

The art of buying insurance

(Part Two)

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Once upon a time any crook with a shred of decency wore a mask and carried a sack embroidered with the word "Swag".



Today's crooks rely simply on telephones, computers or financial naivety. In our ongoing look at how to buy insurance you can rely on, we explain the workings of the most high profile recent 'scam' –

PPI (or Payment Protection insurance).

Income protection insurance is not itself a bad idea, the idea is to protect borrowers from the cost of loans when they are unable to work through no fault of their own, say as a result of accident, sickness or redundancy. We regularly sell cover to protect business clients from the risk of fatal accidents to key staff.

PPI insurance as sold by most banks was different, it lacked moral integrity from the beginning as lenders made you buy a policy with every loan whether you need it or not. The policy was designed with sneaky exclusions, meaning there could be very few claims and so much profit that banks could demand very high commissions from complicit insurance companies. Result: a product forced on thousands of unsuspecting consumers that cost hundreds of pounds every year for the life of the loan with credit card levels of interest charged on top of a premium that contained 90% commission.

400,000 people have claimed PPI refunds and the publicity attracted other carrion in the shape of Claims Management Companies. Sensing rich pickings they are trying to make a quick buck by bothering you by text and telephone to make claims

for you - for a fee of course, often £400 and/or 30% of the claim. You do not need them.

If you think you have been mis-sold a PPI policy you can make a claim FREE by using *Which?* Magazines PPI reclaim tool. It's online at www.which.co.uk/ppi and has already been used successfully by thousands of people.

Our view is that if insurance is offered by sales people or on TV the profit margins will be so high you that should question how much of your money is being used to pay their bonuses and how much is left over for claims. The internet is a popular tool with insurers, it saves them the time and cost of explaining things properly as people just 'click' through Terms and Conditions without proper thought, while objective professionals like diB insurance will take time to ensure you understand all the details and that the policy is the right one for you.

A lady challenged the plumber who fixed her boiler over his charges.

Why are you charging me £100 when all you did was to hit it hard with a hammer?

"Madam," he replied, " I am only charging you £1 for hitting it,

but I am charging you £99 for knowing the right place to hit it"

Sadly insurance satisfaction levels are now at an all time low and of course you may not find out that your insurance is useless until it's too late. Using a professional insurance broker like diB insurance means you pay a fair price and get a policy that is right for you and not just one that someone wants to sell you. And you get a personal after sales service when you need it.

If you really want to sleep at night knowing your business or your home is adequately covered against the unexpected, consult an insurance professional. It will be worth it.