** You pay a regular amount of money, called a premium, to the insurance company. This keeps your insurance policy active.
- **Protection for Your Family:** If you pass away during the term of the policy, the insurance company pays a sum of money, called the death benefit, to the people you've chosen as beneficiaries. This money can help your family with things like bills, mortgage payments, education costs, and more.
- **Coverage Ends:** Once the term is over, the insurance coverage ends. If you're still alive at the end of the term, the policy doesn't pay out, and you might need to consider getting a new policy if you want to continue having life insurance.

Types of cover

Single cover: it can be bought to protect one person, this means if you pass away during the policy term, your insurance company will pay a lump sum.

Joint cover: this covers you and your partner. Your insurance company will make a lump sum payment on the first death i.e. only one payment is made and it is paid when the first person passes away during the policy term.

Dual cover: you can also buy dual cover, which covers you and your partner. Your insurance company will make a lump sum payment if you pass away and another lump sum payment if your partner passes away during the policy term.

Term life insurance is often a good choice if you want coverage for a specific period when your loved ones might need financial support the most. It's like having a safety net in place to take care of your family if something unexpected happens to you. Just remember, when you're choosing a term, think about how long your family might need financial protection and how much coverage you want to provide for them.

Serious Illness Insurance

Serious illness insurance is like a special safety net that provides you with financial help if you're diagnosed with a serious medical condition. It's designed to give you a lump sum of money if you experience a specific illness or medical event that's listed in your insurance policy.

Serious illness insurance can be really helpful because it provides a financial cushion if you're faced with a major health challenge. It's like having an extra layer of protection beyond regular health insurance, so you can have peace of mind knowing that you're covered if something serious happens to your health. Just make sure to read your policy carefully to understand which illnesses or events are covered and any terms and conditions that apply.

Serious illness insurance pays you a tax-free lump sum if you are diagnosed with one of the specific illnesses or disabilities that your policy covers. It is also sometimes called 'critical illness cover'. It is often sold as an extra benefit on a term life insurance, whole of life insurance or mortgage protection policy, but it can also be sold as an insurance policy on its own.

Here's a simple explanation of how serious illness insurance works:

- **Choose Coverage:** You select a serious illness insurance policy that lists certain medical conditions or events it covers. These could include things like cancer, heart attack, stroke, and more.
- **Pay Premiums:** You pay a regular amount of money, called a premium, to the insurance company. This keeps your policy active and ready to help if you need it.
- **Diagnosis:** If you're diagnosed with one of the covered serious illnesses or medical events while your policy is active, the insurance company pays you a lump sum of money. This money is often tax-free and can be used to help cover medical expenses, household bills, or any other financial needs you have.
- **Use the Payout:** You can use the payout from the serious illness insurance however you see fit. It's meant to provide financial support during a difficult time, so you can focus on your health and recovery without worrying too much about money.

What is covered in a typical serious illness policy?

If you are thinking about taking out serious illness insurance, it is important to realise that it would not replace your income if you were out of work due to long-term illness.

Serious illness insurance will only pay out if the illness is covered by the policy. Many illnesses that would prevent you from working may not be covered by your policy. Even when the illness is covered, the policy pays a once-off lump sum and not an ongoing income.

Not all policies will cover the same illnesses, or common illness, such as angina, back injury and treatable cancers. You should check with your insurer or broker for details of the illnesses covered before you take out a policy.

The list of illnesses varies between insurers but usually includes:

- stroke
- heart attack
- some types of cancer

- coronary artery disease
- multiple sclerosis
- kidney failure
- motor neuron disease
- blindness
- major organ transplantation (including being on a waiting list for transplantation)
- a benign brain tumour
- severe burns

Some illnesses may have additional criteria that must be met for a claim to be valid such as, the illness results in permanent damage or a particular level of severity, for example, a minor stroke may not be covered even though a stroke is covered under the policy. In this case you have had to suffer a severe stroke for the policy to pay out. Any additional criteria will be listed in the policy document.

You may be tempted to choose a policy that covers the most illnesses. But it is more important to consider the definitions of illnesses. With some policies your condition would have to be extremely serious before you can make a claim.

The Central Bank's Consumer Protection Code requires firms to explain clearly to you the restrictions, conditions and exclusions that apply to your policy. As well as general exclusions, there may be specific exclusions based on your medical history, job or lifestyle. Policies vary, but they usually include:

- cover for a number of serious illnesses, listed on your policy, which may include permanent total disability
- limited serious illness cover for your children
- waiting list benefit

If you have a pre-existing medical condition, that is a medical condition that you have had before, you may find it difficult to get cover for that particular illness.

Permanent total disability (PTD)

This is sometimes included in these policies. So, if you become permanently and totally disabled from an illness or condition that is not otherwise covered by the policy, you could claim the serious illness benefit.

There are two types of PTD cover:

- **Any-occupation PTD:** this means you can only claim if you are unable to work at any job. It means you are permanently unable to do many normal daily activities, such as walking, lifting, bending, writing or speaking. The risk of this happening to you is quite low, so any-occupation PTD is often included in the standard illness list.
- **Own-occupation PTD:** This means you can claim if you are permanently and totally unable to do your current job. You will usually pay extra for this type of PTD cover. You may not be able to get this extra cover if your job carries a higher risk of disability, for example, if you are a sports professional.

Do I need serious illness cover?

You may want to consider serious illness insurance if you:

- have no other cover for ill health
- are not in paid employment, so cannot buy income protection insurance
- have a mortgage, personal loans or other debts that you would still have to pay if you became seriously ill and possibly unable to earn an income

- have dependants who rely on your income or unpaid work, such as work you do in the home or in a family business

You can claim the benefit on your policy only if you meet the following three conditions:

- the illness you develop is one of the illnesses your policy covers at the time of your claim
- a medical diagnosis confirms that your illness matches the definition of that illness outlined by the insurance company in your policy terms and conditions
- you survive for a period after you are diagnosed – this period may be seven or 14 days, depending on the policy

There are many situations where you may not be covered by your serious illness policy. You will not usually be covered if:

- your illness is judged to be caused by drug or alcohol abuse, a self-inflicted injury or failure to follow medical advice
- your illness existed before you applied for insurance, and you failed to say this in your application
- your illness came about because you were involved in dangerous or criminal activities
- you live outside the 'territorial limits' of the policy for a certain number of months of the year. The territorial limits may vary from policy to policy but would usually mean all EU countries

Buying serious illness insurance

You can buy serious illness insurance directly from an insurance company or through a broker. To apply for this cover, you will need to fill in a detailed application form, called a proposal form. Some insurance companies offer you extra benefits on their policies, but they usually charge you more for these.

