

Overview: Protecting your stuff



This section is designed to help your students understand the different types of insurance cover available in Ireland. It will highlight the conditions and exclusions associated with insurance policies. The section also introduces them to the practical steps about how they can shop around for insurances and make a claim on an insurance policy.

You can see a glossary of commonly used terms on our jargon buster at www.consumerhelp.ie/jargon-buster



Coimisiún um
Iomaíocht agus
Cosaint Tomhaltóirí

Competition and
Consumer Protection
Commission

Section 5

Protecting your stuff

Student activities	Description	Lesson plan	Support Material/References	Learning Outcomes
WS 5.1 Different types of insurance	This will help students consider what insurance they might need to cover particular risks.	<ol style="list-style-type: none">1 Your students should review a list of risks and consider what types of insurance are available.2 Your students should complete the table on what type of insurance covers each of the risks on the list and also whether they think the insurance cover is compulsory or not.	Insurance cover	Unit 6, LO 1,2 & 3
WS 5.2 Understanding policy documents	This section will make students aware of various exclusions and conditions associated with different insurance policies.	<ol style="list-style-type: none">1 Give your students time to review the summary policy documentation.2 Having read it, they should identify five items covered and five items excluded from the two different policies.	Car insurance Travel Insurance Cover	Unit 6, LO 1,2 & 3
WS 5.3 Shopping around	This will help students to shop around for insurance cover.	<ol style="list-style-type: none">1 It's recommended that this should be done as a homework exercise.2 Your students should conduct research online or by phone using the insurance case studies.3 Students should use the information in the table provided to help keep track of what questions to ask.4 They can also use the checklists and cost comparisons on www.consumerhelp.ie5 They should keep track of the quotes and benefits from different insurers by completing the table provided.6 Consider a class discussion to compare different quotes students received.	Getting insurance quotes Cost comparisons Motor insurance check list	Unit 6, LO 2 & 3

Section 5

Protecting your stuff (continued)

Student activities	Description	Lesson plan	Support Material/References	Learning Outcomes
WS 5.4 Buying motor insurance	This section will help students to understand the process of applying for insurance.	<ol style="list-style-type: none">1 Using the template proposal form provided, ask students to complete the form using the motor insurance case study or using details of their parents or their own car.2 Ask your students to think about what might affect the cost of an insurance premium.3 Lead the class in a discussion about what issues might increase the cost of premiums.	<u>Cut insurance costs</u> The Consumer Information Centre of the Irish Insurance Federation's (IIF) website at <u>www.iif.ie</u> .	Unit 6, LO 2 & 3
WS 5.5 Making a claim	This will familiarise students with the process of how to buy and claim on an insurance policy.	<ol style="list-style-type: none">1 It is recommended that this should be done as a homework exercise.2 Ask your students to conduct research online or by phone using the insurance case studies.3 Students should use the insurance case studies to complete the template claim forms.	<u>Claiming insurance</u> <u>Travelling abroad</u>	Unit 6, LO 2 & 3

Teachers notes – worksheet solutions

Protecting your stuff

What are the different types of insurance cover? – worksheet 5.1

Students should review a list of risks and consider what types of insurance are available.

- This exercise should be completed in groups using their case study.
- Ask your students to complete the table on what type of insurance covers each of the risks on the list.
- Ask them whether they think the insurance cover is compulsory or not.
- Also, using their case study, decide if this type of insurance is suitable.

