

Insurance

The information on this website is for general guidance and is not financial advice. If you need more information or personal advice, please contact an Independent Financial Adviser. For more information please read [Getting Advice About Your Finances](#)

Insurance is a way of protecting yourself and your belongings against a particular adverse event, for example, a burglary or a serious accident. 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. Some insurance, like motor insurance, is compulsory – you have to have it if you drive.

Types of Insurance

There are many different types of insurance to cover you for all kinds of situations. Some insurance is compulsory and some may not be necessary for you, but it is always worth looking into the advantages of having insurance. Visit the Citizens Advice website for more information on [insurance](#). We have listed below the most common types.

Vehicle Insurance

If you drive your vehicle on the road, or leave it parked in the street, the law states that you **must** have motor insurance. It is a criminal offence not to insure your vehicle. There are three main types of motor insurance:

- **Third party insurance** – This is the minimum amount of insurance that you must have. It only covers you for damage to someone else's vehicle or property, or injury to someone else in an accident which involves your vehicle. If your own vehicle is damaged you will have to pay for repairs yourself.
- **Third party, fire and theft insurance** – This includes third party cover, plus damage to or loss of your vehicle through fire or theft.
- **Comprehensive insurance** – This includes third party, fire and theft insurance, plus it will pay for repairs to your car.

All insurance companies will sell different policies that provide different amounts of cover, so you should always read policy information very carefully to ensure that you have the right amount of cover that you need. For further information on motor insurance, visit [Citizens Advice](#).

Household Contents Insurance

Household contents insurance is not a legal requirement but it is very advisable to have. It covers most of your personal belongings and household possessions against loss or damage. This includes furniture, domestic equipment, electrical appliances, furnishings, clothing, food and drink, some valuables, and cash up to a certain limit. Household contents insurance covers the possessions belonging to you and to close family members who live with you.

Most policies cover damage to your possessions caused by fire, flooding and storm damage, as well as theft. You will usually have to pay extra to be covered for accidental damage or loss. Be sure to check your policy carefully to see what is and is not included.

For further information on household contents insurance, visit [Citizens Advice](#).

Many council tenants believe that the council automatically insures their furniture, belongings and decorations against fire, theft, vandalism or water damage such as burst pipes. Please note that **this is not the case**. Your Homes Newcastle (YHN) strongly advises all tenants to take out household contents insurance. Tenants can do this either through a scheme arranged by Newcastle City Council or by making their own private arrangements.

To join the YHN scheme you can pick up an application form at your local Community Housing Office. For further information, visit the [Your Homes Newcastle website](#).

Buildings Insurance

Buildings insurance covers the cost of damage to the structure of your property. This includes the roof, walls, ceilings, floors, doors, windows, garage and fences. It also covers permanent fixtures and fittings, interior decoration and underground tanks, pipes, cables and drains. If you own your property it is advisable to have buildings insurance, and if you have a mortgage, this will be a condition of the mortgage. If you are a tenant, buildings insurance will usually be the responsibility of your landlord.

Your insurance will usually cover loss or damage that occurs as a result of:

- fire
- explosion
- bad weather, including lightening, storms and flooding
- earthquakes
- theft or attempted theft
- malicious damage or vandalism
- freezing or bursting of any part of the plumbing system
- falling trees, lampposts, aerials or satellite dishes
- subsidence
- impact by vehicles or aircraft

You will usually have to pay extra to be covered for accidental damage. For further information on buildings insurance, visit [Citizens Advice](#).

There are a number of comparison websites available that can help you find the best deal for you such as [Gocompare.com](#) or [Moneysupermarket](#).

Travel Insurance

Taking out travel insurance can help you to get financial and practical assistance should something go wrong on your trip abroad. You can buy travel insurance for a single trip, or take out an annual policy covering several trips during the period of the policy. Travel insurance will usually cover you for:

- cancelling or cutting short your trip for specific reasons outside of your control, for example, unexpected illness
- missed transport or delayed departure for reasons outside of your control
- medical and other emergency expenses
- personal injury and death
- lost, stolen or damaged personal property, including luggage
- accidental damage or injury you cause to someone else

As you get older you may find it more difficult to get travel insurance. Some insurers have an age limit, or may increase the price of the policy dramatically. Make sure that you get quotes from several insurers to find one that can provide you with the best cover and price.

For further information on travel insurance, read [Citizens Advice](#).