The typical extra benefits are:

- **personal accident benefit:** which gives you a weekly payment for a limited period if you cannot work due to an accident
- **hospital cash:** which is a daily payment you get if you have to stay in hospital for a certain period. It is paid for each day you spend in hospital as a result of an illness or accident. There is usually a minimum 'waiting period' before the cover commences, for example, you may have to spend five days in hospital before the cover will start
- **a conversion option:** which lets you convert your cover into a new policy when you are older, even if you are in bad health at that stage
- **indexation or inflation protection:** which increases your cover each year to allow for inflation

Your children may be covered for most of the serious illnesses listed on your policy, and sometimes for other childhood related illnesses, such as meningitis. The maximum benefit for a child's claim depends on the policy, but it is usually no more than 50% of your cover, up to a maximum of about €15,000.

Waiting list and overseas surgery benefit

This means the insurance company pays out part of the serious illness benefit if you are put on a waiting list for certain major types of surgery, or if it is essential for you to have major surgery outside of Ireland.

How much does it cost?
For the same amount of cover, for example, €50,000, serious illness insurance costs more

than life insurance. This is because the risk of you getting a serious illness during the term is higher than the risk of you dying during the same period.

The monthly cost of the insurance depends on many factors, but the most important are:

- amount of cover – for example, €50,000
- who the insurance covers – it could be single cover for you or joint cover for you and your partner
- term of the policy -you can choose the term of the policy. But your cover usually ends when you reach 60 or 65, depending on your individual policy – so check with your provider
- age – as you get older, serious illness cover is likely to cost more, also there could be more exclusions especially if your health or job has changed. So don't cancel an existing policy to take out a new one unless you have a good reason
- your health
- your family medical history
- lifestyle choices that could impact your health i.e. smoking or drinking

Always make sure you pay your premiums on time, because if you don't, your policy could lapse. This means that you would not be covered if you make a claim.

It is the responsibility of the insurance company to ask the relevant questions in the application process so that all the information required is received through these answers. The questions must be in plain easy to understand language.

The consumer is required to answer fully and honestly all the questions set out in the application process. If you do not, your policy may not be valid and you may be unable to make a claim.

Should you buy serious illness cover as an add-on to your mortgage protection policy?

One of the most common ways to buy serious illness cover is to include it as an extra benefit on a life insurance policy or a mortgage protection policy.

Taking out serious illness cover as an add-on will increase the cost of a life insurance or mortgage protection policy. The extra cost will depend on whether the cover is:

- accelerated
- additional (separate) cover

Accelerated means that the policy will pay out if you are diagnosed with one of the listed serious illnesses or die within the term of the policy. It would not pay out twice unless you only receive part of the benefit if you are diagnosed with one of the serious illnesses listed on your policy. Some accelerated serious illness policies let you choose a lower level of cover for the serious illness part of the policy than for the life insurance part.

Additional cover means that the life insurance and serious illness parts of the policy are separate. It is also sometimes called separate cover, double cover or stand-alone cover. Additional cover is more expensive than accelerated cover. If you are unsure what would suit you best, you could think about getting financial advice.

Can the monthly cost increase?

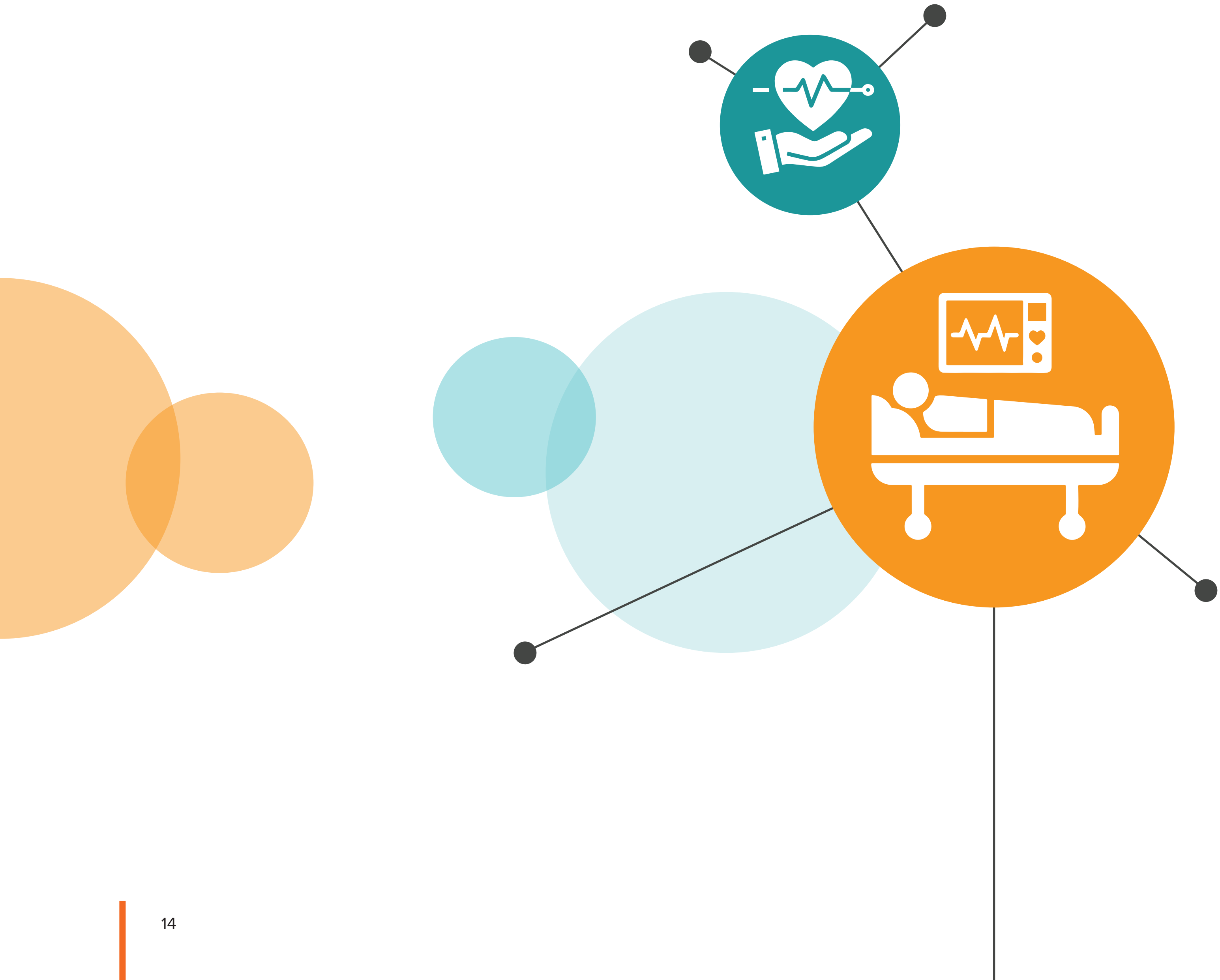
If you can buy stand-alone serious illness cover for a fixed term or you add serious illness cover to a fixed term life insurance or mortgage protection insurance or policy, the premium is fixed for the term of the policy.

