

Insurance  
(1.6 - Insurance)



1. This is financial protection against a loss that might occur in the future.
2. It will pace the insured person back in the same financial position they were in before they suffered the loss

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Premium  
(1.6 - Insurance)



This is the fee or money that people pay to insurance companies for insurance

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Compensation  
(1.6 - Insurance)



This is the financial payment - what a person will receive if they suffer a loss

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Insurable Interest  
(1.6 - Insurance)



1. This means that you must benefit from the existence and suffer from its Loss.
  2. You must have an interest in the item being insured
- For example - you can't insure your neighbour's car - because if there is a loss you don't benefit from the existence of the car or suffer the loss if an accident happens.

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Utmost Good Faith  
(1.6 - Insurance)



1. This means that when you are applying for insurance you must give all material facts to the company.
  2. A material fact is a fact that you affect the price of the premium that they would charge
- For example - if you are applying for health insurance you must fill in the proposal form truthfully

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Indemnity  
(1.6 - Insurance)



1. This means that you can't make a profit from insurance.
  2. You must be put back into the same financial position you were in before you suffer the loss
- For Example - If you bought a car for €20,000 and it was stolen after a few years but the value now is €15,000. The compensation would be €15,000 and not €20,000.

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Subrogation  
(1.6 - Insurance)



1. This means that once an insurance company has paid compensation the ownership of that item passes to the insurance company
- For Example - if an insurance company pays out €20,000 for a car that is written off. They then own the car and can sell it for scrap to try and make back some of the money that they paid out in compensation

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Contribution  
(1.6 - Insurance)



1. This means that if you insure the same risk with two insurance companies,
2. They will divide the cost of the claim between them. You will not receive the full compensation from both companies.
3. This is because of Indemnity

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Assurance  
(1.6 - Insurance)



This is something that will happen in the future for example death and the policy pays out when the person dies not if they die

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Term Policy  
(1.6 - Insurance)



1. This is for a fixed term.
2. It usually covers the duration of a mortgage.
3. So if the insured person dies during the term of the mortgage the balance is paid off

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Whole Life Policy  
(1.6 - Insurance)



This means compensation is paid when the insured person dies

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Endowment Policy  
(1.6 - Insurance)



This means compensation is paid on a certain date in the future or when the insured person dies whichever ever happen first

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Third Party Insurance  
(1.6 - Insurance)



1. This pays compensation to another injured person or damage to their car if it is caused by the insured driver.
2. It does not cover the insured drivers vehicle.
3. This is the basic level of insurance that is required in Ireland

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Third Party Fire and Theft  
(1.6 - Insurance)



This includes the above but also the insured persons car catches fire or is stolen

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Fully Comprehensive  
(1.6 - Insurance)



This means that all parties and vehicle that suffer a loss are covered

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No Claims Bonus  
(1.6 - Insurance)



1. 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.
2. It is a reward for not making a claim

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Loading  
(1.6 - Insurance)



This is an extra amount added to the basic premium to cover increased risk

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House Insurance  
(1.6 - Insurance)



This covers the buildings in the event of fire, flood and storm damage. Compensation is paid to fixed the damage

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### Home Contents Insurance (1.6 - Insurance)



1. This covers all the contents of house from damage. It also covers burglary.
2. Most home insurance cover both Home and contents Insurance

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### Personal Accident Insurance (1.6 - Insurance)



This covers a person in the event of an accident

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### Health Insurance (1.6 - Insurance)



1. This covers the cost of hospital care and some medical bills.
2. It can also cover for hospital stay and operations

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### Critical Illness Insurance (1.6 - Insurance)



1. This covers in the event of a serious illness.
2. It pays out a tax-free lump sum if you are diagnosed with a serious illness that is covered by your policy.  
For example - heart attack or cancer

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### Travel Insurance (1.6 - Insurance)



This covers the insured person while they are on holiday or travelling the world.

For example cancelled flights

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### Mortgage Protection (1.6 - Insurance)



1. This type of insurance will repay your mortgage if you die during the repayments.
2. It is needed for the full term of the mortgage

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### Income Protection (1.6 - Insurance)



1. This type of insurance protects the insured if they get sick.
2. The insurance company will pay part of the income.
3. This will last until the insured gets better and returns to work or retires

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### Pay Related Social Insurance (1.6 - Insurance)



1. This must be paid by all employees.
2. It entitles them to illness cover; job seekers benefit and maternity benefit if they need it.
3. This is paid to the Government
4. It is deducted at source by the business and sent on to the Government

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### Insurance Broker (1.6 - Insurance)



1. They help households to get the best type of insurance to meet their needs at the best price.
2. They research the market to find the best policy and are paid a commission

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Agent  
(1.6 - Insurance)



These are people who sell policies for a particular insurance company

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Actuary  
(1.6 - Insurance)



1. They calculate the premium that must be paid by the insured.
2. The fee takes into consideration the risk or loss occurring. The greater the risk the higher the premium

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Loss Adjuster  
(1.6 - Insurance)



1. They will investigate a claim and decide if compensation will be paid.
2. They also advise how much compensation to pay

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Proposal Forms  
(1.6 - Insurance)



1. This is a form that is filled out by the person looking for insurance.
2. It is like an application form.
3. It must be filled out truthfully (Utmost good faith)

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Policy  
(1.6 - Insurance)



This is the document that is sent by the insurance company to inform the insured that they have been given insurance

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Policy Excess  
(1.6 - Insurance)



This is the amount that the insured must pay before compensation is paid by the insurance company.

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Exclusions  
(1.6 - Insurance)



These are items that are not Covered

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Claim Form  
(1.6 - Insurance)



1. This will be filled out by an insured if they are seeking compensation after a loss has occurred

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Average Clause  
(1.6 - Insurance)



1. This is used when an item is underinsured, or partial loss has occurred

$$\frac{\text{Amount Insured}}{\text{Value asset}} \times \frac{100}{1}$$

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