














This topic is about what insurance is and some of the types of insurance your client may have to consider. It also looks at what an insurance policy is, making a claim and the difference between insurance and savings.

Section: content for the worker and resources	 Key messages
<p>A: Introducing insurance</p> <p> Level 1</p> <p> Level 1</p> <p> Factsheet</p>	<ul style="list-style-type: none"> ▶ Insurance is money you pay in case things go wrong. ▶ Insurance covers the cost of replacing things if something happens. ▶ In Australia, there are some things you must have insurance for, such as your car.
<p>B: Types of insurance</p> <p> Level 2: <i>Euly and Apol move into their new home</i></p> <p> Level 3: <i>Is this the right or wrong insurance?</i></p> <p> Factsheet</p>	<ul style="list-style-type: none"> ▶ There are many types of insurance and you need to choose what you need. ▶ You pay money to an insurance company to protect the things that are important to you.
<p>C: Buying an insurance policy</p> <p> Level 2: <i>Which insurance should I buy?</i></p> <p> Level 3: <i>Which insurance should I buy?</i></p> <p> Factsheet</p>	<ul style="list-style-type: none"> ▶ An insurance policy is a legal agreement. ▶ A premium is how much money your insurance company charges you to give you insurance.
<p>D: Making an insurance claim</p> <p> Level 2: <i>Alina and Daniel did not have contents insurance</i></p> <p> Level 2: <i>Vinh's mobile phone insurance</i></p> <p> Factsheet</p>	<ul style="list-style-type: none"> ▶ You can claim money from your insurance company if something goes wrong. ▶ How much money you can claim from your insurance company depends on what is in your insurance policy.

Financial literacy levels



Ask these types of questions to check your client's level of understanding and knowledge

- ▶ Do you know what insurance is?
- ▶ If you needed insurance what would you do?
- ▶ Do you know what an insurance policy is?

After your client answers your questions, determine what information they need based on their level of knowledge. You can do this using this table.

Your client has this level of knowledge	Description
Level 1: No or a limited understanding	<p>If your client cannot answer any of your questions or can only answer them a bit, they have no or a limited understanding.</p> <p>You can help them understand more by showing them the photo story in their translated language to introduce the topic.</p> <p>You can also listen to the audio story.</p> <p>After using the photo and/or audio stories, see if your client has developed some understanding of the topic, by asking them to answer the questions again.</p> <p>At the end of the section, you can give your client the factsheet in their translated language to take home with them, so they can look at it later.</p>
Level 2: Some level of understanding	<p>If your client answers one or more of your questions, but not in a lot of detail, they have some level of understanding.</p> <p>You can show them the photo story to review the topic.</p> <p>You can also go through the Level 2 activities and stories in the kit as these are for clients with some level of understanding.</p> <p>At the end of the section, you can give your client the factsheet in their translated language to take home with them, so they can look at it later.</p>
Level 3: A higher level of understanding	<p>If your client answers your questions in detail they have a higher level of understanding.</p> <p>For example, if you ask your client 'Do you know what insurance is?', and they say 'yes' and can explain what it is, you do not need to show them the photo story. Instead, you can look at the more advanced activities in the kit with them, labelled as Level 3.</p> <p>At the end of the section, you can give your client the factsheet in their translated language to take home with them, so they can look at it later.</p>

A: Introducing insurance



Key messages

- ▶ Insurance is money you pay in case things go wrong.
- ▶ Insurance covers the cost of replacing things if something happens.
- ▶ In Australia, there are some things you must have insurance for, such as your car.

Content for the worker

This section introduces your client to the concept of insurance. To do this, show your client the photo story and/or play the audio story.

When showing the photo story, remember to pause and check if your client is following the story in the right sequence.

A factsheet on this topic is also available for your client. You can photocopy and give the factsheet to your client in their translated language to take home.



After using the photo and audio stories, you can check your client's level of understanding and knowledge by asking questions such as:

- ▶ Do you know what insurance is?
- ▶ Why is insurance important?
- ▶ What are some types of insurance?

Does your client understand the key points from today?

If they do not, you can go through the information again at another time.

If they do you can proceed to the next level, the next time you meet your client – from **Level 1** to **Level 2** or from **Level 2** to **Level 3**.

