



Insurance: What might I need?

Buying insurance can be confusing and expensive. You need to think carefully what you need and what you can afford.

This is an introduction only – always read the small print carefully and ask for help if you are unsure what is best for you.



Home Contents Insurance (for everyone who rents or owns a home)

- Whether you own or rent it is your responsibility to insure your belongings
- If you were burgled or had a flood would you be able to afford to replace them?
- You can insure your belongings inside and outside the home
- You need to work out the cost of replacing your belongings and then use a comparison website to find a good deal

If you rent your home from a housing association ask them if they have low cost contents insurance – they are usually good value

Tip



Buildings Insurance (if you own your home)

- If you have a mortgage, your lender will insist you have it.
- Essential if you have a fire or damage requiring rebuilding work
- You will need to know how much it would cost to rebuild your house.



Car Insurance (everyone who drives or parks vehicle on a street)

There are three options

- Third party – this is the minimum required by law and covers any damage to someone else's vehicle, property or person (not yours)
- Third party plus fire and theft – as above plus your own car if it is lost or damaged due to fire or theft
- Fully Comprehensive – this covers third party, fire and theft as well as repairs to your own car

If you keep your vehicle in a garage or driveway and do not have insurance you must have a Statutory Off Road Notice (SORN) There are serious penalties for driving an uninsured vehicle. You can be fined and penalty points added on your licence. In addition the car can be seized and destroyed.





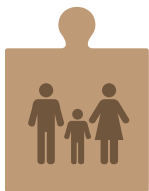
Mobile Phone Insurance

- If your Pay as You Go phone is stolen you would only need a new handset. Once the credit is used up no more calls can be made.
- For contract users, insurance may be worth it as you are still responsible for paying for the contract.
- If you have contents insurance, check if your phone is covered.



Pet Insurance

- Provides cover if your pet is ill or hurt in an accident
- Vets fees are expensive - fixing a cat's broken leg could cost over £3000, removing a grass seed from a dog's paw around £400.
- Pet insurance gets more expensive as the dog gets older



Life Insurance/Cover

This covers death. It's a good idea if:

- You are the main breadwinner and/or have dependent children
- You are responsible for paying a mortgage

Credit Unions offer free life insurance on your savings if you save with them – contact them to find out more.

Tip



Travel Insurance

- Covers you from lost luggage to medical bills
- Essential if you want to be able to afford medical care when you're abroad

Could you set up a 'Calamity Account' instead?

Idea

Some insurance you need by law - such as car. For anything else, the alternative to paying out for insurances, is to save the money into a separate account – a 'calamity account'. If you're disciplined about saving the money, you could have enough saved to cope with any accidents or losses. It's up to you to decide the risks you are happy to live with and those where you would feel happier and reassured with insurance in place