



# Exploring insurance

Age range: 14-16





**Would you run the risk?**



**Climbing Mount Everest**



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**Never going to the dentist**



**Starting your own business**



**Driving a Formula 1 racing car**



# How risky? student sheet

## Going on holiday abroad

You got a cheap holiday package deal through a travel provider for £400. You're taking €300 with you, along with your phone, clothes and asthma inhaler.



Low      Medium      High

## Buying and running a car

You have recently bought a car which is worth £5,000 that you need to get to and from work every day.



Low      Medium      High

## Transferring money online

You transfer £300 to an unfamiliar online company for a tablet you saw advertised at half the price you had seen in the shops, despite not knowing a huge amount about the company.



Low      Medium      High

# Insuring against risk: student sheet

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There are insurance policies available to cover many different types of situation, and there are some things you cannot insure against. Is it always worth buying insurance to protect yourself against risk?



House being burgled



Cat needing an operation



Rain on your wedding day



Spilling coffee on the carpet



Holiday flight being delayed



Tripping over your shoelace

**What types of insurance can you think of?**



# Ronnie's story

*"Ronnie is 19 and has volunteered to be a steward at a music festival in Spain. He's planning to fly there and get the train home after travelling around Spain for two weeks when the festival ends. He's taking a mobile phone, some cash (the festival is in a rural area with no on-site card payment facilities), a camera, zoom lens, tripod and flash so he can take pictures of the bands live on stage. The organisers have offered all volunteers the use of a bike to get into the local village when they're off duty.*

*When Ronnie gets back to the UK he is moving into a shared student house. He won't have room for much, but will be taking some clothes, tablet, photography equipment and laptop. He intends to go climbing regularly with the university mountaineering club so he will also take his climbing rope, helmet and other specialist equipment. He will use his car to get to university every day."*



# Considering insurance: student sheet

Insurance that is a legal requirement	Insurance that is not a legal requirement

Which insurance would you recommend that Ronnie prioritises?

1.

2.

3.

# Insure or save?

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Before you pay for insurance you must consider if it will protect you from the right risks and if the premium (the cost) will provide you with value for money.

## Premium

The amount you pay to the insurance provider annually or monthly for your cover

## Claim

Requesting that your insurance provider compensate you for loss, damage or injury that is covered by the premium that you have paid

## Excess

A contribution you make towards your claim above your premium – a smaller premium usually means a larger excess

# Ronnie's insurance policy

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Ronnie's laptop was bought new for £250 with a laptop bag costing £18.

## Ronnie's policy

The annual insurance premium is:

**£58**

if paid up front

or

**£5.50**

x 12 monthly  
instalments

## Policy details:

- Repair of broken or damaged laptop within 10-14 days of making a claim.
- Replacing lost or stolen laptop with one of the same value at the time of the theft or loss. Replacement to arrive in 7-10 days.
- £100 excess (payable when a claim is made).
- Paying by monthly installments will sometimes end up costing more than paying up front, and some insurers will require the policy holder to enter a credit agreement.
- There may be a cancellation charge if canceling any annual policy mid term, but this should be disclosed in the sales process.