



Insurance Primer

By

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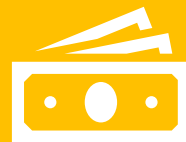
What is Risk?



Risk is the possibility of Financial Loss.



Risk is what makes you decide whether or not you need insurance.



Risk is what insurance companies measure when determining whether to offer you insurance and how much it will cost.



How do we handle Risk?

1

Avoidance: Choosing not to participate in an activity because of the risk involved, e.g. not getting a driver's license;

2

Retention: Saving money in case of future losses, e.g. putting N50,000 in a savings account in case of a car accident;

3

Transfer: Passing the risk on to an insurance company, e.g. paying an annual fee for an insurance policy and expecting the insurance company to protect your assets.



What is Insurance?

Insurance is a legal contract that transfers risk from a policyholder(you) to an insurance provider.



What is an Insurance Premium



The cost of insurance



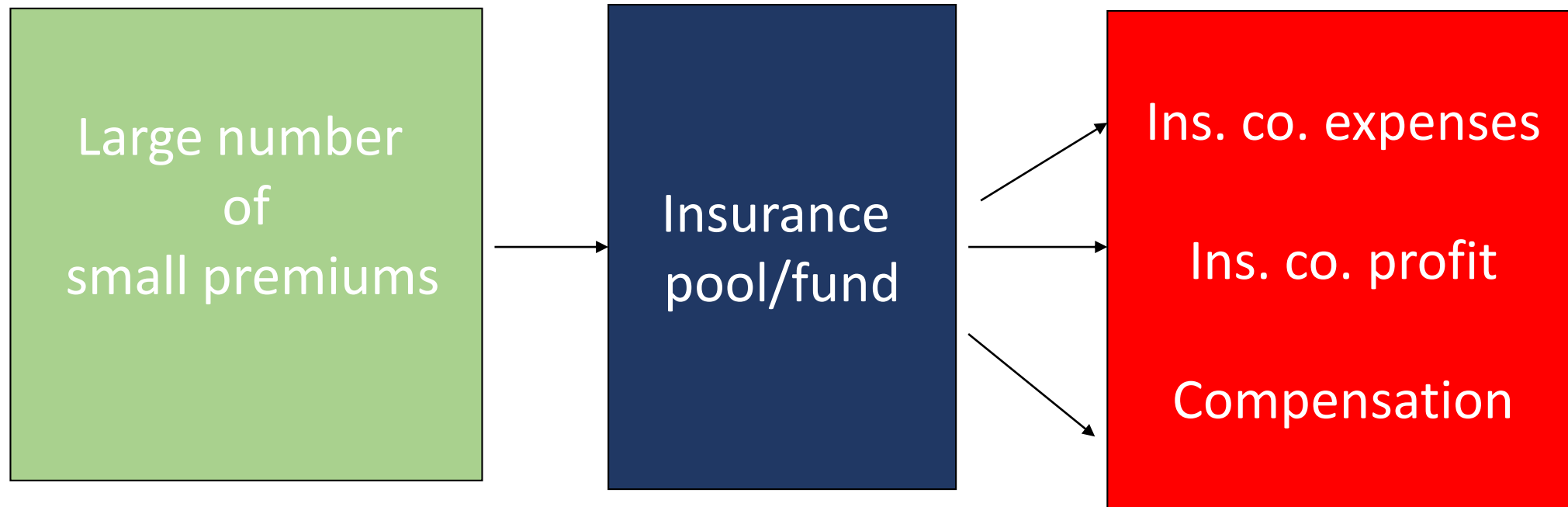
Money you pay to be insured



The higher the risk the higher the premium



The Basis for Insurance is Sharing the Risk.



Insurable Risk and Non-Insurable Risk

Insurable risk

Things that can be insured.

Examples.

- Household insurance; fire theft, damage.
- Personal accident for a farmer.

Non-insurable risk

Things that cannot be insured against.

Examples

- Damage to car used in crash testing.
- Personal accident when sky diving.



Difference between Insurance and Assurance

Insurance

- Protection against a loss you hope will not happen.
- E.g. car accident.

Assurance

- Protection against a loss you know will happen.
- E.g. Death.



