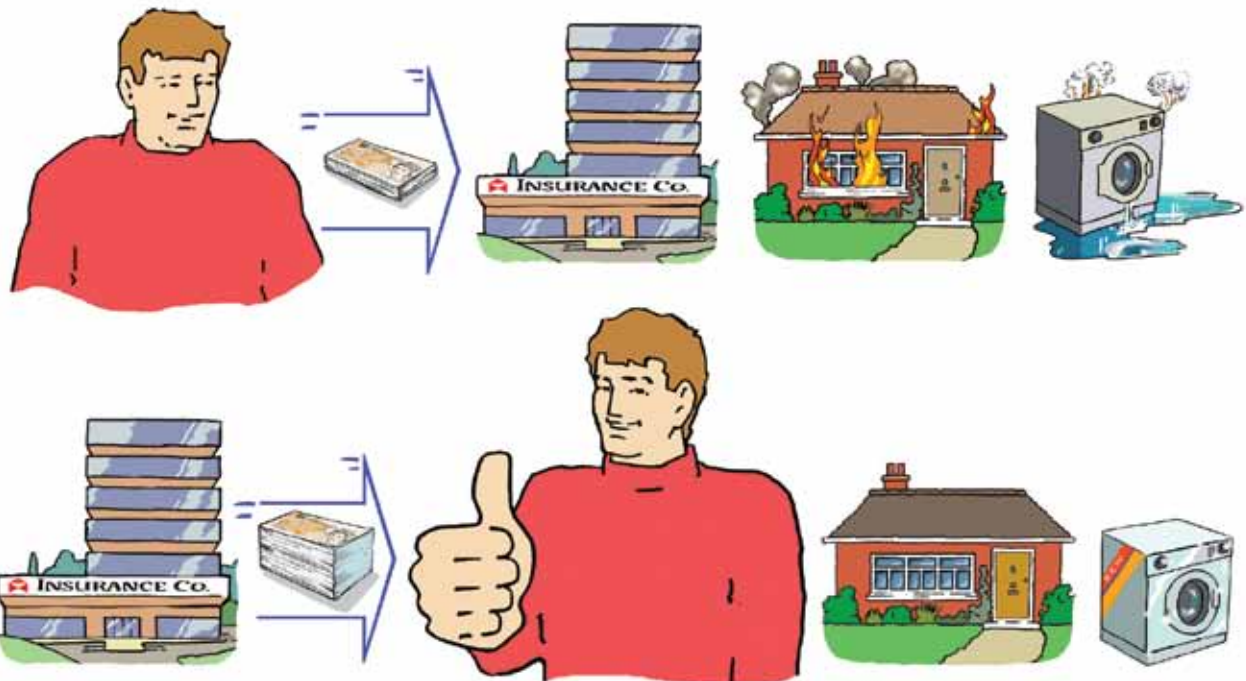


The Easy Picture Guide to Insurance
for People Living Independently

Your Money Your Insurance

f Making
Money
Easier




**United
Response**
support that changes with you



This guide is all about **insurance**.

Insurance is something you buy to make sure **if something goes wrong**, you will get **money to put things right**.



There are lots of different kinds of insurance. It is very important to **get the kinds of insurance you need**.



It is also very important **NOT to buy insurance if you don't need it!**



This guide is about all the **different kinds of insurance** and how to check what you might need. It is also about **how to choose the right insurance for you**, and what to look for.



Ask a Question



Be Careful

There are lots of pictures to make things easier, and a couple of helpful signs.

The Easy Picture Guide to Insurance for People Living Independently

Your Money – Your insurance

Contents

What you can learn about
in this guide:



- Page 5 **What Is Insurance?**
- Page 6 **Home Insurance**
- Page 19 **Other Kinds Of Insurance**
- Page 24 **Buying Insurance**
- Page 32 **Making A Claim**
- Page 34 **What To Do If Things Go Wrong**

There are other books that will help you too:

- **Choosing and Opening a Bank Account**
- **Using a Bank Account**
- **Your Money – Your Home**
- **Moving On and Planning Ahead**

And a special leaflet called:

- **Explaining Some of the Words Used in Banking**

You can download copies of these guides from our website:
www.unitedresponse.org.uk/making-money-easier

Foreword by HSBC

HSBC is delighted to have helped with the creation of the **Making Money Easier** toolkit.