However, if you choose an index linked policy, the premium usually increases once a year to allow for inflation, unless you ask your insurer to stop index linking.

If you buy serious illness cover as part of a whole of life policy, your premium is not fixed and may increase from time to time.

Is this the best type of insurance for me to buy?

Income protection insurance, although more expensive, usually covers a wider range of illnesses and instead of a lump sum payment, it makes regular payments until you return to work or retire. Income protection may better suit your needs than serious illness cover. If you are unsure what would suit you best, you could think about getting financial advice. The cost of income protection can be quite high and you may never need to use it. If you never make a claim you will not receive any money back.



Income Protection Insurance

Income protection insurance in Ireland is like a safety net for your finances if you're unable to work due to an illness or injury. It helps replace a portion of your lost income, so you can still manage your bills and expenses while you're recovering.

Income protection insurance pays out a regular cash payment that replaces part of your lost income if you can't work due to a medium to long-term illness, injury or disability. It can also be called 'permanent health insurance' (PHI) – but is not the same thing as private health insurance. Income protection insurance does not cover redundancy. To have income protection insurance cover you generally have to be in full-time paid work or be self-employed.

The criteria for getting income protection insurance is high so it can be difficult and/or very expensive to get depending on your occupation and personal health. Many insurers will have a list of occupations that are excluded from their income protection policies.

Here's a simple explanation of how income protection insurance works:

- **Choose Coverage:** You select an income protection insurance policy based on how much of your income you want to protect. Usually, it covers around 50-70% of your pre-tax earnings.
- **Pay Premiums:** You pay a regular amount of money, called a premium, to the insurance company. This keeps your policy active and ready to help if you need it.
- **Unable to Work:** If you get sick or injured and can't work for an extended period, your income protection insurance kicks in. Typically, there's a waiting period (called a "deferred period") before the insurance starts paying out. This could be a few weeks or a few months, depending on your policy.
- **Monthly Payments:** After the waiting period, the insurance company starts giving you regular monthly payments. This money replaces a portion of your lost income, so you can cover essential expenses like rent, mortgage, bills, and more.
- **Until You Can Work Again:** The insurance payments continue until you're well enough to return to work or until your policy's end date, which is usually when you retire or a certain age is reached.

You may need income protection if you:

- Are self-employed and would have no source of income if you couldn't work due to illness or disability
- Have little or no sick pay from your employer
- Have no ill-health pension protection
- Have dependants who rely on your income
- Have no other source of income
- Do not have sufficient benefits to replace your lost income and/or cover your expenses

Before you take out income protection, you should check if you are entitled to other benefits, which may mean you don't need income protection insurance:

- **Social welfare illness benefit:** a weekly payment you may get from the State. It is not available if you are self-employed
- **Social welfare disability benefit:** a weekly payment you may get from the State. It is not available if you are self-employed
- **Sick pay:** your employer pays all or part of your wages for a time
- **Ill-health retirement pension:** this lets you take early retirement with a pension if you become permanently unable to do your job. If you are a member of an employer pension scheme you may be entitled to get this type of pension.

You can get tax relief on your income protection premium at your marginal (highest) rate of tax, up to a yearly limit of 10% of your total income. This can make your premium more affordable, but remember your benefit will be taxable if you make a claim.

If you have an individual policy, your insurance company will give you a statement showing the premiums paid. To claim your tax relief, you need to include this information with your tax return. If you are a member of a group scheme, your employer usually takes your premium from your salary before tax. In this instance you would not qualify for tax relief.

The below products are types of income protection that offer less protection and require less criteria than standard income protection and therefore are cheaper and easier to get cover.

Bill cover: bill cover is designed to ensure that the main bills, i.e. rent/mortgage and household bills, are covered in the event that an individual cannot work due to illness or injury. Bill cover provides up to 40% of an individual's income to a maximum of €2,000 for single cover and €4,000 for cover including a partner.

Wage protector: wage protector is designed for those whose occupations fall into classes 3 & 4 for income protection. The premiums for those in class 3 & 4 can be quite high based solely on their employment, though health and lifestyle factors are also considered regardless of job class. Wage protector will pay out an income for 24 months or longer if medical tests show that you are severely disabled and unable to work and pass a functional assessment test.

Mortgage Protection Insurance

Mortgage protection insurance is an insurance policy that pays off your mortgage if you or another policy holder dies during the term of the mortgage. If you have a joint mortgage, both people need mortgage protection insurance. It runs for the same length of time as your mortgage. So, if you take out a mortgage over 20 years, your mortgage protection insurance must also be in place for 20 years.

By law your lender must ensure you have this cover in place when you take out a mortgage. However, a lender may agree to give you a mortgage without this cover if:

- You are buying an investment property
- You are over 50 years old
- You cannot get this insurance, for example due to a current serious illness, health issue or dangerous occupation
- You have a life insurance policy in place already

Exemptions are made on a case by case basis and even if you fall within one of the above exemptions the lender may make it a condition of the mortgage that you have mortgage protection in place before they approve your mortgage. It is important to know the financial risk of having no cover in place before signing up to the mortgage. In the event of death, there will be no insurance policy to pay off the mortgage so the joint owner or your beneficiaries will have to continue repaying the mortgage.

Remember this type of insurance does not cover your repayments if you can't work because of redundancy, sickness or disability. For this type of cover, you need to consider other types of insurance such as, bill cover, wage protector or income protection insurance.

Types of mortgage protection

Reducing Term Cover: as you pay more off your mortgage, the amount that the policy covers reduces in line with the outstanding balance of your mortgage. Under normal circumstances the policy will end once the mortgage is paid off. It is the most common and the cheapest form of mortgage protection. Generally, your premium does not change, although the level of cover reduces.

Level Term policy: the amount you are insured for and the premium you pay remains level. This gives you the same amount of cover throughout the term of the mortgage. If you die before your mortgage is paid off, the insurance company will pay out the original insured amount. This will pay off the mortgage and any remaining balance will go to your estate.

Serious Illness: if you wish to, you can add serious illness cover to your mortgage protection policy. This means your mortgage will be cleared not only if you die, but also if you are diagnosed with, and recover from, a serious illness that is covered by your policy. Serious illnesses typically covered include, but not limited to, stroke, heart attack and some types of cancer. This will be more expensive than other types of cover.

Life Insurance policy: you can use an existing life insurance policy as long as it is not already pledged or assigned to cover another loan or mortgage and it provides enough cover. Additionally, if there is a balance remaining after the mortgage is clear, this will go to your estate.