Resources



Level 1: Insurance photo story



Level 1: Insurance audio story



Insurance factsheets. These can be found at the end of the topic in the following languages:

- 1 English
- 2 Arabic
- 3 Assyrian
- 4 Burmese
- 5 Chin Hakka
- 6 Dari
- 7 Dinka
- 8 Farsi
- 9 Hazaragi
- 10 Karen
- 11 Kirundi
- 12 Nepalese
- 13 Nuer
- 14 Sudanese Arabic
- 15 Swahili
- 16 Tamil

10: Insurance

B: Types of insurance



Key messages

- ▶ There are many types of insurance and you need to choose what you need.
- ▶ You pay money to an insurance company to protect the things that are important to you.

Content for the worker

Insurance covers the cost of replacing things if something goes wrong. For example:

- ▶ if your mobile phone falls out of your pocket and breaks while you are travelling and you need to buy a new one
- ▶ you have a car accident and need to pay for medical help and also get your car fixed.

There are many different types of insurance.

You get insurance for different reasons:

- ▶ To replace something that was stolen or broken which you cannot afford to replace. For example, if your home was destroyed in a fire, you would need a large amount of money to rebuild it. For this you need **home insurance (building insurance)**.
- ▶ To get some money if you cannot work. For example, if you are injured in an accident and cannot work anymore, you will need money to live on. This is called **disability insurance**.

If something valuable is damaged or is broken, you may be able to get some money to replace or fix it if you have the right insurance. For example, if you bought a car and it was damaged in an accident and could not be used anymore, you may be able to use your car insurance to get it fixed or buy a new car.

There are many types of insurance and you need to choose what you need.

You pay money to an insurance company to cover the cost of replacing or repairing the things you own if something goes wrong.

The following information describes different types of insurance. You can use it to explain the types to your client. You can use this information to show your client some types of insurance.

Car insurance

Compulsory third party insurance is the most important type of car insurance. It covers death and injury to people if you are in an accident. Each state and territory has different rules for this type of insurance.

Go to your state or territory traffic or transport authority for information on compulsory third party car insurance. The contact details are in the Key Contacts section of the kit.

You can also get these extra types of car insurance:

- ▶ **Third party property insurance** covers the cost of damage you have done to other people's property with your car (for example, their car or home).
- ▶ **Third party, fire and theft insurance** covers the cost of damage you have done to other people's property with your car. It also pays some money to pay for damage to your own car if it is stolen or on fire.
- ▶ **Comprehensive insurance** covers the cost of damage to your own car and damage your car causes to other people's property if it is in an accident (including fire) or if it is stolen.

Home insurance

Home insurance (building insurance) covers the cost of replacing things if something happens to your home (for example, damage from a fire or a storm). It covers the cost of replacing or fixing your home, including the walls and roof.

Contents insurance

Contents insurance covers the cost of replacing or fixing the things you have in your home, like furniture, clothes, appliances and jewellery.

To decide how much contents insurance you need, list everything you own and decide how much it would cost to buy everything again. You can take photos of what you have in each room of your home as a record. You may be surprised how much you have.

Travel insurance

Travel insurance covers the cost of certain things if you get in trouble when travelling away from home. For example, if:

- ▶ you get sick or injured and need medical attention
- ▶ you lose something and have to get a new one
- ▶ something of yours is stolen
- ▶ your travel plans are changed (for example, if your flight is cancelled).

Travel insurance is important, especially if you need to see a doctor or if your travel plans are changed. This is because these things can cost you a lot of money if you do not have insurance, and you may not have enough money to pay for them when travelling.

Life insurance

There are many types of life insurance and you need to choose what you need. These are some examples:

- ▶ **Life cover** (also known as life insurance or death cover) pays a set amount of money when you die. The money goes to the people you choose to receive the money (this is written in your policy).
- ▶ **Total and permanent disability cover** helps to cover the cost of rehabilitation, debt repayments and living if you have a disability. You can put this in your life cover instead of having a separate policy.
- ▶ **Trauma cover** helps to cover costs if you have a type of illness or injury that usually has a big impact on your life (such as cancer or a stroke).
- ▶ **Income protection** helps to cover the cost if you lose income or if you cannot work because you are sick or injured.