We pride ourselves on providing accessible banking that meets the needs of our customers.

HSBC has a long history of helping charities, schools and others in the teaching of maths and money management. We recognise that these are vital skills for every day life, and that they help people to make the choices that are so important in living in an independent way.

Finance has been in the news a great deal lately, and many people will find the high quality, easy-to-read information produced by **United Response** is more important than ever.

We at HSBC very much hope that you find **Your money – Your Insurance** to be a useful guide and that, together with the rest of the toolkit, it really does help to make money easier for you.

Supported by:





What is insurance?

Insurance is something that you buy 'just in case'.

If you buy insurance, you are paying money to **protect** something of yours, just in case anything goes wrong.



Sometimes bad things can happen to something you own...

...like in a **fire** or a **flood** or an **accident**...



...or like something being **lost** or **stolen** or **hurt**.

If you have insurance, **you can get money to put things right or to replace** what has been lost or damaged.



To have insurance, or '**cover**', means you pay an amount of money to an **insurance company**.

You can buy insurance to protect lots of things. But you have to have the **right insurance** to protect what you have.



It is important to buy the insurance you need. But **you must not buy insurance you don't need**. That is just a waste of money and it won't help you if anything goes wrong.

Home insurance

There are **two different types** of home insurance.

The two types are:



■ Home Contents Insurance

This is about **the things that you own** – all the things that are in your home.

■ Home Buildings Insurance



This is about the **building** itself – the walls, the roof, the floor and the pipes.

You may need both. But it is really important to **get the kind you need – and NOT the kind you don't.**



■ Home Contents Insurance

If you have home contents insurance it means that if something you own is lost, damaged or stolen, or if you have a fire or flood in your home, the **insurance company** may give you money to replace it.

**Be careful!**

If you **lose** something, your insurance company might ask you to tell other people, like the police, before they will pay.

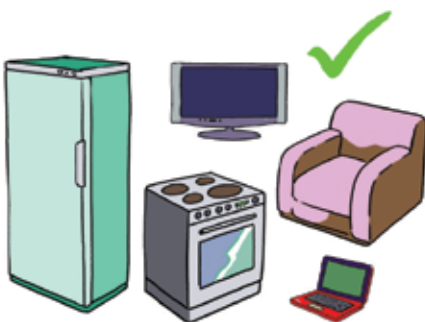


Some types of home contents insurance will also give you money if something is **broken** – for example, if you drop it. This is called **accidental damage cover**.



But some types of home contents insurance **won't** give you this! Check that the type of home contents insurance you are buying has accidental damage cover if you want it.

Some types of insurance will make you **pay more** for this. Others will **include** it. **It is important to check**.



Home contents insurance is for **everything you own that is inside the house**. It covers things like your furniture and TV, computer, fridge and cooker.

It does NOT cover things that are part of the building you live in, like the walls or windows.

Do you need home contents insurance?



Most people need home contents insurance.

You need home contents insurance:

- if you **own** a house or flat,



- if you **rent** a house or flat –
if you have a **tenancy**,



- if you **share** with other people.



If you do share with other people you might need to let your insurance company know.

You DON'T need home contents insurance if you are living in someone else's house and they have insured your things too.

For example, if you live with your family then their home contents insurance will cover the things you own too.



If you're not sure, **ask them**.



Be careful!

If you have a **lot of things** or **things that are expensive**, you need to check that your home contents insurance will pay for those things.

For example, if you have an expensive computer or a bicycle, then you need to find out if your home contents Insurance covers them.

If you are not sure if you need home contents insurance, **talk to your friends or family**. Or **talk to your advocate** if you have one.

Most people need home contents insurance. **It is very important if things go wrong.**

If you don't have home contents insurance and if something big gets damaged or stolen, or you have a fire or flood, you might not have enough money to replace it.

For some things this might not matter too much. But it would matter a lot if it was something important – like your fridge or cooker or washing machine.



How much home contents insurance do you need?

When you buy home contents insurance you need to make sure that you have enough for all the things you own.

The amount of insurance you have is called your **level of cover** or your **sum insured**.

To find out what level of cover you should have, you need to work out how much it would cost to replace all the things you own.

