

# GLOSSARY OF TERMS



We know that some insurance jargon can lead to confusion so these explanations of common insurance terms have been provided as a guide to help you simplify some of the terms you may need to explain to your client when discussing Home Insurance. However to make sure your clients' insurance needs and requirements are fully met, you should refer to the Policy Booklet as it will contain any relevant exclusions and will be used to manage claims.

TERMS	WHAT THAT MEANS	FURTHER EXPLANATION
<b>WEAR AND TEAR</b>	Damage that happens gradually to an object, in ordinary use, over a period of time.	If you spill paint on your carpet, it's covered under the optional extra accidental damage (if selected). If you wear a hole in the carpet by just walking over it every day for a long period of time, then it's not covered.
<b>MECHANICAL BREAKDOWN</b>	A mechanical breakdown is defined as the inability of a part(s) to perform the function(s) for which it was designed, due to defects in materials or faulty workmanship.	If your car breaks down on the side of the road, who do you call? You call for breakdown assistance, not car insurance - same with your household items. You can buy separate cover for mechanical breakdowns.
<b>UNOCCUPIED PROPERTY</b>	When the home has not been lived in by policyholder or any other person with their permission for more than the defined unoccupancy period (lived in means fully furnished and slept in frequently)*	Unoccupancy periods can vary between products so it's important to check the clients choice meets their needs.
<b>NO CLAIMS DISCOUNT</b>	A reduction in the premium charged for insurance when no claim has been made during an agreed preceding period.	Home Insurance policies typically allow a no claims bonus to be built up over a period of 5 years and to qualify for a no claims discount, cover is required for a continuous period. We'll allow you to carry over from another provider based on what is on your current certificate, but you can't transfer between product types i.e. residential to landlord.
<b>ROUTINE MAINTENANCE EXPECTATIONS</b>	Routine maintenance refers to any maintenance task that is done on a planned and ongoing basis to identify and prevent problems before they arise. Some common routine maintenance includes regular inspections or service work**	Planned upkeep to find and avoid any problems before they come up. Examples of routine maintenance are; <ul style="list-style-type: none"><li>• A boiler service</li><li>• Clearing gutters of leaves/debris</li><li>• Painting exterior or interior walls</li></ul>

## NEW FOR OLD

Should your claim be successful, you'll be given the equivalent value of the item that has been lost, damaged or stolen. This means that wear and tear will not be taken into account when assessing the value of your belongings.

If it can't be fixed, you get a new one - and if we can't get an exact match you will be offered the next nearest and newest alternative.

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## CONTENTS

Household goods and personal possessions including money and credit cards up to £500 which belong to you (or for which you are legally responsible) or belonging to domestic staff who live in your home.

Think of contents as anything that would fall out your house if you were to turn it upside down.

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## VALUABLES

Items of precious metal or precious stones, jewellery, watches, works of art, computer equipment, portable electrical equipment other than televisions or radios.

Does exactly what it says on the tin.

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## UNSPECIFIED PERSONAL POSSESSIONS

Articles of personal use normally worn, used or carried by you or your family that are **worth less** than the specified personal possessions limits:

- £2500 item limit
- £500 Pedal cycle Limit
- £250 Mobile phone Limit

Cover for items taken away from the home for loss, accidental damage or theft. Up to the personal possession limits.

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## SPECIFIED PERSONAL POSSESSIONS

Articles of personal use normally worn, used or carried by you or your family that are **worth more** than the specified personal possessions limits:

- £2500 item limit
- £500 Pedal cycle limit
- £250 Mobile phone limit

Individual items to be insured away from the home for loss, accidental damage & theft that exceed the specified personal possessions limits.

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## TRACE AND ACCESS

Removing and replacing any part of the buildings to find and repair the source of any water or oil escaping from tanks, pipes, equipment or fixed heating system in the buildings.

Damage caused getting to the source of the main problem (any water or oil escaping from tanks, pipes, equipment or fixed heating system).

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## PROPERTY OWNERS LIABILITY

You are insured against any legal liability for damages caused by you as owner of your home and its land which results in:

- Accidental bodily injury (including death, disease and illness) to anyone not in your household
- Accidental damage or loss to physical property that is neither yours nor your household's
- Accidental damage under the Defective Premises Act 1972 or the Defective Premises (Northern Ireland) Order 1975 for any home you have previously owned and that has previously been insured under this policy.

Property Owner's Liability Insurance covers the owner of a building or land for their legal liability for injury to third parties or their property and is provided under the Buildings section of a Home Insurance policy.

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## OCCUPIERS LIABILITY

You or your household are insured against any legal liability for damages caused by you which results from an accident occurring within your home or its land causing:

- Accidental bodily injury (including death, disease and illness) to anyone not in your household
- Accidental damage or loss to physical property that is neither yours nor your household's

Occupiers Liability Insurance covers the occupier of a property for their legal liability for injury to third parties or damage to the Landlords property and is provided under the Contents section of a Home Insurance policy

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## INSURABLE INTEREST

The interest that a person has in something such as a particular property or another individual, which means that the person would suffer a loss should that property or individual be harmed. In insurance law, you can only buy insurance for something or someone in which you have an insurable interest.

You can't insure what you don't own or have no legal responsibility for.

## AVERAGE CLAUSE

Where the sum insured isn't enough to cover the full cost of the claim, the claim benefit may be reduced proportionately to cover the difference.

If you are under insured, your insurer might reduce any claim to match the % you are under insured by.

## EMERGENCY/ HOME EMERGENCY

A sudden and unexpected event which, if not dealt with quickly would in a reasonable opinion:

- render the home unsafe or unsecured; or
- damage or cause further damage to the home; or
- cause personal risk to you; or
- cause a health and safety risk to others.

An emergency that is sudden and unexpected that needs to be dealt with quickly to make the home safe again.

## LEGAL EXPENSES

A legal expenses policy covers professional legal fees that you are bound to pay, including reasonable fees or expenses incurred by the appointed representative whilst acting for you in the pursuit of civil proceedings (this also includes disbursements; however these disbursements must be in respect of services provided by a third party, received by you, distinct from the services supplied by the appointed representative.) Legal costs will not be paid on an interim basis throughout a claim.

It'll protect you against the costs of being sued, or of making a claim against someone. Some examples of circumstances where your legal fees are covered are;

- Personal injury
- Employment disputes
- Inadequate service
- Faulty goods
- Medical negligence
- Jury service

## SUM INSURED/ BEDROOM RATED

Sum insured policies cover a specific amount that is specified by the intermediary/customer. Bedroom rated policies offer blanket cover up to a certain amount and it is the customers responsibility to make sure the sum insured is sufficient in the event of a total loss claim.

Paymentshield Home Insurance is a bedroom rated policy that provides a blanket sum insured. The number of bedrooms can influence the price along with other rating factors such as the post code, build year and construction type.

\*Unoccupancy periods will differ depending whether it's residential or landlords so please check the T&Cs for the specific time frames.

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