When you talk to an **insurance company** about getting life insurance you will be asked if you have any medical problems. You have to answer this question and be honest.

Health insurance

Health insurance covers some of the costs of your bills or medical costs if you are sick or injured. It sometimes means you pay less for hospital fees and other costs.

Mobile phone insurance

Mobile phone insurance covers the cost of some things that can happen to your phone (for example, if stops working or if you damage it). You can make a claim and get your mobile phone fixed or get a new one.

Activities and stories



Level 2: *Euly and Apol move into their new home*
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Level 3: *Is this the right or wrong insurance?*
Page 13

10: Insurance

C: Buying an insurance policy



Key messages

- ▶ An insurance policy is a legal agreement.
- ▶ A premium is how much money your insurance company charges to give you insurance.

Content for the worker

You can buy different types of insurance, depending on what you are insuring.

An insurance policy is when you and your insurer agree on what is insured. The insurer is the insurance company that sells you insurance.

The insurance policy is a written agreement (contract) and it includes:

- ▶ what is being insured and how
- ▶ things not included in your insurance policy
- ▶ how much you will get if you make a claim and the claim is accepted
- ▶ how much you have to pay for your insurance policy – this is called the premium.

A claim is when you ask your insurer to pay for something that is in your insurance policy. You cannot claim things that are not in your policy. And you cannot claim things that go wrong if they are not in your insurance policy.

You can buy insurance from an insurance company. You can buy insurance by meeting with the insurance company or you can buy it over the phone or on the Internet.

The premium is the amount you pay for your insurance policy. The amount you pay depends on many things like where you live, how old you are, what you are insuring and the terms and conditions.

Some insurance policies include something called an **excess**. The excess is how much you must pay with a claim. When you have an excess in your insurance policy it means the amount you pay for your premium is less. The higher your excess is, the lower your premium is.

For example, if you have a car accident, the cost of fixing your car might be \$2,000. If you have an excess of \$500, you would have to pay this for the repairs. Your insurer would pay the rest (\$1,500).

Insurance can help you replace something you own and would not be able to pay for if it is damaged or stolen. For example, if your home is destroyed in a fire, you would need a large amount of money to rebuild it.

Activities and stories



Level 2: Which insurance should I buy?
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Level 3: Which insurance should I buy?
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D: Making an insurance claim



Key messages

- ▶ You can claim money from your insurance company if something goes wrong.
- ▶ How much money you can claim from your insurance company depends on what is in your insurance policy.

Content for the worker

If something you own is damaged or stolen, you may be able to make a claim if you have insurance for it.

To make a claim you ask your insurer to pay for something that is in your insurance policy. You can only claim things that are in your insurance policy. And you can only claim if what goes wrong is in your insurance policy.

When you are looking for insurance, you need to know how to make a claim should you need to.

When you make a claim you need to do certain things:

- ▶ Tell your insurer as soon as possible. You can do this by phone. Sometimes your insurer will ask you to complete something called a claim form.
- ▶ Tell the truth.
- ▶ Include as many details as you can.
- ▶ Keep all documents to support your claim.
- ▶ Give all documents to your insurer, and anything else they need.

Activities and stories



Level 2: *Alina and Daniel did not have contents insurance*
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Level 2: *Vinh's mobile phone insurance*
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10: Insurance

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Activities and stories

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10: Insurance

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B: Types of insurance

Euly and Apol move into their new home



Euly and Apol were excited to buy a new house. To get ready to move into their new house, they bought a lot of new furniture and appliances such as a television and fridge. They also had valuable personal things like jewellery and a computer.

A friend of Apol's told him to get insurance because it covers the cost of replacing or repairing things that are important to you if something goes wrong. Apol thought about the things that he and Euly owned and how important they were to them.

Apol contacted two insurance companies to see how much it would cost for an insurance policy. He knew that an insurance policy was when he and an insurer agreed on what would be insured.



Each insurance company told Apol about something called an excess. This is the amount Apol pays if he makes a claim. Apol knew that a claim is when he asks his insurer to pay for something covered by his insurance policy.

? Which types of insurance do you think Euly and Apol should get?