Risk	Type of insurance	Compulsory/ non-compulsory	Suitable for case study profile
House fire	Building insurance (part of home insurance)	Yes, if you have a mortgage	None
Theft of TV	Contents insurance (part of home insurance)	No	Michael and Rachel; possibly Sarah
Death of partner	Life insurance	No (generally), except where you have a mortgage. Lenders must ensure you have adequate life cover for your mortgage.	Michael and Rachel
Serious illness	Serious illness insurance	No	Potentially all
Car crash	Motor insurance	Yes	All with cars
Having to cancel holiday through illness	Travel insurance	No	Potentially John
Vet bill for pet illness	Pet insurance	No	Any with pets
Loss of income due to illness, injury or disability	Income protection insurance	No	Potentially all
Inability to pay a loan (including credit card repayment) if you lose your job	Payment protection insurance	No	Michael and Rachel

Teachers notes – worksheet solutions

Protecting your stuff

Understanding policy conditions and exclusions – worksheet 5.2

Working in pairs or groups, give your students time to review the summary policy documentation. Having read it, they should identify five items covered and five items excluded from the two different policies.

The message that needs to get across here is that you may think you are covered for items that your policy doesn't cover – always read your policy before you sign up for it. Don't be afraid to ask your insurer if there is anything you don't understand. The Consumerhelp helpline and website are also available to help you.

1 TRAVEL INSURANCE POLICY	
5 events covered by the policy	5 events not covered by the policy
<p>Responses can include any of the following:</p> <ul style="list-style-type: none">- cancellation or shortening of your trip due to certain reasons beyond your control;- delayed or missed departure;- emergency medical treatment abroad and/or expenses, if you fall ill or become injured while abroad;- loss, damage or delayed arrival of your personal possessions;- loss or theft of money;- replacing a lost passport;- legal expenses and personal liability cover in the event of you injuring a third party or damaging their property as a result of an accident;- a fixed payment if you suffer permanent disability or death;- hospital bills – in-patient or out-patient costs;- cost of prescribed medications;- the cost of a close relative or friend staying behind to look after you;- your return flight/journey, where required, for treatment (including by air ambulance if necessary);- in the event of your death, the cost of your burial abroad or the cost of bringing your remains home.	<p>Responses can include any of the following:</p> <ul style="list-style-type: none">- pre-existing medical condition which you or a close relative has;- use of a motor cycle;- being detained or having your belongings confiscated by Customs or other state agencies;- war, civil war or a revolution;- some dangerous activities;- driving while abroad;- personal luggage and valuables left unattended in a public place/ vehicle;- loss of or damage to sports equipment while in use;- the insured person committing or attempting to commit suicide;- any medical expenses incurred more than six months after the need for investigation and treatment arises;- any medical, hospital, dental or treatment costs which have not been authorised by a medical practitioner;- 'acts of God' (floods, natural disasters, unforecast extreme weather conditions, etc.), war, or industrial action.

2 MOTOR INSURANCE POLICY

5 events covered by the policy

Responses can include any of the following:

- driver personal accident emergency service;
- driving of other cars;
- fire and theft;
- named driver on your car;
- no-claims discount protection;
- open driving;
- personal effects stolen from car;
- replacement/hire car limit;
- replacement lock cover and fire brigade charges;
- recovery service;
- step back bonus protection;
- windscreen cover;
- windscreen security etching;
- 24 hour theft and accident emergency service.

5 events not covered by the policy

Responses can include any of the following:

- hiring out the vehicle for money;
- racing or being in any contest or speed trial;
- any accident, injury, loss, damage or liability if the vehicle is being driven by or used for a purpose not described in the certificate of insurance;
- loss, damage or liability directly caused by pressure waves from aircraft and other flying objects;
- loss, damage or liability caused by an earthquake;
- loss, damage or liability caused by pollution or contamination;
- any loss or damage caused by war, riot, revolution, any act of terrorism or any similar event.

Teachers notes – worksheet solutions

Protecting your stuff

Shopping around for travel and motor insurance – worksheet 5.3

It is recommended that this is done as a homework exercise.

- Your students should conduct research online or by phone using the insurance case studies.
- Students should use the information in the table provided to them in their work sheets to help keep track of what questions to ask.
- They can also use the checklists and cost comparisons on the consumerhelp website.
www.consumerhelp.ie/buying-a-car
www.consumerhelp.ie/travel-insurance
- They should keep track of the quotes and benefits from different insurers by completing the table provided.