Be sure to shop around for mortgage protection insurance as you may get better value quotes from other companies/brokers. Make sure that you are shopping around for the most suitable level of cover for you.

The cheapest quote may not provide the most suitable cover. Having a policy that is not from your lender may also make it easier for you to switch mortgage in the future. Your lender cannot refuse you a mortgage because you don't take their mortgage insurance.

Payment Protection Insurance

PPI, or Payment Protection Insurance, is a financial product that was commonly sold alongside loans, credit cards, and other forms of credit in Ireland and other countries. PPI was designed to help borrowers make their loan repayments in case they faced unexpected financial difficulties, such as losing their job or becoming unable to work due to illness.

In Ireland, PPI became a topic of concern due to instances where it was mis-sold to consumers. This mis-selling involved situations where people were sold PPI even though they might not have been eligible for the coverage or were not fully informed about the terms and conditions.

In response to these issues, regulatory authorities in Ireland took steps to address the mis-selling of PPI. Consumers who believe they were mis-sold PPI have the right to seek compensation and refunds from the financial institutions that sold them the insurance. There have been processes in place for consumers to make claims and request refunds if they believe they were affected by PPI mis-selling.

Payment protection insurance (PPI) is insurance that will pay out a sum of money to help you cover your monthly repayments on mortgages, loans, credit/store cards or catalogue payments if you are unable to work. This may be as a result of illness, accident, death or unemployment and will be covered on your policy.

PPI is not readily available in Ireland today, with very few financial institutions offering it.

Making a claim under an existing PPI policy

If you are out of work due to illness, injury or unemployment and have a payment protection insurance policy in place, there are a number of basic steps you should follow when making a claim:

- **Check your policy:** check your policy document to see whether the reason you are out of work is covered under the policy. For example, if you are out of work due to an illness that is not covered by the policy, then you will be unable to make a claim. Some policies pay out if you are made redundant but on certain conditions, for example a policy may not pay out if you take voluntary redundancy.

- **Speak to your lender:** if you are unable to work and wish to make a claim on your PPI, contact your lender to discuss the next steps. You may be requested to complete a claims form. Remember to complete the forms as accurately as possible to avoid delays or refusal of your claim. If you are unsure of any information requested on the form contact the lender.

- **Get your paperwork in order:** when making a claim on a payment protection policy, you may be required to submit documentation to support your claim. Examples may include medical certificates, medical assessments, proof of redundancy etc. Your lender will advise what is required.

You can cancel PPI at any time. If you pay off your loan or hire-purchase agreement early, cancel your credit card or if you simply decide you no longer need this cover, ask your lender to cancel your direct debit and cancel the policy. If you paid the insurance 'up front' you may be entitled to a refund of the remaining term. Ask your lender about this.

Car Insurance

Car insurance is like a safety net for your car and your wallet. When you drive a car, there's a chance you could have an accident or something unexpected could happen. Car insurance is a way to help protect you from having to pay a lot of money if something goes wrong.

When you have car insurance, you pay a certain amount of money (called a premium) to an insurance company. Then if you have an accident or your car gets damaged, the insurance company helps cover the cost of fixing your car or paying for injuries to people involved in the accident.

It's like having a financial backup plan so you don't have to pay all the expenses by yourself.

Types of Car Insurance in Ireland

There are three main types of car insurance:

- **Third-Party Only (TPO):** This is the basic level of insurance required by law. It covers the costs if you damage someone else's car or injure them while driving, but it doesn't cover any damage to your own car. It's the least expensive option but offers the least coverage for your own car.
- **Third-Party, Fire, and Theft (TPFT):** This type of insurance covers the same things as Third-Party Only, but it also adds coverage for your own car if it's damaged by fire or if it's stolen.
- **Comprehensive:** This is the highest level of coverage. It includes everything that Third-Party, Fire, and Theft covers, but it also pays for repairs to your car if you have an accident, regardless of who's at fault. It's the most expensive option, but it offers the most protection for you and your car.

Remember, the type of insurance you choose will affect the cost of your premium. It's important to think about what level of coverage you're comfortable with and what fits your budget. Always read the policy details carefully and ask questions if you're not sure about something.

Each type of insurance has its own benefits, and you can choose the one that suits your needs and preferences the best.

Remember that in Ireland, if you drive a car, or keep it on a public road, you must have at least third-party car insurance and it is a criminal offence to drive without car insurance.

No Claims Bonus

Your no claims bonus (also called your no claims discount) is a reduction in your insurance premium based on the number of years since you made a claim, or a claim was made against you. Only the policyholder can earn a no claims bonus.

Usually, the maximum number of years that you can receive a no claims bonus for is five years. Your no claims bonus does not increase any further after six years as this is the maximum discount. Therefore, whether you have eight or 15 years of no claims, the discount that you receive will be the same.

Some insurance companies might give you a discount for more than 5 years no claims. However, it must be stated on your no claims bonus that you are entitled to it and most insurers will state five years only.

Excess

Almost all insurance policies include an excess, and you should always check how much it is.

An excess in insurance is like a small piece of the cost puzzle that you agree to pay. If something happens to your car and you make a claim, the excess is the part of the bill that you promise to cover yourself. The insurance company takes care of the rest. It's a bit like sharing the cost with the insurance company – you pay a little bit; they cover the bigger part. Just remember, when you decide on an insurance policy, you'll need to think about how much excess you're comfortable with in case something happens.

You will not be able to claim for amounts less than the excess. The higher the excess, the lower your insurance premium should be.