Apol and Euly decide to get home insurance (building insurance) to cover the cost if they need to replace or fix their home. They also buy another kind of insurance – contents insurance – to cover the cost if the things inside their home get stolen or damaged. These are things like their clothes, furniture, appliances and computer.

Euly and Apol think about other types of insurance. Euly told Apol about his friend's mum who has health insurance which is helping her pay for some of her medical costs while she is sick.

Euly and Apol are happy they have insurance for their home and contents if something goes wrong. They are thinking about getting medical insurance in the future.

10: Insurance

B: Types of insurance



End of level 2: check in with your client

Does your client understand the key points from today?

If they do not, you can go through the information again at another time.

If they do you can proceed to **Level 3** the next time you get together.



You can give your client the factsheet in their translated language to take home. Repetition is part of learning.

Has your client got a better understanding?

Result	Next steps
Your client has a higher level of understanding – completely understands the concept of insurance and has demonstrated their understanding.	Great work! You can give your client a copy of the translated factsheet in their language to take home.
Your client has some level of understanding of the concept of insurance.	You can help your client work through the Level 2 activities and stories again.
Your client has no or limited understanding of the concept of insurance.	You can watch the photo story and listen to the audio story again with your client.

More information for your client



If your client needs more information about insurance, you can tell them to visit the MoneySmart website, www.moneysmart.gov.au, or call 1300 300 630.

Reflection questions for workers

- ▶ What worked well today?
What did not work well?
- ▶ Did your client understand the key messages?
- ▶ How could the session have been more effective?
- ▶ Did the activities engage your client in the topic?
- ▶ What questions unexpectedly emerged and how did you handle them?
- ▶ What might you do differently next time?

B: Types of insurance

Is this the right or wrong insurance?



You can use this activity to explain to your client that there are many types of insurance. You can review the types of insurance described below with your client. Then you can look at the table on the next page. Ask your client to look at the type of insurance and decide if the description for it is right or wrong.

If your client gets the answer wrong the first time, you can work with them to keep trying until they get the correct answer. The answers are on the next page.

Insurance provides the money you need when things go wrong.

Types of car insurance

Compulsory third party insurance is the most important type of car insurance. It covers death and injury to people if you are involved in an accident.

You can also get these extra types of car insurance:

- ▶ Third party property insurance covers the cost of damage you have done to other people's property (for example, their car or home).
- ▶ Third party, fire and theft insurance covers the cost of damage you have done to other people's property. It also pays some money to pay for damage to your own car if it is stolen or on fire.
- ▶ Comprehensive insurance covers the cost of damage to your own car and damage your car does to other people's property if it is in an accident (including fire) or if it is stolen.

Home insurance

Home insurance (building insurance) covers the cost of replacing things if something happens to your home (for example, damage from a fire or a storm). It covers the cost of replacing or fixing your home, including the walls and roof.

Contents insurance

Contents insurance covers the cost of replacing or fixing the things you have in your home, like furniture, clothes, appliances and jewellery.

To decide how much contents insurance you need, list everything you own and decide how much it would cost to buy everything again. You can take photos of what you have in each room of your home. You may be surprised how much you have.

Travel insurance

Travel insurance covers the cost of certain things if you get in trouble when travelling away from home. For example, if:

- ▶ you get sick or injured and need medical attention
- ▶ you lose something and have to get a new one
- ▶ something of yours is stolen
- ▶ your travel plans are changed (for example, if your flight is cancelled).

Travel insurance is important, especially if you need to see a doctor or if your travel plans are changed. This is because these things can cost you a lot of money if you do not have insurance, and you may not have enough money to pay for them when travelling.

10: Insurance

B: Types of insurance

Is this the right or wrong insurance? (continued)

Life insurance

There are many types of **life insurance** and you need to choose what you need. You can get life cover (also known as life insurance or death cover). This pays a set amount of money when you die. The money goes to the people you choose to receive the money (this is written in your policy).



You can also get total and permanent disability cover, trauma cover and income protection.

Health insurance

Health insurance is to pay your bills or medical costs if you are sick or injured. It sometimes means you pay less for hospital fees and other costs.