THINGS TO BE INSURED				
Kettle	.	.	.	£30
Toaster	.	.	.	£30
Camera	.	.	.	£100
Computer	.	.	.	£500
Television	.	.	.	£300
Furniture	.	.	.	£2,000
Washing machine	.	.	.	£400
Fridge	.	.	.	£300
Cooker	.	.	.	£500
Plates and mugs and cutlery	.	.	.	£300
Total needed (level of cover)				£4,400

Make a list of all the bigger things you own. That will tell you how much you might need.

It might look like this.

The list here is only an example. You need to make your own list.

Look around your home to see all the things you have.





Make sure you have **enough** insurance for the things you own.

But **also make sure you don't have more insurance than you need** – that would just cost you more.

For example, if you made a list of all the things you own and how much they cost and it is £5000, you don't need insurance that will pay up to £30,000! You would be paying money for something you don't need.



How much will it cost?

Having home contents insurance does not have to cost very much. You pay a little bit all the time – every week or every month.



There are lots of cheap ways of getting home contents insurance. **It is important to shop around and find out which is best for you.**



Lots of **housing associations** have their own home contents insurance scheme. These can be a cheap way of getting the home contents insurance you need.



There are two main types of housing association insurance:



- **Included with rent.** This means you pay a little **extra** money as part of your rent each week. The landlord then buys home contents insurance for you.



- **Not included with rent.** This means you make an **extra**, separate payment each week. The extra bit might be very small – maybe as little as £1 a week.

What if you think you can't afford it?



Paying a little bit of money every month or every week is **much cheaper than having to pay lots of money** if something important gets damaged or is stolen.



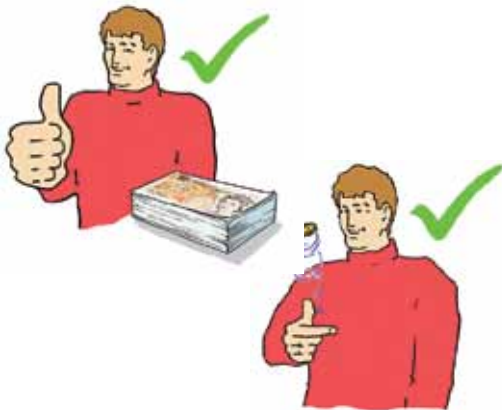
"It'll never happen to me!"

Some people don't buy insurance because they think nothing will go wrong!



But no-one knows when something will go wrong. And then people get into trouble.

It is always much better to have the insurance you need.



If you look carefully you can find insurance that is very cheap. Some home contents insurance is **only £1 a week**.

Buying home contents insurance



When you buy home contents insurance some of the things you need to know are:



- How much **all** the things you own would cost to replace – **all together**.
- How much some of the **big things** would cost to replace – **separately**. So you might need to say if you have something that would cost a lot to buy, like a computer or a bicycle or some special equipment.
- How **safe** your house is. If you have good locks and a burglar alarm, you might pay less for your insurance.
- **Where you live**. Insurance costs more in some places than others. So you need to know your **postcode**.



Be careful!

If you have home contents insurance it should cover all the things you own if they are lost, damaged or stolen.

But if, for example, you buy a television or a washing machine you may be asked if you want to buy **special insurance** – sometimes called a **warranty** – to pay in case it goes wrong.

This is quite different from your home contents insurance. **Ask someone you trust to help you if you are not sure.**

Your home contents insurance will normally only cover things which you have in the home. **If you want to cover things which you take out and about with you**, then you need to check with the insurer that this is OK.

This is normally called **all risks cover**. You usually need to ask for all risks cover to be included as part of your home contents insurance, if you want it.

It can be confusing to know what you need for what. **Ask someone to help you if you are not sure.**



There is more information about **how to choose an insurance company that is right for you** and **checking what's covered** in the section called **Buying Insurance** on page 24.

Service contracts

A service contract is a sort of insurance.



For example, you can get service contracts for your central heating. You pay some money every month. Then if your central heating goes wrong, someone will come and fix it for you – and you won't be asked to pay anything extra for that.

Your **energy supplier** will tell you if they have a **plan**. But you can shop around too.

Be careful!



If you **own** your house or flat it can be good to have a service contract for your heating.

But check that you are not paying for things that are covered in your **home buildings** insurance.

If you are **renting** your house or flat, you **do NOT need** a service contract – your landlord must fix the heating for you.





