



O'CONNELL SECONDARY SCHOOL

AN EDMUND RICE SCHOOL

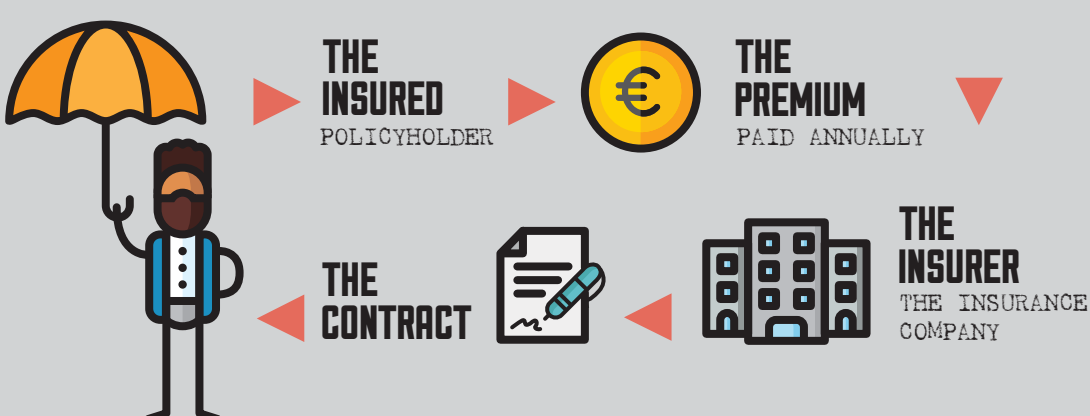
It might never happen but just in case... this is good to know

AN INSURANCE Masterclass



WHAT IS INSURANCE

Insurance is a contract where the insured pays a premium (a yearly amount) to an insurance company (the insurer)



Insurance provides compensation for any loss or damage suffered.

EVERY HOUSEHOLD AND BUSINESS FACE MANY RISKS EVERY DAY.

Households and businesses pay for insurance to carry the risks they do not want to carry themselves.

Insurance is all about managing risk. The insurance company collects premiums from policyholders, invests the money, and then reimburses this money once a claim is made. The greater the chance that a person will make a claim, the higher the premium that person will have to pay.

WHY

IS IT IMPORTANT TO HAVE INSURANCE?

RISK MANAGEMENT

IDENTIFY KEY RISKS

For example: fire, flood, theft, employee safety



REDUCE THE LIKELIHOOD OF THE RISK OCCURRING

Fireproof materials, security systems, health & safety procedures, backup documents, contingency plans



TAKE OUT INSURANCE ON THE REDUCED RISK

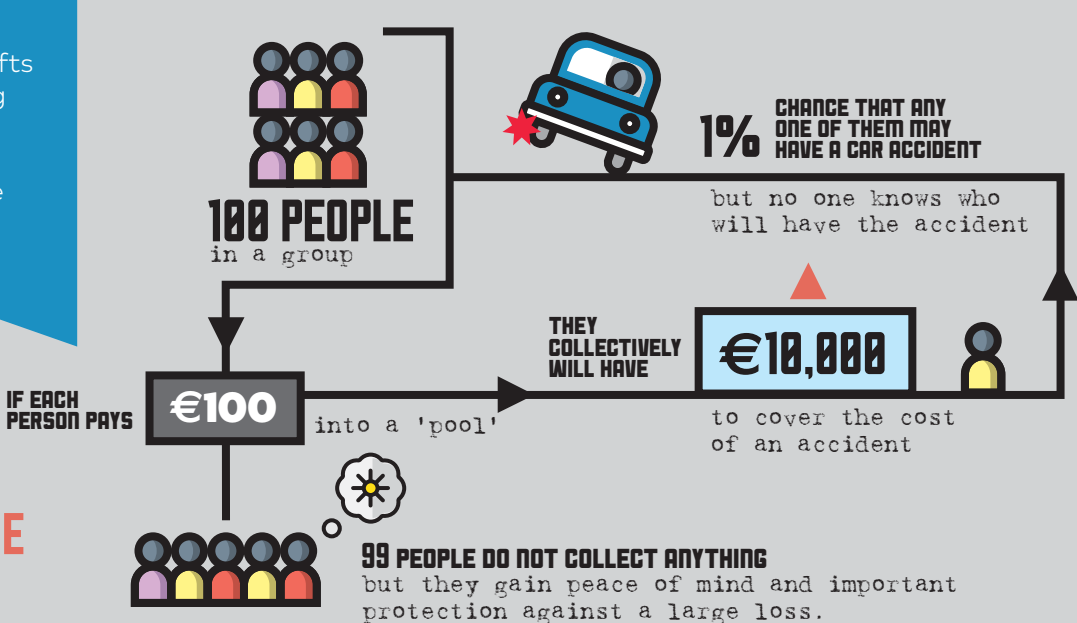
Insurance on assets and liabilities



HOW

Insurance shifts the risk of big loss from the individual to the insurance company.