Mobile phone insurance

Mobile phone insurance covers the cost of some things that can happen to your phone (for example, if stops working or if you damage it). You can make a claim and get your mobile phone fixed or get a new one.

Type of insurance		Is this the right or wrong insurance?
1. Mobile phone insurance		Right or wrong? If your phone was accidentally damaged and you wanted to get it fixed.
2. Car insurance		Right or wrong? If you travel and want to protect your things if they get lost or stolen.
3. Travel insurance		Right or wrong? If you want to have money paid to someone you choose when you die.
4. Contents insurance		Right or wrong? If you have furniture that you want to protect if it is in a fire.
5. Health insurance		Right or wrong? If you are sick or injured and need to pay your bills or medical costs.
6. Life insurance		Right or wrong? If you have an accident and your car is damaged and you need to have it fixed.
7. Home insurance (building insurance)		Right or wrong? If you want to protect your home if it is destroyed in a fire.





B: Types of insurance

Is this the right or wrong insurance? (continued)

Answers

1. Right
2. Wrong
3. Wrong
4. Right
5. Right
6. Wrong
7. Right

Has your client got a better understanding?

Result	Next steps
Your client has a higher level of understanding – completely understands the concept of insurance and has demonstrated their understanding.	 Great work!  You can give your client a copy of the translated factsheet in their language to take home.
Your client has some level of understanding of the concept of insurance.	 You can help your client work through the Level 2 activities and stories again.
Your client has no or limited understanding of the concept of insurance.	 You can watch the photo story and listen to the audio story again with your client.

More information for your client



If your client needs more information about insurance, you can tell them to visit the MoneySmart website, www.moneysmart.gov.au, or call 1300 300 630.

Reflection questions for workers

- ▶ What worked well today?
What did not work well?
- ▶ Did your client understand the key messages?
- ▶ How could the session have been more effective?
- ▶ Did the activities engage your client in the topic?
- ▶ What questions unexpectedly emerged and how did you handle them?
- ▶ What might you do differently next time?

10: Insurance

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C: Buying an insurance policy

Which insurance should I buy?



You can use this activity to help your client understand the type of insurance they need to buy depending on what they need.

You can talk about the kinds of insurance listed. Then ask your client to decide what type of insurance they would buy for each situation in the table below. The answers can be found on the next page.

Types of car insurance

Compulsory third party (CTP) insurance is the most important type of car insurance. It covers death and injury to people if you are involved in an accident.

You can also get these extra types of car insurance:

- ▶ Third party property insurance covers the cost of damage you have done to other people's property (for example, their car or home).
- ▶ Third party, fire and theft insurance covers the cost of damage you have done to other people's property. It also pays some money to pay for damage to your own car if it is stolen or on fire.
- ▶ Comprehensive insurance covers the cost of damage to your own car and damage your car does to other people's property if it is in an accident (including fire) or if it was stolen.

Home insurance

Home insurance (building insurance) covers the cost of replacing things if something happens to your home (for example, damage from a fire or a storm). It covers the cost of replacing or fixing your home, including the walls and roof.

Contents insurance

Contents insurance covers the cost of replacing or fixing the things you have in your home, like furniture, clothes, appliances and jewellery.

Travel insurance

Travel insurance covers the cost of certain things if you get in trouble when away from home. For example, if:

- ▶ you get sick or injured and need medical attention
- ▶ you lose something and have to get a new one
- ▶ something of yours is stolen
- ▶ your travel plans are changed (for example, if your flight is cancelled).

Travel insurance is important, especially if you need to see a doctor or if your travel plans are changed. This is because these things can cost you a lot of money if you do not have insurance, and you may not have enough money to pay for them when travelling.

Situation	What type of insurance should you get?
1. Buying a new car	
2. Moving into a new home	
3. Travelling overseas	
4. Protecting the things inside your house	

10: Insurance

C: Buying an insurance policy

Which insurance should I buy? (continued)

Answers

1. Compulsory third party insurance, plus one or more of third party insurance, third party fire and theft insurance, or comprehensive insurance
2. Home insurance
3. Travel insurance
4. Contents insurance



End of level 2: check in with your client

Does your client understand the key points from today?





If they do not, you can go through the information again at another time.