Consider a class discussion to compare different quotes students received.

Exercises A & B

Students will need to research and complete worksheet one themselves.

You may need to provide definitions to your students on some of the terminology used:

Excess	This is the first part of any insurance claim that you have to pay yourself. It is usually a fixed sum. For motor insurance you may not have to pay any excess on certain types of claim such as windscreen replacement. Excess is often called 'standard excess' on many insurance policy documents.
Valid until	A quote cannot last forever. If a proposal is not accepted within a specified period of time, the quote will no longer be valid.

European health insurance card (EHIC)	You should also get a European Health Insurance Card (EHIC) before you travel. If you are an Irish resident and have this card, you are entitled to free or reduced cost, state-provided healthcare when visiting a European Union country or Switzerland. You can get more information on the EHIC website. However, medical costs in certain countries can be very expensive and travel insurance is still necessary to reduce any additional expenses
Private health insurance	Health insurance helps cover medical or hospital expenses if you get sick, have an accident or need an operation. Even if you have health insurance that covers you for medical expenses while abroad, it will not cover anything else that might happen, such as damaged or delayed luggage, cancelled flights, delayed or missed departure, loss or theft of money or passport.
Third-party cover	This is the minimum legal requirement and pays out for claims that other people make against you for damage or injury caused by your driving. You cannot make a claim for damage to your own car, theft of your car, or loss or damage to any item in your car under your own third party insurance.
Third party, fire and theft	In addition to third party cover, you can claim for loss or damage to your own car as a result of fire or theft, but not accidental damage to your vehicle. This type of cover costs more than basic third party cover.
Comprehensive insurance	This gives you third party, fire and theft cover but also allows you to claim for damage to your own car, no matter who is to blame. The benefits of comprehensive policies vary between insurers, so you should check your own policy for details.
No-claims discount protection	This is a percentage reduction you get on your car or home insurance premium. It is based on the number of years since a claim was made.

Open driving	This means that other people driving your car with your permission are covered by your policy as long as they hold a valid driving licence.
Step back bonus protection	If you have this protection and you claim on your car insurance, you will only lose part of your no-claims discount.

Students responses can include the following:

Types of travel insurance policy available
1 Single Trip travel insurance
2 Multi-trip annual insurance
3 Winter sports travel insurance
4 Extended holiday/long stay travel insurance
5 Backpacker travel insurance
6 Over 65's travel insurance
7 Business travel insurance

Teachers notes – worksheet solutions

Protecting your stuff

Buying motor insurance – worksheet 5.4

It is recommended that this is done as a homework exercise.

- Using the motor insurance application form provided in the student worksheet, ask your students to complete the form using the motor insurance case study or using details of their parents'/guardian or their own car.
- Ask your students to think about what might affect the cost of an insurance premium.

Lead the class in a discussion about what issues might increase the cost of premiums.

Exercise A

No teachers' solution since students need to complete form themselves.

Exercise B

From completing the form in Exercise A students will now realise that insurance companies need a lot of information. Ask the students why they think insurance companies need all this information.

You can use this as an opportunity for a class discussion about the cost of motor insurance premiums.

You can get more information about most insurance premium on our website www.consumerhelp.ie/carinsurance or the Irish Insurance Federation website, www.iif.ie

Factors affecting the cost of motor insurance premiums include:

Age:	As more young drivers are involved in accidents than older drivers, most insurance companies charge higher insurance premiums for younger drivers.
Sex:	Due to more male drivers being involved in accidents than female drivers, most insurance companies charge higher insurance premiums for male drivers.