DOES INSURANCE WORK?



TYPES OF INSURANCE

HOUSEHOLD INSURANCE

ASSETS

- Motor insurance (compulsory by law)
 - 3rd party
 - 3rd party fire and theft
 - comprehensive
- Building insurance
- House contents insurance



LIABILITIES

- Personal accident insurance
- Personal health insurance
- Mortgage protection insurance
- Life assurance

Why do households need insurance?

- For **PEACE OF MIND** - arises from having protection against accidents, theft and redundancies
- To protect against the risk of serious financial loss (i.e. from a car accident)
- To provide money in times of difficulty (life assurance, salary protection, health insurance)
- To save for the future - endowment life assurance



BUSINESS INSURANCE

ASSETS

- Motor insurance
- Property insurance (including contents)
- Consequential loss - this covers a business against a loss of profits or earnings due to the temporary closure of the business, i.e., as a result of a fire. It covers loss of profit, wages and temporary accommodation for the business

LIABILITIES

- Public liability insurance - protects against claims made by members of the public due to the activities of the business
- Product liability insurance - protects against claims due to harm or loss suffered as a result of using the businesses product or service
- Employers liability insurance - covers employee accidents at work

EMPLOYEES

- **PRSI** - compulsory insurance for social welfare payments
- **Permanent health insurance** - a sick pay for workers who are unable to work after an illness (paid after the first 13 weeks)
- **Key person insurance** - protects the business against the loss of a valuable staff member who may be regarded as essential to the success of a business
- **Fidelity guarantee insurance** - provides cover against dishonesty or fraud by an employee



Why businesses need insurance

- The business can continue even after a huge loss, such as fire
- The business does not have to pay for unexpected claims
- It allows for cash flow planning - premiums can be planned but losses cannot
- It reduces the risk for businesses and can ensure survival so a business can concentrate on growth and expansion
- It is a legal requirement, e.g. motor insurance
- It may be required as a condition for a loan

THE IMPORTANCE OF INSURANCE IN THE IRISH

ECONOMY

- **CREATES EMPLOYMENT**
In Ireland over 28,000 people are employed in the insurance industry.
- **INSURANCE STIMULATES THE ECONOMY**
Insurance companies are the biggest investors in companies, stocks, and bonds which help facilitate our financial markets.
- **INSURANCE MAKES BUSINESSES SAFER**
Having to get insurance makes a business alert to the risks that it takes in its operations.
- **INSURANCE EASES BUSINESSES TRANSACTIONS**
Insurance helps businesses operate smoothly, e.g. when signing contracts, financing operations, manufacturing products or when hiring employees.

- **INSURANCE PROVIDES RECOVERY**
It allows businesses to replace their buildings and stock in the event of a major catastrophe such as a hurricane. It also allows homeowners to rebuild after sudden loss.
- **ENABLES BUSINESSES TO BE FORMED**
Many businesses would not be set up if the owner had to take all of that risk on personally.
- **PROTECTS CONSUMERS**
Insurance protects people, for example many consumers wouldn't travel if there was no option to take travel insurance.

Insurance companies hire workers. These workers spend their income on goods and services which stimulates the economy and provides further employment.

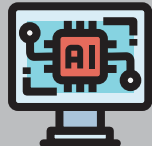


INSURANCE AND Society



- Protects society's wealth**
 The insurer protects society's wealth. Life insurance offers protection against loss of human health. General insurance policies protect property against losses due to fire, theft, accident, earthquake, etc.
- Maintains standard of living**
 Insurance rescues many people after a disaster or a loss and allows them to maintain their lifestyle.
- Social security benefits**
 Insurance plays an important role in fulfilling certain needs for which the state might have to provide. The provision for old age, sickness and disability of persons in general. Those who have their own insurance do not become a burden on the state.
- Equitable distribution of loss**
 Insurance distributes the cost of accidental events in an equitable manner.

INNOVATION IN INSURANCE



BIG DATA

Insurance companies use volumes of data that are so large it is difficult to process using traditional techniques. Now with Big Data insurers use more and more sources of information to gain a better insight into risk.

