

Insurance

Premium

The price paid for insurance. The insured pays the insurance company annually or monthly

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Compensation

Money paid to the insured by the insurance company in the event of a loss occurring

pg. 100

Broker

Someone who compares the price of insurance with a few different insurance companies and gets the best price for the consumer

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Types of Insurance

1. Motor insurance pg. 90

4. Travel insurance pg. 92

2. Home insurance pg. 91

5. Life insurance pg. 92

3. Health insurance pg. 91

6. PRSI pg. 92

Proposal form
Application form
filled out by the person seeking insurance

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Athary

The person who calculates the premium based on the probability of the loss occurring

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Assessor

Calculates compensation on behalf of the insurance company

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loading
Amount added to the premium because there is a greater risk of the loss occurring

Deductions
A discount on your premium because of certain things eg. having a fire alarm

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No claims bonus
A discount offered by the insurance company to the insured as a reward for not having claimed on their policy

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Principles of Insurance

Indemnity

The insured person cannot
make a profit
from insurance pg. 99

Utmost good
faith

The insured must
tell the truth when
filling out the claim
and proposal
forms pg. 99

Insurable Interest

The insured person
cannot gain by
the existence of the
item and suffer
financially from its loss

Subrogation

The right of
ownership of the
injured item passes from
the insured to the insurance
company once the compensation
has been claimed pg. 99

Contribution

When the item is insured with
more than one insurance company,
the insurance companies will
divide the cost between
them pg. 99

Average clause
amount insured
market value

formula

$$\times \text{loss} = \text{compensation}$$