Refused Insurance

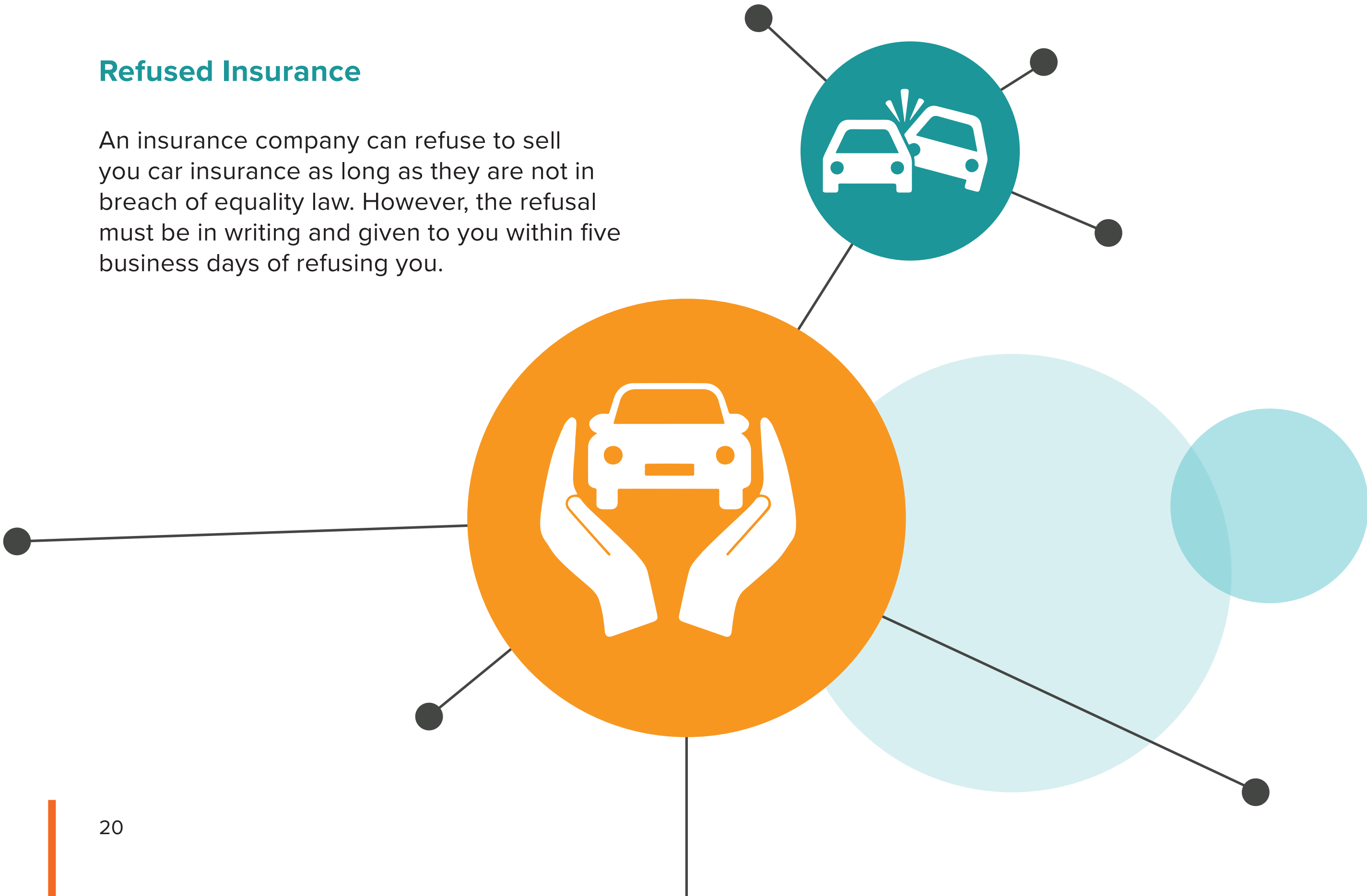
An insurance company can refuse to sell you car insurance as long as they are not in breach of equality law. However, the refusal must be in writing and given to you within five business days of refusing you.

If you have been refused cover by three or more insurance companies, you can contact the Declined Cases Committee of Insurance Ireland.

Insurance Ireland is the representative body for insurance companies in Ireland. They will get an insurance quote for you (usually from the first company you approached) unless there are public policy reasons why you should not be given car insurance. It is important that you keep note of the order in which you received your quotes.

You can also contact the Declined Cases Committee if you feel a quote is too high or the conditions attached are so severe that it amounts to a refusal to insure you.

You can find more information here https://www.insuranceireland.eu/consumer-information/general-non-life-insurance/declined-cases-agreement
Insurance Ireland
Insurance Centre,5 Harbourmaster Place,
IFSC, Dublin 1, DO1 E7E8.
01 676 1820
info@insuranceireland.eu



Home Insurance

Home insurance is like a safety net for your house and the stuff inside it. It's there to help you out if something bad happens, like a fire, a break-in, or damage from a storm.

When you have home insurance, you pay a certain amount of money (called a premium) to an insurance company. If something goes wrong, the insurance company helps cover the cost of fixing your house or replacing your belongings. It's like having a financial backup plan so you don't have to pay all the expenses by yourself.

In Ireland, there are usually two main types of home insurance:

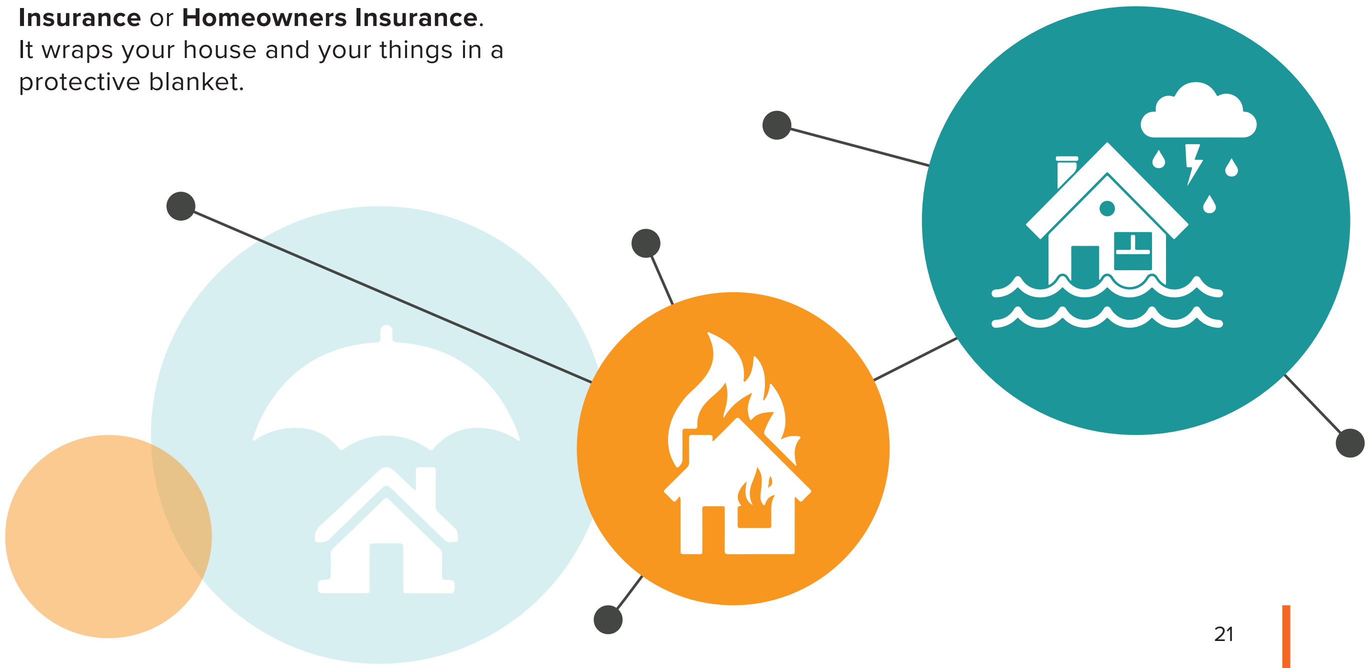
- **Building Insurance:** This is like armour for your actual house. It helps pay for repairs if your house gets damaged by things like fire, floods, or storms. If something really bad happens and your house needs to be rebuilt, building insurance helps cover those big costs.
- **Contents Insurance:** This is like a shield for your stuff inside the house. It helps you replace your belongings if they're damaged, stolen, or destroyed. So, if your TV, furniture, or clothes are harmed, contents insurance helps you get new ones.