Home buildings insurance

Home buildings insurance is to **pay for repairs if your home is damaged**. This might be if there is a fire, a flood, a storm or an accident.



Home buildings insurance pays for things like walls, floors and ceilings, doors, the roof and windows.



It also pays for things that are **fixed** in your home – like the bath or toilet or fitted wardrobes.

Do you need home buildings insurance?



You need home buildings insurance if you own your house.



You may also need home buildings insurance if you have **shared ownership**.



You DON'T need home buildings insurance if you have a tenancy – if you are renting.

If you have a tenancy then the **landlord** must have home buildings insurance for your house or flat. Your rent will pay towards this.

Check with the landlord that they have this.

How much home buildings insurance do you need?



You need enough home buildings insurance to pay to **rebuild your house or flat if it fell down**. This might be less than it cost you to buy it.

You need to know this just in case the worst happens. Hopefully it won't!



But your home buildings insurance will also pay for **much smaller things** – like replacing a broken window or if your roof needs mending.

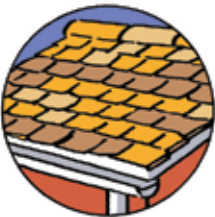
Make sure you don't have more insurance than you need – otherwise it will just cost you more.



Buying buildings insurance

When you buy buildings insurance some of the things you need to know are:

- How much it would cost to **rebuild** your home.
- Where you live – your **postcode**.
- What your **home is made of** – is it brick or stone?
- What the **roof is made of**.
- How old your house is – **when it was built**.



There is more information about **how to choose an insurance company that is right for you** and **checking what's covered** in the section on **Buying Insurance** on page 24.

Other kinds of insurance

There are other things that you can buy insurance for.

- Life insurance
- Health insurance
- Dental insurance
- Travel insurance



Make sure you don't get insurance that is more expensive than you need.

Life insurance

Life insurance is sometimes called **life assurance**. It is **insurance for if you die**. If you have life insurance (or life assurance), then your insurance company will pay out some money if you die.

If you have a **mortgage** (a special loan to buy a house or flat) it is best to have life insurance. Then if you die, the insurance company will provide money which can be used to pay your mortgage.



Some life insurance will ask if you want to include **different things**.



You may be able to get insurance to **cover** you:

- if you are **very ill**,
- if you **can't work** because you have had an accident or are ill.



If you get this kind of insurance you will get money all at once or regularly to help you **pay your bills**.

It is very important to check what is covered and what you will get.



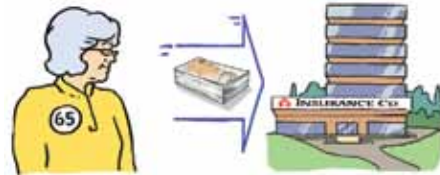
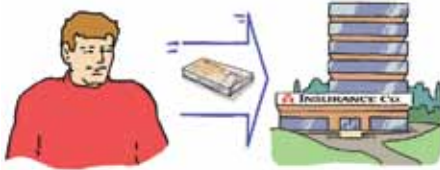
Be careful!

Lots of people will get **state benefits** if they are ill and cannot work.

Talk to your family or friends to see if you need life insurance.



If you do decide to buy life insurance, **shop around** to get the right one for you.



How much will it cost?

The cost of life insurance will depend on:

- your age,
- the things you do – for example, it might cost more if you smoke.

Health insurance



Health insurance – also called **medical insurance** – is insurance so that you can pay for **private treatment in hospital** if you are ill.



Be careful!

Everyone in Britain can get **FREE medical and health care**. This is what the **National Health Service (NHS)** is for.

So you only need to buy health insurance if you think you want to be **treated more quickly**.

Talk to someone you trust before you buy health insurance.



How much will it cost?

The cost of health insurance is different for each person.

The insurance company will need to ask you things about yourself, including:



- your **age**,
- if you have **been ill** or if you have **any health problems already**.

Be careful!



Some health insurance will NOT cover health problems you already have.

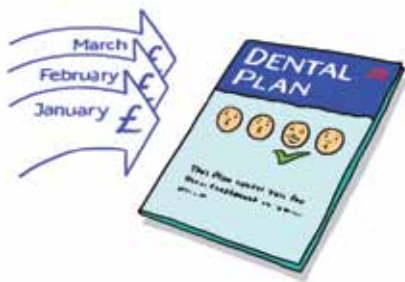
Check what is covered before you buy it.

