



Confusing choices?

Select Your Cover Confidently

Essential reading to help you select
the right insurance cover.

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Increasing competition and keenness of the insurers to be competitive have resulted in the introduction of multiple, but confusing, options.

While you now have a wide range of choice, it is important to ensure that your selection matches your requirements. Investment of time and effort in choosing the right policy always pays off. Especially if you end up being in a situation where you need to make a claim.

Good research not only assists you in selecting the right policy but also helps you avoid paying for the options you don't need. However the challenge is you must know what these terms mean and more importantly how the choice of these terms is going to impact you.

This brochure is a no non-sense approach to explain some of these commonly used terms in simple and easy to understand language.



Don't overlook!

All too often, we are too busy and end up buying insurance that is the cheapest or the one that has won many awards.

Consequences of buying an insufficient or wrong Accident, Sickness & Unemployment insurance can be disastrous

Unfortunately, there is no shortcut.

Good research is KEY in selecting the right insurance.

The four most commonly used terms by any insurer or advisor in insurance protection policies are:

- 1 Initial exclusion
- 2 Excess days
- 3 Benefit amount
- 4 Benefit period

Terms Explained...

Initial Exclusion

It is that period after your policy starts wherein your claim will not be allowed by the insurer. This means that if you buy unemployment policy on the 1st of April and it has an initial exclusion of 60 days, if you are made redundant or made aware of your job being made redundant before 30th May, you cannot make a claim under this policy. This is normally applicable only to Unemployment covers, it is however important that you check these before you decide to buy.

Obviously, lower the initial exclusion period, better it is for you. If you are transferring your Unemployment cover from one insurer to another in hope of a better deal, the last thing you want is to go through the initial exclusion once again. It is therefore important to check the insurers' policy on policy transfers. Normally if you have had a policy for over 6 months and have not made any claim with your previous insurer, this will be waived off. However it is important that you ascertain this before you buy.

The Sickness initial exclusion depends on your existing medical conditions. Some insurers will exclude you completely from making a claim if you are signed off due to medical conditions that you had at the time of buying the policy or had it in the last 12 or 24 months.

Other insurers may allow you to make a claim for loss of income due to existing conditions after a period of 12 to 24 months if you haven't received any medical attention and free of symptoms. Rarely insurers waive it completely. If you have any medical conditions or have had in the last few years, please check how the insurer will address your condition in specific.

Excess days

Most insurers allow you to choose your excess days. You would have noticed that the price reduces as you increase the excess days. Excess days are the number of days that you are willing to wait after your claim has been made and allowed. For example if you choose an excess of 60 days, it will be 60 days before you start become eligible to accrue your claim and in most instances, your claim will be paid to you on 90th day. The back to day 1 excess periods have the lowest waiting period and policies with 60 or 90 days excess period have the longest waiting period.

Benefit Amount

Benefit amount is the monthly amount the insurer will pay you when you have a loss of income due to accident, sickness or unemployment. With some policies you can index link your benefit amount. This means as the inflation increases, your benefit amount

will increase inline with it. This will allow you to budget more efficiently.

Benefit Period

Benefit period is the maximum number of months the insurer will pay you when you make a claim. For Unemployment it is usually 6, 12 or 18 months. For Accident & Sickness, you can choose policies that will pay you until your age of 70 years.

Other terms...

Pre-existing condition

Any sickness, condition or injury, whether diagnosed or not, that would have existed prior to the start of the policy.

Waiting Period

The period for which you will have to be continuously unemployed or unable to work due to an accident or sickness before you are entitled to receive the monthly benefit.

Maximum Cover

You will never be able to cover 100% of your income. The insurers will cover you up to a certain maximum percentage of your gross monthly income. This can vary from 50% to 65% of your gross monthly income.

Eligibility

Several insurers have limitations that are based on your type of employment or industry. If you are a contract worker, self employed, agency worker or work on zero hour contracts, it is important to check your eligibility and exclusions that will apply to you.

Knowing these terms will allow you to make a confident, more informed choice when buying your ASU policy, which in turn will allow you to maximise your policies potential.

If you are still unclear, one of our trained advisors will be happy to answer your questions. Call us on **0330 330 9465** or email us at **info@bestinsurance.co.uk**.

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