Some insurance companies offer a combination of both building and contents insurance, and that's usually called **Home Insurance** or **Homeowners Insurance**. It wraps your house and your things in a protective blanket.

Home insurance may also include or allow you to add on:

- all-risks cover, which covers you for loss or damage to your valuables (even when outside your home)
- liability insurance which covers you for injury to other people in or around your home

Remember, the type of insurance you choose will affect how much you pay, but it's important to pick the one that makes you feel safe and secure. Always read the details of your policy and ask questions if you're not sure about something. That way, you can be confident that your home is covered, just in case anything unexpected happens.



Travel Insurance

Travel insurance is like a safety net for your trips. It's there to help you out if unexpected things happen while you're traveling, like getting sick, missing a flight, or losing your luggage.

When you get travel insurance, you pay a certain amount of money (called a premium) to an insurance company. If something goes wrong during your trip, the insurance company can help cover the costs, so you don't have to pay for everything by yourself.

There are a few main types of travel insurance:

- **Single Trip Travel Insurance:** This type of insurance covers you for a specific trip. It starts when you leave home and ends when you return. It's great if you're only going on one vacation.
- **Annual Multi-Trip Travel Insurance:** This covers you for multiple trips throughout the year. So if you're a frequent traveller, this can be more convenient and cost-effective than getting insurance for each individual trip.
- **Travel Medical Insurance:** This is important if you're traveling abroad, especially to places where your regular health insurance might not work. It helps cover medical expenses if you get sick or injured during your trip.
- **Cancellation Insurance:** If your plans change unexpectedly and you can't go on your trip, this type of insurance can help you get your money back for things like flights, accommodations, and other prepaid expenses.
- **Lost Luggage Insurance:** If your baggage goes missing or gets damaged during your trip, this insurance can help you replace your belongings.
- **Emergency Evacuation Insurance:** This is crucial if you're going to a remote or risky location. If something really serious happens and you need to be evacuated for medical reasons, this insurance helps cover the costs.
- **Personal Liability Insurance:** If you accidentally damage someone else's property or cause harm to someone while you're traveling, this insurance can help cover legal and compensation costs.

When you're choosing travel insurance, make sure to read the policy details carefully and understand what's covered and what's not. Different plans might have different levels of coverage, so pick the one that best suits your needs and the type of trip you're taking. It's like having a safety net that lets you explore the world with a bit more peace of mind.

Pet Insurance

Pet insurance is like a safety net for your furry friend's health. It helps you manage the cost of unexpected medical expenses if your pet gets sick or injured. Just like how we have health insurance to cover our own medical bills, pet insurance does the same for your pet.

Here's how pet insurance works:

You pay a certain amount of money (called a premium) to an insurance company on a regular basis, usually monthly or annually. Then if your pet needs medical care, like a visit to the vet, surgeries, medications, or treatments, the insurance company helps cover some of those costs. Most policies will also cover things like

- looking after your pet if you are in hospital e.g. boarding kennels or cattery fees
- holiday cancellation if your pet has to go to hospital or goes missing
- advertising if your pet goes missing
- rewards for lost or stolen pets
- death of your pet from illness or accident

This can save you from having to pay the entire bill out of your own pocket.

There are different types of pet insurance:

- **Accident-Only Pet Insurance:** This covers your pet if they're injured due to an accident, like getting hit by a car. It helps with the costs of emergency treatments and medical care.
- **Time-Limited Pet Insurance:** This provides coverage for a specific period of time, often 12 months, for both accidents and illnesses. Once that time is up, the insurance won't cover ongoing or recurring conditions.
- **Lifetime Pet Insurance:** This is the most comprehensive type. It covers ongoing conditions, so if your pet develops a chronic illness, it'll continue to be covered even after the initial treatment period. It can be more expensive but offers more extensive coverage.
- **Per Condition Pet Insurance:** This covers a specific condition or illness up to a certain amount, even if it's ongoing. Once the limit is reached, you'll need to cover the costs yourself.

When choosing pet insurance, it's important to read the policy details carefully and understand what's covered, what's not, and any limits or exclusions. Consider your pet's age, breed, and health history when deciding on the type of coverage. Pet insurance can provide peace of mind and help ensure that your furry companion gets the care they need without putting too much strain on your finances.

Tips for shopping for pet insurance

- Shop around to work out the best option for you and your pet. Compare prices online through comparison sites, or contact insurers over the phone. After-hours emergency care can be very expensive, so check that your standard policy includes it.
- Make sure you know whether the policy covers injury only, or both injury and illness. Injury only policies are generally cheaper. This is because injury and illness policies offer more comprehensive cover.

- Speak to your vet about common medical conditions or research them online. For example, the breed of your dog may mean it is prone to certain conditions. Your vet should be able to give you an idea of how much cover you need for your pet.

- Some insurers have restrictions on how much they will cover on certain conditions. For example, a 'bilateral condition'. This is a medical condition that may affect your pet on both sides of the body, such as its knees, ears, eyes or hips. Most insurers will consider this as one single condition. So this can reduce the level of cover for both of these conditions. Being familiar with these conditions will help you to avoid any unexpected impact on a claim.

Gadget Insurance

Gadget insurance is like a safety net for your valuable electronic devices, such as smartphones, laptops, tablets, and other gadgets. It helps protect you from the costs of repairing or replacing your gadgets if they get damaged, lost, or stolen. Here's how gadget insurance works: You pay a certain amount of money (called a premium) to an insurance company on a regular basis, usually monthly or annually. If something unfortunate happens to your gadget, like it falls and cracks, gets wet, or goes missing, the insurance company helps cover some of the expenses to repair or replace it.

In Ireland, there are a few main types of gadget insurance:

- **Accidental Damage Insurance:** This type of insurance covers the cost of repairing your gadget if it's accidentally damaged. For example, if you drop your phone and the screen breaks, the insurance would help pay for the repair.

- **Theft and Loss Insurance:** This covers you if your gadget is stolen or lost. If your device goes missing or is taken, the insurance can help replace it with a new one.

- **Extended Warranty Insurance:** This type of insurance extends the manufacturer's warranty on your gadget. It covers the cost of repairs for defects that happen after the original warranty expires.