Dental insurance

Some people can get **free dental treatment** from the **National Health Service (NHS)**.



But NHS dentists are not always available. So lots of people pay to have **private dental treatment**.



If you do have to pay for your dental treatment it can be good to get dental insurance (sometimes called a **Dental Plan**). This helps you spread the cost of paying for your treatment.

You can **ask your dentist** if they have a Dental Plan or **look on the internet**.

Travel insurance

Travel insurance is for when you **go on holiday**. Travel insurance will pay:



- if you need to **cancel your holiday**,
- if **your holiday is cancelled**,
- to **replace your things** if you lose them,
- if you are ill or have an accident, for you to **go to hospital, or to come home**.

It is very important to have travel insurance when you go on holiday – especially if you are going to another country.



There are lots of specialist companies that sell just travel insurance. You can find them on the **internet**.

Buying insurance

There are a few things to think about when you decide to buy insurance, including:

- **Where to buy insurance**
- **Checking what's covered**
- **Paying for your insurance**
- **Renewing your insurance**



Where to buy insurance

There are lots and lots of different places you can get insurance.

- **If you know what you need**, you can buy your insurance **directly from an insurance company**.

Lots of insurance companies will sell you insurance **online**. This can be cheaper.



- **If you need some help to choose what you need**, you could ask an **insurance broker** – a company that will **help you to buy the right insurance** for you.

You will need to **pay them** some money for giving you that help. Ask them to explain how much this will cost.





Other places which offer insurance are:

- **Banks** and **building societies**.
- **Housing associations** – for home contents insurance.
- Some other places, like the **Post Office** and some **supermarkets**, sell home contents insurance too.

Specialist companies

Some insurance companies sell **all** kinds of insurance. Other insurance companies sell **some** kinds only – like just travel insurance, for example.

It is very important to **shop around**.

Not every type of insurance is right for everyone. Some kinds are cheaper than others. Some **cover** more things than others.

You need to choose what's right for you.





To help you look at prices, you can go to **special websites for insurance**. These will look at lots of different insurance companies and see which would be **cheapest** for you.



If you are buying home insurance, the website will ask **you questions** about your **house or flat**, or about the **things you own**. You might need to say if you are **living with anyone else**.



If you are buying health insurance or travel insurance or life insurance (life assurance), the website will ask you questions about **you and your life**.

The website will then check insurance companies and tell you which company is cheapest for you.



After that you will need to **contact** the insurance company directly, to buy your insurance.

If you are buying home insurance, the insurance company will ask you **more questions** about your house or flat or about the things you own.

If you are buying health insurance or travel insurance or life insurance (life assurance), they will ask you **more questions** about you.



You could ask someone to help you answer these questions.



Be careful !



Always tell your insurance company the truth about yourself and your home. If they find out you gave them the wrong information, they could refuse to pay a claim.



Checking what's covered

- Check what the **premium** is – how much you have to pay.
- Check what the cover is – what the insurance company will pay for. Sometimes you will see other words like **sum insured** or **limit of liability**.
- Check what the **level of cover** is – how much the insurance company will pay for. It is very important that the cover is enough to pay for all the things you own.
- Is there an **excess**? This means that you have to pay a bit towards buying something new if it is lost or stolen – the insurance company won't pay for all of it.
- Some types of insurance – like some home contents insurance offered by landlords – might not have an excess. But if there is an excess, **will you be able to afford to pay it?**





Be careful !

Check what you are being asked **to pay on top of your premium**. This will normally be called a **policy fee** or **commission** or **brokerage**.

The insurance company may also make charges if you want to make **changes** to what is covered, so you need to **check those charges** too.

When you buy insurance or take out a loan, the company might ask you if you want **payment protection** – extra money that you would have to pay.

Check with someone you trust before buying payment protection. You may not need it.

It is really important to buy your insurance from a proper company.

Be careful that you don't buy insurance that you don't need.

Get someone to help you look at what is covered so that you can choose the best deal for you.

Paying for your insurance



The insurance company will tell you how much you need to pay for a year. They will send you a **bill**.

You can pay the bill **all at once**,

or...



You can pay **monthly by Direct Debit**.

Paying by Direct Debit



When you pay by Direct Debit the money goes out of your **bank account** automatically every month. **You don't need to remember to pay it.**

You can find more information on paying bills using Direct Debit in one of the other **guides** in the series. It is called **Using a Bank Account**.

You can download it from our website:

www.unitedresponse.org.uk/making-money-easier



Be careful!



Paying by Direct Debit can be easier.
But sometimes it will **cost more** altogether.

Check if it would be cheaper to pay it all at once.

If it would be cheaper to pay all once, but if you don't have the money, you might be able to **borrow** the money from somewhere.

It is always best to borrow money from a bank or a building society or a credit union.

Never borrow money from someone who comes to your door. They will make you pay back much, **much** more than you borrowed.

There are other places you can borrow money from. There are some who will let you borrow money for a short amount of time. Some of them are called **payday lenders**. But be careful! They may charge you a lot of **interest**. Interest is the money that you pay back on top of the money that you have borrowed. Payday lenders may charge you much more interest than a bank or credit union. You might find it difficult to pay back all the money they charge you.

Before you agree to borrow money from anyone, **always make sure you understand how much it will cost you to pay the money back and make sure you can afford it.**

It can be difficult to work out what would be the best thing to do. **Ask your family or friends to help you.**



Your policy document

The insurance company will send you a **policy document**. This says what insurance you have bought and what it covers.

It is very important to keep all insurance documents safe. You could put them in a **folder**.



Renewing your insurance

You must make sure you keep paying your insurance. You are only covered as long as you keep paying.



Usually your insurance is for a whole year. Then you need to renew it – tell them if you want to have it again.



If you are paying by **Direct Debit**, this will usually happen **automatically** without you doing anything – but you **need to check**.

If you **don't** pay by Direct Debit, the company should **write to remind you**. It is a good idea to **put a date in your diary** to remind you.



Even if your insurance renews automatically, it is a good idea to **check other prices**. There may be some that are cheaper for you now.

It is always good to check that you have the best deal for you.



Making a claim

If something that is insured gets lost, damaged, or stolen, you can ask the insurance company for some money. This is called **making a claim**.



You need to **telephone the insurance** company and tell them you want to make a claim.

The **telephone number** to call will be on your **policy document**.



You will need to know your **policy number** when you make a claim. This number is also on your policy document.



Your insurance company will ask you questions before they give you any money. They will check that your claim is for something that is **covered by your insurance**, and they will want to know **how things happened**.



If you are claiming for something that is **lost**, the insurance company may want you to tell someone, like the police, before they will pay you any money.

You need to ask your insurance company if you have to pay an **excess** – this is the amount **you** might have to pay when you make a claim.





This happens when the insurance company makes you pay the first bit of the money towards the repair or replacement.

REPLACING BROKEN TELLY

Cost of television	.	.	£300
Excess (paid by me)	.	.	£50
Amount paid by insurer			£250

If your television was broken, the sum to replace it could look like this.

This calculation is just an example.



If you have an excess it is sometimes cheaper **not** to ask your insurance company to give you the money for something – **if it is not very expensive, it may be cheaper to buy it yourself.**

You need to ask the insurance company if making a claim will **change your premium** – if they say yes, and what you need to buy is quite small, **it might be better to buy it yourself.**



It can be very difficult to decide what is best to do. **Ask someone to help you decide.**



You need to ask your insurance company **how much money** they will give you, and **how long** it will take to get it.

What to do if things go wrong

It is best to have the insurance you need. Then you will be covered when something is lost, broken or stolen.



It is much cheaper in the long run.

But if you don't have insurance and you are **worried about money**, there are places that can help you:

Citizens Advice Bureau



Most towns and cities have a Citizens Advice Bureau. They can help if you have money worries.



You can find out where your nearest Citizens Advice Bureau is from the **library** or **council office**.

OR...



you can look at their **website** at:

www.citizensadvice.org.uk



Your bank or building society

You can talk to your bank or building society and see if they will let you borrow some money.



You will need to pay back the money a bit at a time. They will also charge you some extra money. This **extra money** is called interest.

You need to make sure you will be able to pay back the loan and the interest.



Credit unions

You could talk to a credit union. Credit unions can be a good way to borrow a **small amount** of money.



To find out if there is a credit union near you, go to the **website**:

www.abcul.org



OR look in the **Yellow Pages**.

Making Money Easier

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