

Better safe than sorry

Trust in your  broker for this policy.

Your broker always keeps you informed... If you are unsure, come and find us

Monthly bulletin
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Thinking wisely will get you far.



"I have a wealthy friend who cares a lot about the money he has now and will have in the future. He's financially secure and lives comfortably. He's retiring next year and will be eligible to collect the maximum pension, but he's accustomed to a much higher salary, so he's decided to sell his company for a considerable amount of money to maintain his current lifestyle. Good for him!

I have a modest job and live in a modest house. I'm not financially squeezed, but I am careful with my money and how I spend it. I have some savings in the bank, just in case, but my friend's retirement got me thinking – when it's my turn, will I get a pension? Will it be enough? Press reports say that with the declining birth rate there won't be enough children to guarantee the welfare state.

I don't earn very much. But when I retire I'll need to make as much money as I am making now. What should I do?"

How and when to guarantee your future?

When you walk, you look at the ground as well as ahead of you. You anticipate your next steps! The same goes for saving for

tomorrow. These years you've got by on your own means. Now it's time to think about ensuring you have enough income when you stop working. You do it for yourself, for your children who are still living at home, because you haven't finished paying off your mortgage, because you may want to get a new car and why not? - you want to maintain your standard of living.

Think about it – you insure your home, your car, probably your health and even your mobile... And you're not going to make sure you have enough income later in life?

Think twice about it and let us advise you, there are several choices:

- **LIFE INSURANCE:** we recommend this when you're still young and have financial needs and commitments (mortgage, loans, dependent children...).
- **SAVINGS PLANS:** we recommend this when you're getting on in years and start thinking about your future income.

"Liars get caught... Insurance fraud"

This is the story of a Spanish businessman who tried to swindle his insurance company. He faked a fire in one of his industrial warehouses. In order to pull it off successfully and not have any "snitches" telling on him, he decided to set the fire himself. However, he was a clumsy arsonist and poured petrol from the outside in rather than the other way around. By the time he realized his mistake it was too late and he got caught in his own trap.

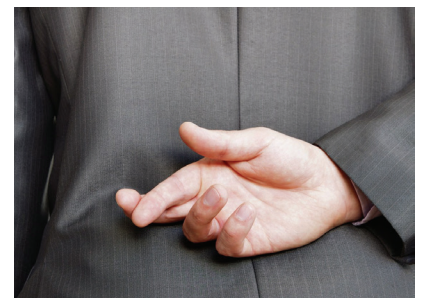
According to data by ICEA, car insurance holders are the most prone to rigging claims, with 7 out of 10 attempted frauds.

- *"A friend of mine says that in the garage around the corner they'll do a quick fix and charge the repair to the insurance company". – The shop's marketing strategy works very well and little by little they build a good client base. Until word-of-mouth reaches the insurance company. Then the shop goes out of business and a lot of people get into a lot of trouble.*

The financial crisis has led to a blossoming new business: organised plots to scam insurance companies. They have gone up by 500% in the last year, increasing from 7 cases to 45.

According to UNESPA, 156,000 plots were detected in 2014, saving insurance companies 426 million euros in undue settlements. Despite these figures, they are not widespread activities and people are aware of the consequences.

Besides, fraud not only affects insurance companies, but also the rest of society, as putting in false claims to fraudulently get compensated makes overall claim statistics go up, and as a result, insurance companies increase their premiums to offset payouts. In this sense, fraud comes with a high price to pay.



The Intouchables: the reality of Social Assistance is stranger than fiction



An Algerian is driving a Maserati at breakneck speed through the streets of Paris. Several Gendarmerie squad cars are in hot pursuit until they finally manage to stop him. But he doesn't get fined. To steady his nerves the Algerian smokes a cigarette with his passenger, a quadriplegic.

Philippe Pozzo di Borgo has been bound to a wheelchair since 1993 after suffering a paragliding accident. Before that he ran the family business, Champagne Pommery. This widowed aristocrat hired the services of an immigrant with a criminal record (Abdel Sellou) as his care-giver.

Two examples of "untouchables" whose paths crossed and who became close friends.

One lived in a mansion and had fallen into a deep depression after his accident and the death of his wife. The other was condemned to a life of social exclusion. Both managed to start a new life – the wealthy man settled in Morocco where he is happily married and has two children; and the poor man returned to Algeria, where he now runs his own poultry distribution business.

The flip side

The Intouchables is the title of a 2011 French film, based on real events, which moved millions of spectators all over the world. But there are more stories...

Jomian Leonel, 13, was "highly dependent". He suffered from cerebral palsy, couldn't communicate, and had permanent anaemia. The Spanish government gave his mother 387 euros in monthly financial support provided she "submitted invoices on the 10th of each month so they would be registered in the pay period on the 20th". However, the money came late and his mother spent 500 euros on her son. Jomian's aid was authorised in December (2013) and he died the following year in March.

According to the State Association of Social Services Administrators, 835 million euros in Dependency aid has been slashed (2013), contributions have decreased by 15% (2012) and 145,000 citizens have been excluded from Social Security.

"Teach me how to read and I'll teach you how to live"

Is a line spoken by the care-giver in the film *The Intouchables*. Being placed in a situation of Dependency means you have to reassess your lifestyle. Advances in living standards have enabled insurance companies, in these cases, to design **Dependency insurance policies. They guarantee the policyholder will have funds if they find themselves in a situation of Dependency and cannot look after themselves.**

Research



No licence and... no income

Can you imagine an eagle with no wings? It wouldn't be able to hunt and would soon die of starvation. And what about a surgeon with a hand injury? He'd have to stop operating immediately. Think about a person who drives for a living. If he's self-employed he'll have no income. If he's an employee he could lose his job if his licence is suspended.

Most of us aren't taxi drivers, lorry drivers or delivery people... However, we do make often use of our car and a VERY SERIOUS violation would put us in a tight financial situation. According to the Annual Insurance Report (UNESPA 2014), owners of scooters (49.9%), lorries (43%) and vans (34%) are most likely to take out suspended driving licence insurance.

Causes and consequences

Your licence can get suspended for two reasons:

- **When you lose all your points.** For example if you accumulate minor violations (talking on your mobile, not wearing your seatbelt...).
- **For a very serious violation.** For example, driving over 191 km/h when the limit is 120 km/h, or with a high blood-alcohol level (more than 0.60 mg/l in breath testing or 1.2 g/l in the bloodstream).

In the last 9 years, more than 100,000 drivers have had their licence suspended. Of these, 80,000 went to special classes, which have to be paid for. Suspended driving licence insurance is available in order to alleviate the expense and lost income as a result of not being able to drive.

Before securing this kind of coverage we have to ask ourselves two questions: **how much money would I need per day to offset the financial loss from not being able to drive? And for how long?** The compensation limit would logically depend on individual salaries.

As your Broker, I strongly recommend that you take out this kind of insurance if you rely on a vehicle to make a living.