If they do you can proceed to **Level 3** the next time you get together.



You can give your client the factsheet in their translated language to take home. Repetition is part of learning.

Has your client got a better understanding?

Result	Next steps
Your client has a higher level of understanding – completely understands the concept of insurance and has demonstrated their understanding.	 Great work!  You can give your client a copy of the translated factsheet in their language to take home.
Your client has some level of understanding of the concept of insurance.	 You can help your client work through the Level 2 activities and stories again.
Your client has no or limited understanding of the concept of insurance.	 You can watch the photo story and listen to the audio story again with your client.

C: Buying an insurance policy

More information for your client



If your client needs more information about insurance, you can tell them to visit the MoneySmart website, www.moneysmart.gov.au, or call 1300 300 630.

Reflection questions for workers

- ▶ What worked well today?
What did not work well?
- ▶ Did your client understand the key messages?
- ▶ How could the session have been more effective?
- ▶ Did the activities engage your client in the topic?
- ▶ What questions unexpectedly emerged and how did you handle them?
- ▶ What might you do differently next time?

10: Insurance

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C: Buying an insurance policy

Which insurance should I buy?



You can use this activity to help your client understand the type of insurance they need to buy.

You can talk about kinds of insurance with your client and then ask your client to complete the table on the next page to see if they know what type of insurance to get. The answers can be found on the next page.

Types of car insurance

Compulsory third party (CTP) insurance is the most important type of car insurance. It covers death and injury to people if you are involved in an accident.

You can also get these extra types of car insurance:

- ▶ Third party property insurance covers the cost of damage to other people's property (for example, their car or home).
- ▶ Third party, fire and theft insurance covers the cost of damage to other people's property, and provides limited cover for damage to your own car caused by theft or fire.
- ▶ Comprehensive insurance covers the cost of damage to your own car and other people's property if your car is in an accident (including fire) as well as if it was stolen.

Home insurance

Home insurance (building insurance) covers the costs of things in case something happens to your home such as damage from fires or storms. It covers the cost of replacing or fixing your home, including the building.

Contents insurance

Contents insurance covers the cost of replacing or fixing your household items and possessions including furniture, clothes, appliances and jewellery.

Travel insurance

Having travel insurance will not stop things from going wrong, but it can make things much easier if you get into trouble. Travel insurance usually covers the following.

Medical expenses from injury or illness, if you lose your things while you are travelling, if items of yours are stolen or there are disruptions to your travel plans (for example, if your flight is cancelled).

Life insurance

Life cover, also known as life insurance or death cover, pays a set amount of money when the insured person dies. The money will go to the people you choose to receive the money as written in your policy.

Health insurance

If you get sick or need ongoing medical help, the last thing you should worry about is how to pay the bills. Health insurance can help reduce the cost of hospital fees and other expenses.

Mobile phone insurance

Mobile phone insurance is similar to other types of insurance. If your mobile phone stops working or if you damage your phone, you may be able to make a claim and have your mobile phone fixed or you could get a new one.

10: Insurance

C: Buying an insurance policy

Which insurance should I buy? (continued)

Situation	What type of insurance should you get?
1. Buying a new computer to use in your house	
2. Starting a family	
3. Buying a \$20,000 car	
4. Protecting your family if something happens to you	
5. Planning to travel around Australia with your family	
6. Buying a new mobile phone	
7. You live in an area where there have been lots of bushfires that have destroyed homes	





C: Buying an insurance policy

Which insurance should I buy? (continued)

Answers:

1. Contents insurance
2. Health insurance
3. Compulsory third party insurance, plus one or more of third party insurance, third party fire and theft insurance, or comprehensive insurance
4. Life insurance
5. Travel insurance
6. Mobile phone insurance
7. Home insurance

Has your client got a better understanding?

Result	Next steps
Your client has a higher level of understanding – completely understands the concept of insurance and has demonstrated their understanding.	 Great work!  You can give your client a copy of the translated factsheet in their language to take home.
Your client has some level of understanding of the concept of insurance.	 You can help your client work through the Level 2 activities and stories again.
Your client has no or limited understanding of the concept of insurance.	 You can watch the photo story and listen to the audio story again with your client.

