**KEYWORDS**

**Insurance** -This is financial protection against a loss that might

occur in the future. It will pace the insured person back in the

same financial position they were in before they suffered the

loss.

**Premium** -This is the fee or money that people pay to insurance

companies for insurance

**Compensation** -This is the financial payment - what a person will

receive if they suffer a loss

**No Claims Bonus -** This is when a policy holder doesn’t make a

claim on their insurance the insurance company will give them a

discount on their premium. It is a reward for not making a claim

**Loading -** This is an extra amount added to the basic premium to

cover increased risk

**Policy Excess** - This is the amount that the insured must pay

before compensation is paid by the insurance company.

**Exclusions** - These are items that are not covered

**Proposal Form** - This is a form that is filled out by the person looking for insurance. It is like an application form. It must be filled out truthfully (Utmost good faith)

**Policy** - This is the document that is sent by the insurance

company to inform the insured that they have been given

insurance

**Claim form** - This will be filled out by an insured if they are

seeking compensation after a loss has occurred

**Average Clause** -This is used when an item is underinsured, or

partial loss has occurred

**Renewal Notice** **Def** This is sent to an insured when their renewal policy is due.

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**SELF TEST QUESTIONS**

1. Explain the term insurance

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2. Describe the principal of insurance

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3. List the different types of insurance and explain when you might need them

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4. Define different term associated with insurance

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5. Identify different jobs in insurance

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6. Calculate a premium
7. Fill in a proposal form

**FACTORS TO CONSIDER WHNE SAVING**

**TYPES OF INSURANCE**

1. Life Assurance 9. Term policy

2. Whole Life Assurance 10. Endowment policy

3. Motor insurance 11. Third Party

4. Fully Comprehensive 12. Third Party Fire and Theft

5. House insurance 13. Health insurance

6. Travel Insurance 14. Mortgage Protection

7. Income protection 15. Mobile phone

8. PRSI

**ADVANTAGES AND DISADVANTAGE OF INSURANCE**

**Advantages** **Disadvantages**

1. Prevent accidents 1. Can be expensive

2. Help recover from losses

**JOBS IN INSURANCE**

**Insurance Broker** - They help households get the best insurance to

meet their needs at the best price. They research the market to find

the best policy and are paid a commission

**Agent -** They who sell policies for a particular insurance company

**Actuary** - They calculate the premium that must be paid by the insured.

The fee takes into consideration the risk or loss occurring. The greater

the risk the higher the premium

**Loss adjuster -** They will investigate a claim and decide on

compensation to be paid. They also advise how much compensation to

pay

**TAKING OUT INSURANCE**

1. Fill in a proposal form (Application form,)
2. You will receive a policy (Document setting out you are insured)
3. To make a claim a claim form needs to be filled in
4. Average Clause is used if the item is underinsured or partial loss
5. To renew you policy a renewal notice will be sent out

**NOTE**

**You must be able to use the average Clause formula**