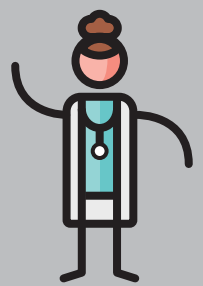
BIG DATA • BLOCKCHAIN • ARTIFICIAL INTELLIGENCE • DRONES

WEARABLES, AI & HEALTH INSURANCE

New biometric sensors and smart watches monitor heart rate, blood pressure, oxygen, glucose levels, etc, while providing real-time data, coaching, and incentives.



Cognitive computers and big data help researchers make new discoveries, doctors diagnose illnesses, and individuals monitor and treat chronic conditions such as diabetes through personalised education and coaching.



BLOCKCHAIN

Blockchain is a secured form of shared record-keeping. Insurance companies can quickly view past claims transactions registered on blockchain for easy reference.

It is a distributed ledger system and enables multiple parties to share the same information.



ARTIFICIAL INTELLIGENCE

Artificial intelligence is generated by machines - the ability of a computer to perform tasks commonly associated with people. It should result in personalised data for insurance, better customer experiences and faster claims settlements.



DRONES

Drones can be used for

- Insurance inspections
- Roof damage inspections
- Post-disaster claims inspections
- Integration with artificial intelligence to analyse data, assess damage and calculate repair costs.

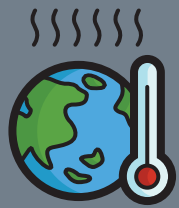


TELEMATICS - small box is fitted to your car. The black box measures various aspects of how, when and where you drive. This data can be used to calculate a personalised renewal quote, or in services like the Accident Alert and Theft Recovery.

Similarly, connected homes, where a building can be monitored with devices such as leak detectors and temperature gauges, will enable the cause of a potential claim to be identified and dealt with before there's any damage.



CLIMATE Change IN INSURANCE



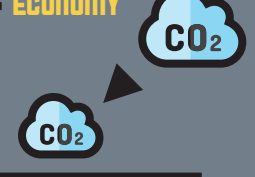
Climate change has become an issue of global importance. The continued rise in global temperature is expected to lead to more extreme weather and natural disasters. This has resulted in substantial losses for industry and has played havoc with future predictions and the ability to calculate risk.

EXTREME WEATHER AND NATURAL DISASTERS

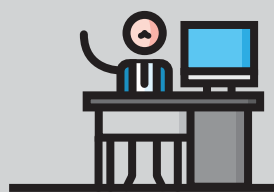


Insurance companies are now supporting the transition to a low carbon economy through their investment strategies and by trying to reduce their own carbon footprint.

LOW CARBON ECONOMY



CAREERS IN INSURANCE



UNDERWRITER. Underwriters evaluate risks and decide whether to provide insurance cover for these risks and at what price (premium).

LOSS ADJUSTER. Loss adjusters are independently appointed claims experts who investigate complex or larger claims on behalf of the insurer.

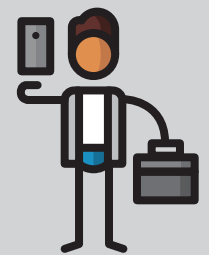
CLAIMS INVESTIGATOR. Claims handlers investigate insurance claims to assess the extent and validity of the claims and to determine the appropriate amount due to the customer.



ACTUARY. Actuaries use statistical and mathematical techniques to study past events and predict future outcomes. This allows them to calculate premiums.

REINSURANCE SPECIALISTS. Reinsurance companies essentially insure the insurers.

BROKER. Brokers are independent insurance professionals. They assess their customers' insurance requirements and match the best product to meet these needs.



OTHER JOBS CAN ALSO BE FOUND IN:

Finance • Marketing • Information Technology (IT) • Human Resources (HR) • Legal • Risk Manager • Surveyor • Compliance • Wearables Development • Sales / Customer Services • Loss Assessor



WHAT ABOUT AN APPRENTICESHIP IN INSURANCE?

EARN AND LEARN



The Insurance Practitioner Apprenticeship is Ireland's first apprenticeship to award a level 8 honours degree – the BA (Hons) in Insurance Practice. The three-year, work-based training programme combines academics with on-the-job learning, allowing you to acquire both technical and soft skills.

As an apprentice, you will be recruited into an insurance organisation where you will learn the practical aspects of the job while studying towards your degree. All study is done online through IT Sligo and The Insurance Institute or the LIA. To find out more and register your interest, visit earnandlearn.ie



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A word from Insurance Ireland on the importance of financial awareness and education

FINANCIAL EDUCATION IS AN IMPORTANT TOPIC IN THIS INCREASINGLY COMPLEX FINANCIAL MARKET. AT ITS CORE IT TEACHES:

- Personal financial responsibilities
- What financial products are available and how they work
- The value of saving and planning; now and for the future.

Knowledge is power!



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CONTACT