More information for your client



If your client needs more information about insurance, you can tell them to visit the MoneySmart website, www.moneysmart.gov.au, or call 1300 300 630.

Reflection questions for workers

- ▶ What worked well today?
What did not work well?
- ▶ Did your client understand the key messages?
- ▶ How could the session have been more effective?
- ▶ Did the activities engage your client in the topic?
- ▶ What questions unexpectedly emerged and how did you handle them?
- ▶ What might you do differently next time?

10: Insurance

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D: Making an insurance claim

Alina and Daniel did not have contents insurance



Level 2

Alina and Daniel are going to get married. They decide to move into a rental apartment together near the city.

Together, Alina and Daniel have a lot of furniture and household items such as a big television, a computer, DVD player and electrical things to move into their apartment.

They talk about getting contents insurance to protect these things if something goes wrong but they decide not to. Daniel thinks this would be a waste of money as the contents insurance would cost the same as a weekend holiday.

? Do you think this was a good idea? Why or why not?

While Alina and Daniel were away on their weekend holiday, their apartment was broken into and some of their things were stolen, including their big television, computer, some DVDs and a ring Alina's grandmother gave her as a gift.

As they did not have contents insurance, they had to buy the new items with their own money. They did not have enough money to buy all of the items straightaway, so they had to save. It was a long time before they saved enough money to buy the things that were stolen.

? What have Alina and Daniel learnt?

Alina was upset and now she and Daniel have decided to buy contents insurance.



10: Insurance

D: Making an insurance claim



End of level 2: check in with your client

Does your client understand the key points from today?

If they do not, you can go through the information again at another time.

If they do you can proceed to **Level 3** the next time you get together.



You can give your client the factsheet in their translated language to take home. Repetition is part of learning.

Has your client got a better understanding?

Result	Next steps
Your client has a higher level of understanding – completely understands the concept of insurance and has demonstrated their understanding.	Great work! You can give your client a copy of the translated factsheet in their language to take home.
Your client has some level of understanding of the concept of insurance.	You can help your client work through the Level 2 activities and stories again.
Your client has no or limited understanding of the concept of insurance.	You can watch the photo story and listen to the audio story again with your client.

More information for your client



If your client needs more information about insurance, you can tell them to visit the MoneySmart website, www.moneysmart.gov.au, or call 1300 300 630.

Reflection questions for workers

- ▶ What worked well today?
What did not work well?
- ▶ Did your client understand the key messages?
- ▶ How could the session have been more effective?
- ▶ Did the activities engage your client in the topic?
- ▶ What questions unexpectedly emerged and how did you handle them?
- ▶ What might you do differently next time?

D: Making an insurance claim

Vinh's mobile phone insurance



Vinh had his previous mobile phone for 4 years before it stopped working. He needed a new mobile phone so he went to the phone shop to buy one. Before he went to the store, Vinh looked at his budget and saw that he could spend \$69 a month for a new mobile phone.

The sales person showed Vinh different mobile phones and plans. Vinh was excited because the plan for the phone he liked was \$59 a month so it was less than what he had in his budget.

The sales person asked Vinh if he wanted to get mobile phone insurance. The sales person said this is something Vinh would pay for each month. She said it is a good idea because if Vinh lost or damaged his mobile phone, the insurance policy would pay for him to get a new one.

The mobile phone insurance will cost Vinh \$9 a month.

? Do you think Vinh should get the mobile phone insurance? Why or why not?

Vinh thought about what would happen if he did not have his mobile phone and decided he could pay an extra \$9 a month for the mobile phone insurance. He could pay this because the plan he chose was less than the amount he had in his budget.

About 6 months after he got his mobile phone, Vinh put it in his pocket and went for a bike ride. He felt something fall out of his pocket onto the road. He stopped his bike and went back to have a look. He found his mobile phone on the road and the screen was broken. Vinh could not turn his phone on.

Even though his mobile phone was broken, Vinh had to still pay for it because he had signed a contract. He still had 18 months to go.

Vinh took the mobile phone back to the shop and explained what happened.

? What do you think happened next?

As Vinh has mobile phone insurance, he could make an insurance claim. After a few weeks he got a new phone and it did not cost him anything. While Vinh was waiting for his new phone, the shop gave him one to borrow (for free). Vinh was very happy he had mobile phone insurance.