Life Insurance

Life insurance is about providing some financial security for people who depend on you if you died. If you don't have a partner, spouse or civil partner, children, or other dependants, you may not need life cover. There are two main types of life insurance, term insurance and whole-of-life insurance.

Term insurance pays out only if you die within a certain term (length of time), and whole-of-life insurance pays out whenever you die. Check for exclusions, in other words, when the policy won't pay out. For example, most do not cover death due to alcohol or drug abuse. You might not be covered while taking part in risky sports. If your health is poor when the policy starts, some causes of death might be excluded or you might be refused cover altogether.

The cost of a policy depends on several factors, such as the amount of cover you want and the length of the term. It is also based on the likelihood of your insurer having to pay out. For example, if you're a smoker and do a dangerous job, you'll pay more than a non-smoking office worker. Term life cover also costs more for men because, on average, they don't live as long. Always compare what's covered by a policy, not just the price. Some might be cheaper than others, but they may not offer the same level of protection.

Buying Insurance

The amount you pay for insurance will be based on the information you give the insurance company and the type of risk you want to insure. Insurance companies use criteria, for example, where you live, if you smoke or what type of activity you would like to be covered for to help them work out the price of the insurance. The insurance company agrees to pay out if the event which you're insuring against happens. For example, your travel insurance policy may pay out for loss of luggage. It is important that you give the insurance company the correct information when buying insurance, as incorrect information might affect your claim.

You pay either a sum for the whole year (or sometimes longer), called a single premium, or a regular premium, usually monthly, into the policy. You can choose which company's policy to buy yourself or you can go to an insurance broker, who will help you choose. Most insurance lasts for one year at a time and you can renew your policy when it ends, or go somewhere else for a better deal. But make sure you don't lose out by switching and always check that a new policy covers what you need it for. Always compare what's covered by a policy, not just the price. Some might be cheaper than others, but they may not offer the same level of protection.

Always check that the insurance company you wish to use is registered with the Financial Conduct Authority (FCA). You can check on [The FSA Register](#).

There are a number of comparison websites that can help you to find the best deal for you such as [Moneysupermarket](#) or [Gocompare.com](#)

Complaining About An Insurance Company

If you are unhappy with the service you have received from your insurance provider, you should always complain to them first, using their complaints procedure. If you are not happy with the way they deal with your complaint, you should then contact the Financial Ombudsman Service (FOS). The FOS is the independent service for settling disputes between businesses providing financial services and their customers. Contact them using the details given below, or visit the [Financial Ombudsman Service website](#) for further information.

Other Useful Information

- [LifeBook](#) – Age UK free resource. It can be easy to mislay important documents and information. Record your details from, who insures your car, to where you put the TV licence. The LifeBook can help you to be more organised and could be invaluable to a family member or a friend if they need to locate important information about you in an emergency. Follow the step-by-step instructions and fill in the sections with your details, contacts and locations of important documents. Complete it online or order one.
- [The Association of British Insurers](#) provide consumers with general information on insurance and savings products and services.

Useful Organisations

Citizens Advice Newcastle (CAN)

Email: citycab@newcastlecab.org.uk

Website: <http://citizensadvice-newcastle.org.uk/>

Telephone: 0300 3309 055

Address: 4th Floor, City Library, NE1 8AX

Financial Conduct Authority (FCA)

Email: consumer.queries@fca.org.uk

Website: www.fca.org.uk

Telephone: 0800 111 6768

Address: 25 The North Colonnade, E14 5HS

Financial Ombudsman Service (FOS)

Email: complaint.info@financial-ombudsman.org.uk

Website: www.financial-ombudsman.org.uk

Telephone: 0800 023 4567

Address: South Quay Plaza, E14 9SR

Moneysupermarket

Website: www.moneysupermarket.com

Telephone: 0845 345 5708

Address: Moneysupermarket House,, CH5 3UZ

Citizens Advice

Website: www.adviceguide.org.uk

Telephone: 0845 345 5708

Address: Citizens Advice, EC1A 4HD

Gocompare.com

Email: help@gocompare.com

Website: <http://www.gocompare.com>

Telephone: 01633 654 019

Address: Gocompare.com Limited, NP10 8UH

Association of British Insurers

Website: <https://www.abi.org.uk/>

Telephone: 0207 600 3333

Address: 51 Gresham Street, EC2V 7HQ

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