

The Money Doctors Month of **INSURANCE**

What is Insurance?

Insurance is a way of protecting yourself and your belongings against a particular adverse event, such as a burglary, or losing your income because of illness. If this happens, insurance will pay out an agreed amount, or an amount to cover the damage, as appropriate. Of course, it may not happen, but you have to decide whether you're willing or able to take that risk. If it does happen, you may have enough savings to be able to manage, but in case you don't, insurance may help. Some insurance, like motor insurance, is compulsory – you have to have it if you own or use a motor vehicle.

Do you need Insurance?

Use the following checklist to see what insurance you might need.

Do you need Insurance The following [Budget calculator](#) will help you gain a clear view of the money you've got coming in against all your outgoings.

What would happen if you or your partner became seriously ill or disabled? There are insurance products, sometimes known as protection insurance, that pay out in these instances but they usually only pay out a lump sum for a limited time and don't cover all illnesses. You can find out about some types of protection insurance in [Income protection](#), [Critical illness insurance](#) and [Payment protection insurance](#).

What would happen if you or your partner died suddenly? Could you or your family manage without the income? Life insurance is about providing some financial security for people who depend on you if you died. For more information see [Life insurance](#).

Are you a home owner? If your home was destroyed by a fire or flood you would still have your mortgage to pay. Most mortgage providers insist that you take out [Buildings insurance](#) with your mortgage but it's worth checking that the amount covered is enough to rebuild your house.

What about your belongings? [Contents insurance](#) covers the loss of or damage to the contents of your home –Take time to work out the value of your belongings as it's all too easy to under-insure.

What about health and dental treatment?	If you think you may need health or medical treatment, or want to be seen quicker than on the NHS, Health insurance may be worth considering.
Do you own a car?	The law insists that you have basic Motor insurance but you may want to increase your cover, for example to replace a written-off car.
Do you have pets?	Pet insurance can pay towards a vet's bills and some will pay for you to advertise if your pet has been lost; or for kennel/cattery fees if you suddenly have to go into hospital.
Are you going on holiday?	Travel insurance can cover you against mishaps while you're abroad. Make sure you read the policy summary for exclusions – there are bound to be some.

Before you take out any insurance always remember to check the details of the policy so you are sure it covers you for what you need it to.

Some questions you can ask

What will the policy cover me for?

What won't it cover?

What else do I need to know about this policy given my particular circumstances?

Do I need to buy this insurance or am I already covered by an existing policy?

Is there another insurance product that I should consider which better suits my needs?

Should I get more or better coverage and will it cost me more?

Useful Contacts

www.moneysavingexpert.com

www.moneysupermarket.com

www.fsa.gov.uk/tables

www.abi.org.uk

www.biba.org.uk

www.bcis.co.uk

www.ehic.org.uk

www.youethicalmoney.org

www.iib-uk.com