

Insurance



Buying insurance can seem like a complicated task. There are many products available from different providers. Having insurance can protect you and your family by reducing the potential of financial loss in the event of unanticipated events such as property damage, theft, illness or death.

An insurance policy is a contract between you and the insurance company. Policies can be very different from company to company. Just because a policy may be less expensive does not mean it is necessarily the best deal if the coverage is lacking. Make sure you understand exactly what is covered in your policy before you buy.

When you buy an insurance policy, you will pay a fee called a premium and the insurance company agrees to pay you an amount (as determined by the policy) if the event you are insuring against happens during the term of your policy. There are many types of insurance for different circumstances. Although some are optional, vehicle insurance is mandatory. For more information about each, visit the Financial Consumer Agency of Canada's website (www.fcac-acfc.gc.ca).

Home and Property insurance pays for damage to or loss of your home or property. This type of insurance is usually required as a condition of getting a mortgage.

Mortgage insurance is available to cover you if you are unable to pay your mortgage payments for reasons such as illness, accident or death.

Home rental (tenant) insurance protects you against damage to, or loss of, your possessions if you rent or lease your apartment or home from someone else.

Life insurance pays a cash benefit to your beneficiaries when you die.

Health – Supplementary health insurance products are available to cover what the New Brunswick health care plan does not. Disability insurance can help you and your family meet financial obligations while you recover from a long-term disability.

Vehicle insurance protects you from financial loss if your vehicle is damaged in accident or if you are held responsible for causing injury to other people or damage to their property as a result of an automobile accident. It is mandatory that you have at least liability and accident benefits/bodily injury coverage if you own a vehicle.

Travel insurance may be covered by other policies you hold such as health, property or vehicle insurance. Your credit card may offer coverage for things like lost baggage or medical expenses. Review what coverage you already have to determine if you need additional travel insurance before you embark on your trip.

Credit Protection insurance makes the minimum monthly payments on a credit card, loan, line of credit or other debt for a specified time if you cannot work due to severe injury or illness.

Check out other great financial literacy tips at our members' websites.
Find us online at www.FCNB.ca/FEN