Principles of Insurance



PRINCIPLES OF INSURANCE

- Insurable Interest - In order to insure something you must benefit from its existence & suffer from its loss
- Utmost Good Faith - You must tell all relevant information when filling out an application for insurance.
- Indemnity - You cannot make a profit from insurance.
- Contribution - If a risk is insured with two insurance companies each will pay half of the compensation
- Subrogation - Passes the legal right of the insured over to the insurer to claim from a third party who caused the loss.



The Role of an Insurance Broker

Gives Customers Best advice and
Bargains on insurance



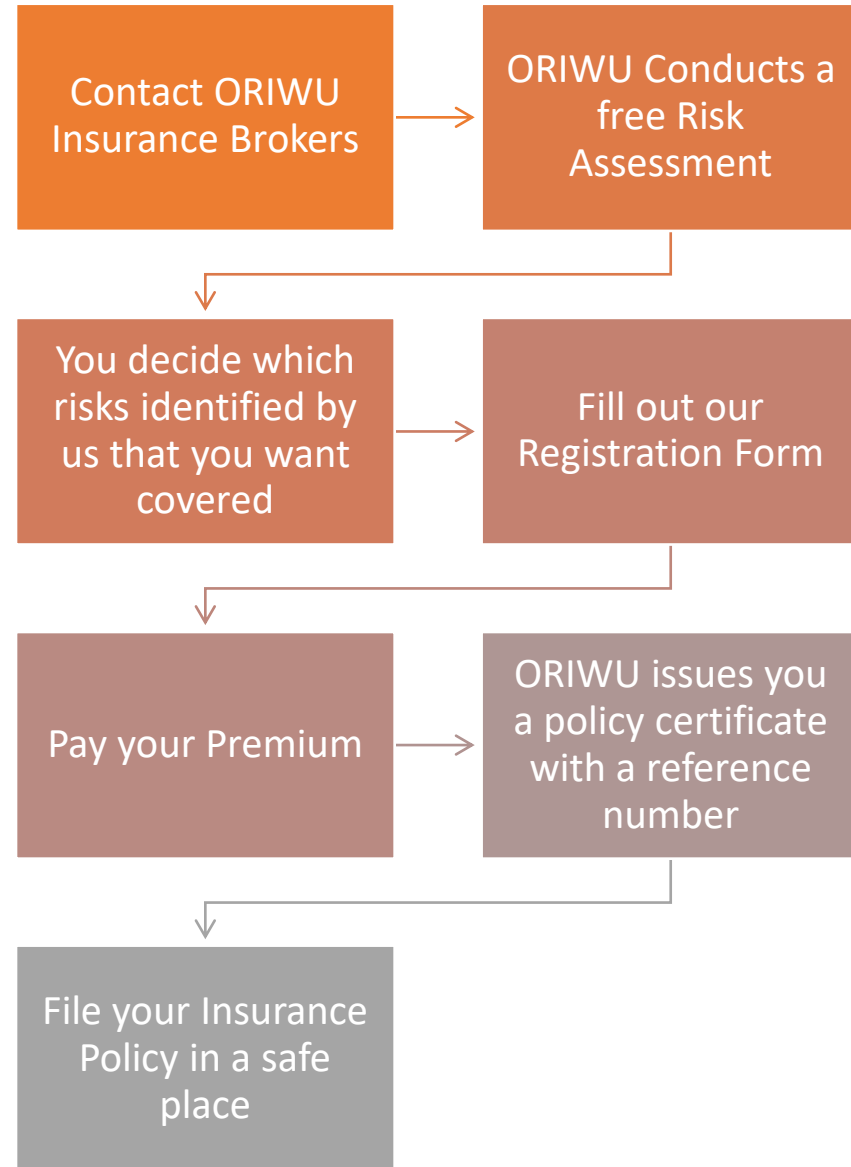
Sells insurance on behalf of Several
Insurance companies.



Facilitates Prompt Settlement of
Claims



Steps Required to Take an Insurance Policy



Steps Required to Make a Claim

Contact ORIWU Insurance Brokers Immediately the insured event occurs

Visit the nearest police station to file an official report(if applicable)

Obtain Estimates of Lost/Stolen/Damaged items

Fill out a Claim Form

Talk to our Assessor and agree on a compensation

ORIWU ensures your claim is promptly settled by the Insurance Company