- **Multi-Gadget Insurance:** If you have several gadgets, like a phone, tablet, and laptop, this type of insurance covers all of them under a single policy. It can be more convenient and cost-effective than getting separate insurance for each device.

When considering gadget insurance, make sure to read the policy details carefully. Different plans might have different levels of coverage, deductibles (the amount you have to pay before the insurance kicks in), and exclusions. Think about how much your gadgets are worth and how likely they are to be damaged, lost, or stolen. Gadget insurance can give you peace of mind knowing that your electronic companions are protected, just in case something unexpected happens.

If you are considering gadget insurance, you should think about the following:

- Do I really need to buy it?

- What is the full price of this insurance for the year? Some policies have a reduced premium for the first few months.

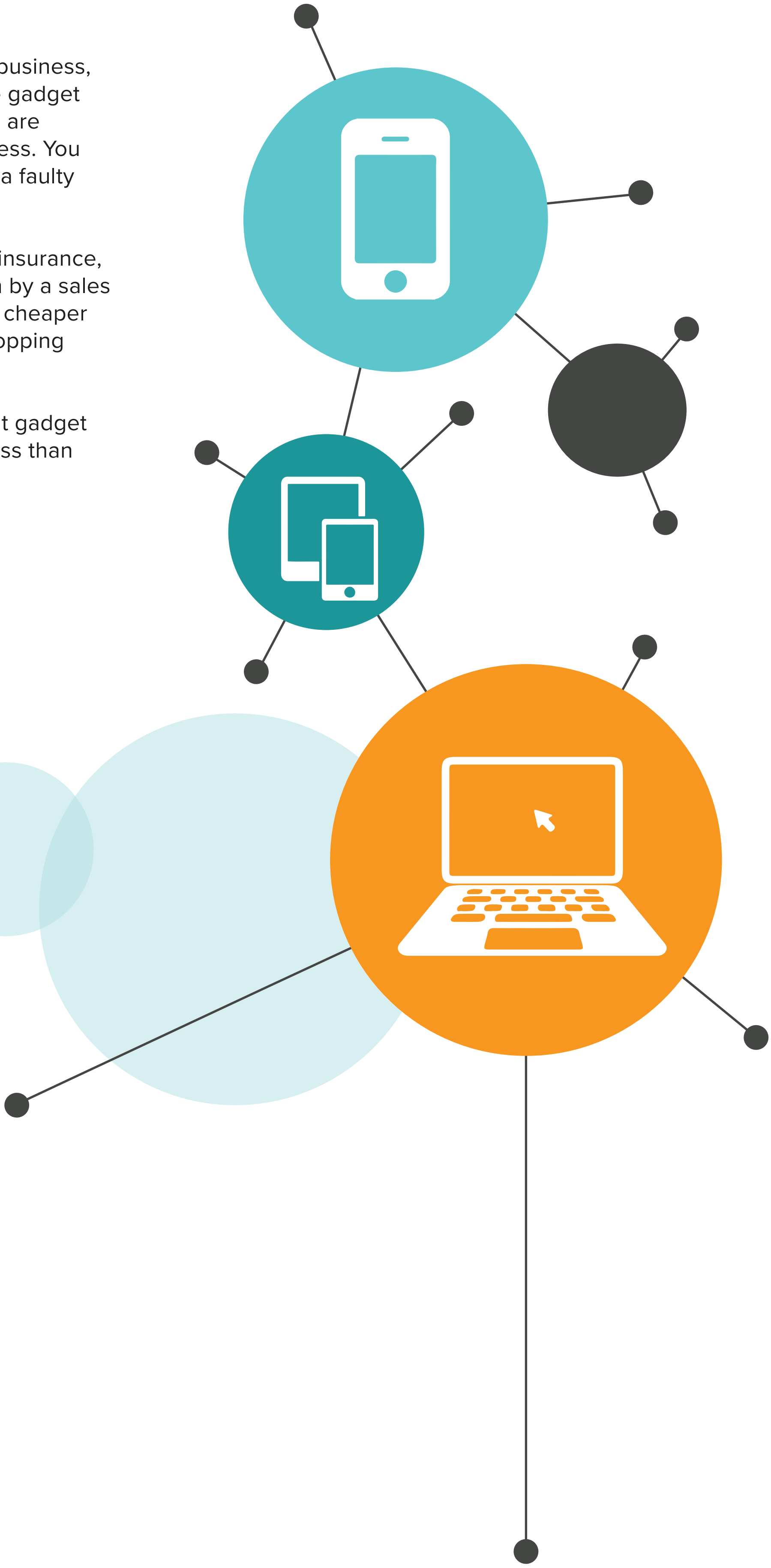
- How much will the insurance cost over the lifetime of the gadget? For example, how many years do you expect to use the gadget for before replacing it? Compare the price of the device with the cost of insuring it. This will help you to decide whether insuring it is worthwhile.

- Do you already have insurance that will cover damage? For example, is it covered on your home insurance? If there is cover under your home insurance policy, remember to check the excess, as it may be higher than the cost of replacing the gadget. A phone call to your home insurance company will confirm these details. Remember, if you make a claim on your home insurance, your premium is likely to increase.

- When you buy a gadget from a business, you have consumer rights. If the gadget you bought becomes faulty, you are entitled to return it and get redress. You do not need insurance to cover a faulty product.

- Even if you want to buy gadget insurance, don't feel rushed into a decision by a sales person. You may be able to find cheaper insurance or better cover by shopping around.

- You may only be able to take out gadget insurance on devices that are less than one year old.



Gadget Insurance

If for whatever reason you need to make a complaint to your insurance company/broker there are a number of steps you need to follow:

1. Speak or write to the person you usually deal with, or ask for the complaints manager to make a complaint. Make it very clear that you are making a complaint. Explain your complaint and suggest how your provider can resolve the issue.

   Provide detailed information, including:

   - Relevant dates, places and times
   - Details of any phone conversations and meetings, for example, who was involved, when they took place and what was said
   - Copies of relevant documents, such as contracts, statements, emails, letters, invoices and receipts.

   Always keep detailed notes of who you spoke to and times and dates.

2. The provider should deal with your complaint through its complaint handling process. The provider may take up to **40 working days** to deal with your complaint.

   When you complain to your provider, be persistent. If nothing happens, contact your provider to check on the progress of your complaint.

   Your provider should fully investigate your complaint in accordance with its Internal Dispute Resolution process (IDR process). At the end of the IDR process, the provider will issue a final response letter.

3. If you are happy with the final response letter this will be the end of your complaint.

   If you are not happy with the final response letter you can bring your complaint to the financial Services and Pension Ombudsman.

The Financial Services and Pension Ombudsman (FSPO)

You can only get the FSPO involved once you have gone through the provider's internal complaints process.