? What do you think would have happened if Vinh had no insurance?



10: Insurance

D: Making an insurance claim



End of level 2: check in with your client

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- ▶ What might you do differently next time?

Glossary

Car insurance	Compulsory third party insurance is the most important type of car insurance. It is for death and injury to people if you are in an accident. Each state and territory has different rules for this type of insurance. You can also get these extra types of car insurance: <ul style="list-style-type: none"> ▶ Third party property insurance covers the cost of damage you have done to other people's property (for example, their car or home). ▶ Third party, fire and theft insurance covers the cost of damage you have done to other people's property. It also pays some money to pay for damage to your own car if it is stolen or on fire. ▶ Comprehensive insurance covers the cost of damage to your own car and damage your car does to other people's property if it is in an accident (including fire) or if it was stolen.
Claim	You can claim money from your insurance company if something goes wrong. How much money you can claim from your insurance company depends on what is in your insurance policy.
Compulsory third party insurance	The most important type of car insurance. It is for death and injury to people if you are in an accident.
Contents insurance	Covers the cost of replacing or fixing your household items and possessions, including furniture, clothes, appliances and jewellery.
Disability insurance	Money you get if you cannot work. For example, if you are injured in an accident and cannot work any more, you need money to live on.
Excess	How much you must pay with a claim. The amount is specified in the insurance policy.
Health insurance	Covers some of the costs when you are sick or need medical help for a long time. It is so you do not have to worry about paying your bills. Health insurance sometimes means you pay less for hospital fees and other costs.
Home insurance (building insurance)	Covers the cost of replacing things if something happens to your home (for example, damage from a fire or a storm). It covers the cost of replacing or fixing your home, including the walls and roof.
Income protection	Pays for the money you lose (income) if you cannot work because you are sick or injured.
Insurance	Money you pay in case things go wrong. It covers the cost of replacing things if something happens.
Insurance company	A company that provides the insurance.
Insurance policy	A written legal agreement for what you and your insurer agree is being insured. It includes: <ul style="list-style-type: none"> ▶ what is being insured and how ▶ things not included in your insurance policy ▶ how much you will get if you make a claim and the claim is accepted ▶ how much you have to pay for your insurance policy – this is called the premium.

10: Insurance

Glossary (continued)

Life cover	See life insurance.
Insurer	A company selling the insurance.
Life insurance	<p>There are many types of life insurance and you need to choose what you need. These are some examples:</p> <ul style="list-style-type: none">▶ Life cover (also known as life insurance or death cover) pays a set amount of money when you die. The money goes to the people you choose to receive the money (this is written in your policy).▶ Total and permanent disability cover helps to cover the cost of rehabilitation, debt repayments and living if you have a disability. You can put this in your life cover instead of having a separate policy.▶ Trauma cover covers the cost if you have a type of illness or injury that usually has a big impact on your life (such as cancer or a stroke).▶ Income protection covers the cost of the money you lose (income) if you cannot work because you are sick or injured.
Mobile phone insurance	Covers the cost of some things that can happen to your phone (for example, if stops working or if you damage it). You can make a claim and get your mobile phone fixed or get a new one.
Premium	How much money your insurance company charges you to give you insurance.
Total and permanent disability cover	Covers the cost to help you pay for rehabilitation, debt repayments and living if you have a disability.
Trauma cover	Covers the cost if you have a type of illness or injury that usually has a big impact on your life (such as cancer or a stroke).
Terms and conditions	The rights and responsibilities of each party mentioned in the contract.
Third party, fire and theft insurance	Covers the cost of damage you have done to other people's property with your car. It also pays some money to pay for damage to your own car if it is stolen or on fire.
Third party property insurance	Covers the cost of damage you have done to other people's property with your car (for example, their car or home).
Travel insurance	<p>Travel insurance covers the cost of certain things if you get in trouble when travelling away from home. For example, if:</p> <ul style="list-style-type: none">▶ you get sick or injured and need medical attention▶ you lose something and have to get a new one▶ something of yours is stolen▶ your travel plans are changed (for example, if your flight is cancelled).