Type of use:	What the car is used for – whether it's used primarily for domestic/leisure use or commercial use (i.e. used for work). It costs more to insure a car or van for commercial use than for personal use, which includes driving to and from work. Certain jobs carry higher risks so you may have to pay higher premiums.
Frequency of use:	Miles driven each year will impact on your likelihood of having an accident and therefore the cost of your insurance.
Location:	Where you live will affect your premium because some areas have higher rates of car thefts or accidents. You will pay more if you live in the city than in rural areas.
Driving experience	Describes if you have a provisional or full licence and for how many years you hold the licence (full).
Driving record:	Serious driving offences such as dangerous driving or drink driving can result in an increase in your premium or even a refusal to offer you insurance. Depending on the number of penalty points you have, your premium may also increase.
Type of car:	The make, model and engine size will affect the cost of the premium.
Value of car:	Generally the more expensive your car is, the more it will cost to insure.
Age of car:	The newer the car, the more expensive it will be to insure.
Previous claims:	Your claims history (i.e. how many claims have been made on your motor insurance policy in the past) will have an affect on the cost of your insurance policy. Even if you are switching insurance companies, the new company will consider your past claims.
If car is on the street or in a garage:	You may be able to save money if you let your insurer know that you will park your car in a locked garage - insurers often prefer this to the car being parked on the street or in your driveway because it is more secure.

Any modifications or accessories:	If your car has been customised or modified in any way it is likely to increase the cost of your premium. Modifications (for example, fitting an extra exhaust) that increase the car's performance automatically make the car a much higher risk on the road. And accessories (for example, alloy wheels) can increase the car's value.
Any excess you agree to pay:	This is where you agree to pay for part of the loss (e.g. the first €200) and the insurer will pay the amount above this. Some insurers give you the option of cheaper cover if you pay a higher excess in event of a claim.

Level of cover required:	<p>There are three levels of motor insurance.</p> <p>Third party cover: the cheapest level of cover and the minimum legal requirement. It pays out for claims that other people make against you for damage or injury caused by your driving. You cannot make a claim for damage to your own car, theft of your car, or loss or damage to any item in your car under your own third party insurance.</p> <p>Third party, fire and theft: you can claim for loss or damage to your own car as a result of fire or theft, but not accidental damage to your vehicle. This type of cover costs more than basic third party cover.</p> <p>Comprehensive cover: this gives you third party fire and theft cover but also allows you to claim for damage to your own car, no matter who is to blame. The benefits of comprehensive policies vary between insurers but the cover will usually include benefits such as:</p> <ul style="list-style-type: none"> - windscreen and glass cover; - cover for damaged or stolen personal belongings – this usually applies to items stolen from a locked boot or glove compartment. The amount you can claim depends on your policy; - recovery service and emergency breakdown assistance; - driving other people's cars – this covers you for any damage you do to another car or person while driving someone else's car. It does not cover any damage you do to yourself or the car you borrow; - replacement or hire car – the cost of this is covered if your own car is off the road as a result of an accident. <p>You can expect to pay a higher premium for comprehensive cover than for third party, fire and theft cover.</p>
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Exercise C – Telling the truth'

Ask you students what do they think will happen if you don't tell the truth on an insurance application form?

Answer: C, If I have a claim in the future it might be rejected.

Teachers notes – worksheet solutions

Protecting your stuff

Claiming on your insurance policies – worksheet 5.5

You can use the information below and encourage your students to research using the information available on our website at www.consumerhelp.ie/insurance-claims

There are three steps to help you make a claim.

- 1 Call your insurer or broker as soon as you discover a problem. They often have a free emergency helpline.
- 2 Give brief details of the claim and request a claim form.
- 3 Depending on the type of claim, your insurer or broker will give you advice on what to do next.

For larger claims, you may want to hire an assessor. An assessor works on your behalf and will often negotiate with your insurance company to settle your claim. Assessors' fees are not covered by your policy, so you will have to pay for this service yourself.

Exercise A & B

It is recommended that they are done as a homework exercise.

No teacher's solution as students need to complete the forms by themselves using the travel and motor insurance case studies.

Exercise C – Telling the truth

Ask your students what they think would happen if you don't tell the truth on an insurance claim.

Answers include:

- Refusal of claim
- Investigation of claim
- Loss of cover
- Fraud