The Financial Services and Pensions Ombudsman (FSPO) is an independent, impartial, fair and free service that helps resolve complaints from consumers, including small businesses and other organisations, against financial service providers and pension providers.

Full details of how to make a complaint are available on the website of the Financial Services and Pensions Ombudsman www.fspo.ie or phone 01 567 7000.

Some Common Insurance Terms Explained

Aggrieved party
The person who has been wronged. A person who is a victim is said to be aggrieved.

Agreed Market Value
This is where the insurance company agrees to pay a specified amount of money in the event of a total loss of whatever is insured.

Broker
A broker is an individual or company who acts on behalf of a person who is applying for insurance. They earn a commission from the insurance company but they have a responsibility to obtain cover that is suitable for the person looking for insurance. Sometimes a broker can also act as an agent for the insurer in terms of issuing a policy or collecting a premium.

Cancellation Clause
A clause in an insurance contract which allows the insurer and/or the person being insured to cancel the contract before it is due to expire.

Certificate of Insurance
This is a document that contains detailed information about your insurance policy, including coverage limits, policyholder details, insured vehicle details, and any additional drivers named on the policy. The insurance certificate serves as evidence that you have valid car insurance coverage.
It is not your insurance disc but your insurance disc is usually attached to the certificate of insurance when you get it from your insurer.

Claimant
The person making a claim.

Depreciation
A decrease in the value of any type of property over time. When things get older or are used a lot they can lose some of their original worth e.g. a car is worth less as it gets older.

Due date
The date that your insurance will cover you until and by when a renewal premium must be paid for the insurance cover to continue.

Duty of Disclosure
This means that you have to tell the insurance company all the important and true information about yourself and what you want to insure. If you do not mention something important it can cause a problem later and it might affect your insurance coverage.

It's important to be upfront and transparent with the insurance company. If you do not tell them something that they need to know they can cancel your policy or refuse to pay a claim.

Effective date
The date on which the cover of an insurance policy starts.

Excess
If something happens and you make a claim, the excess is the part of the bill that you promise to cover yourself. The insurance company takes care of the rest. It's a bit like sharing the cost with the insurance company – you pay a little bit; they cover the bigger part. For example if your excess is €100 and you make a claim for €500, you would pay the €100 and the insurance company would pay the €400.

Fortuitous loss
A loss that cannot be is called a fortuitous loss. Insurers will only insure fortuitous losses. An insurer knows that while there will be car accidents, it cannot predict which insureds will suffer a loss.

Gross Premium
The net premium plus operating expenses, commissions and other expenses. This will be the total amount of money that you have to pay.

Indemnity
Is like a promise form the insurance company to help you get back to the same financial position you were in before something bad happened e.g. If your car gets damaged and your insurance has an indemnity clause, they'll help you pay for the repairs so you are not out of pocket. However this depends on your insurance policy and the limit of how much the insurance company can pay you, sometimes your loss might be greater than what the insurance company can pay you.

Insurance Disc
This is the little piece of paper you put on your windscreen to show you're legally insured. It contains essential information such as the policy number, expiry date, and a unique identifier for your insurance coverage. It's a legal requirement to have a valid insurance disc displayed on your vehicle.

Insured
This is the person who is covered by the insurance policy.

Insurer
This is another name for an insurance company. The insurer provides insurance cover.

Lapsed Policy
A policy which has been allowed to expire because the premium has not been paid.

Loading
An extra charge that is added to your premium when the insurance company sees a higher risk in covering you. It means you are paying a bit more for your insurance to cover an extra risk being taken on by the insurer. E.g. a motorist with a number of penalty points may find their motor premium is loaded.

Loss Adjuster
A loss adjustor is like a detective for insurance claims. When you make a claim then it is the loss adjustor's job to investigate it. They figure out how much damage or loss occurred, and then help the insurance company decided how much they should pay you to cover the costs.

Market Value
Is the current worth of something that you might want to insure if you were to sell it right now. E.g. If your car is stolen or damaged beyond repair the insurance company will give you the 'market value' of the car. This means you would get the amount of money that is the same as the cost of a vehicle of the same make, model, age and condition. Or, if the vehicle is less than one year old, it might be replaced with a new vehicle of the same make and model.

Material Fact
Facts which are relevant to the situation. For example, speeding fines would be relevant to a motor vehicle proposal but probably would not be relevant to a house insurance application.

Misrepresentation
Misrepresentation occurs when the insured has provided information to an insurer but that information is incorrect.

No Claims Bonus/No Claims Discount
This is a reduction in the amount of money you will have to pay for your insurance policy based on the number of years since you made a claim, or a claim was made against you. Only the policyholder can earn a no claims bonus. Usually, the maximum number of years that you can receive a no claims bonus for is five years. Some insurance companies might give you a discount for more than 5 years no claims. However, it must be stated on your no claim bonus that you are entitled to it and most insurers will state five years only.

Third Party
Someone other than the insured or his insurer who has suffered injury or loss.

Premium
The amount of money you pay to the insurance company to provide you with insurance.

Proposal Form
This is a form which contains a number of questions that you have to complete for an insurance company when seeking insurance. This form is needed to help the insurance company to decide whether or not it is willing to provide insurance cover and, if so, the terms of such cover.

Renewal Certificate or Schedule
A certificate which is used to renew a policy.

Statement of Facts
This is a document that contains information about you and what you want to insure. Once your insurance cover has been confirmed, whether in person, on the phone or online, the insurer will issue the statement of facts to you. It is important that you read this document and tell the insurance company if there are any mistakes on it.

Third Party
Someone other than the person insured or their insurance company who has suffered injury or loss.

Uberrima Fidei: The doctrine of Utmost Good Faith. This is an implied term in all contracts of insurance by virtue of the Insurance Contracts Act.

Under Insurance
This is when you don't have enough coverage to fully pay for loss or damage. You might not get enough money from the insurance company to fix or replace what was lost. It's important that your insurance cover matches the actual value of what you are insuring.

Underwrite
This is the process that the insurance company uses to decide if insurance cover can be provided and how much money it will cost. It's a bit like a background check to make sure everything adds up before they agree to insure you.

It can also refer to the insurance company accepting that they have agreed to pay or provide cover to you under a contract of insurance.

Valuation
Estimation of how much something is worth.

Waiting period
The amount of time specified in a policy that must pass before some or all coverage starts. It can be thought of as a time excess. It is sometimes referred to as a deferment period.

Wear and Tear
The amount of money deducted from a claims payment in recognition of the reduction in value of the thing that is insured through usage of it over time. E.g. each year the value of a car is reduced because it is being used.

Where cover is provided on a "new for old basis" i.e. where the insurer agrees to replace an old item with a similar new one, no such deduction is made.

National Traveller mabs

Money Advice & Budgeting Service