

1 **Josephine Cumbo**  
2 **Tougher line on online insurance**

3 *(Original at [http://www.ft.com/cms/s/2/31939428-f468-11de-9cba-](http://www.ft.com/cms/s/2/31939428-f468-11de-9cba-00144feab49a.html)*  
4 *00144feab49a.html)*

5 Millions of consumers buy insurance online. Now they can look forward to  
6 more realistic premium quotes and clearer information. The new  
7 guidelines published today by the *Association of British Insurers* seek to  
8 address some of the common issues of poor practice. The guidance sets  
9 standards in seven areas to ensure consumers have positive experiences  
10 when they buy products, such as motor and home insurance, online.

11 Using the internet, consumers can often get the best policy at the most  
12 competitive price. The internet offers ease and speed; what it sometimes  
13 lacks is clarity. The new standard should change this and make it easier  
14 for customers to understand the terms and conditions of the policies they  
15 are comparing. Companies abiding by the code – which is voluntary –  
16 should display the total price of the premium. The policy excess – the part  
17 of any claim that must be paid by the policyholder – should also be broken  
18 down into voluntary and compulsory components, so consumers are clear  
19 about the true cost of their policy.

20 The move is the result of a review of the sector in 2008. This review found  
21 that some websites were not treating their customers fairly. Among the  
22 examples of poor practice were excesses that were given as a “total” but  
23 in fact excluded the compulsory excess.

## Questions

- 1) The first paragraph mentions some specific vocabulary you might not be familiar with. When you buy insurance, a '*premium*' (line 6) refers to the money that you regularly have to pay in order to stay insured; a '*quote*' (also 6) is just a technical (and very common) word for *offer*. With that in mind, could you guess why consumers should be happy about 'more realistic premium quotes' (same line)? (look in the text that follows)
- 2) What are the advantages and disadvantages of buying insurance online?
- 3) Given the context, what does the word 'policy' (lines 11 and 14, 16, 19) refer to?
- 4) Do insurance companies have to abide by the new standard? (Is it obligatory?)
- 5) What is a 'policy excess' (line 16), also known as a *deductible* in the US? (see vocabulary section below for explanations of 'claim' and 'break down' which might help you)
- 6) Why has the new standard been set up and what are its goals? What poor practices does it seek to improve?
- 7) What does the word 'move' (line 20) refer to?
- 8) Do you think that standards such as the one discussed in the article are helpful? Do you know about any similar standards in any part of the financial sector in the Czech Republic?
- 9) Would you ever buy insurance online? Do you think that it is correct that in some areas (health, motor) insurance is compulsory?

## Vocabulary

address an issue (line 8) – to tackle/ deal with a problem

abide by a rule/code/law, etc. (line 15) – to follow/keep to a rule, to comply with a law

claim (line 17) – a request or demand for payment

break down into (line 17–18 ) – divide/separate into smaller parts

You can find additional explanation and more examples to help you understand and use English words and phrases at <http://dictionary.reference.com>, <http://dictionary.cambridge.org/>, or <http://www.merriam-webster.com/>

Přejeme Vám mnoho studijních úspěchů.

Tým jazykové skupiny Spěváček: