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Personal insurance for firefighters

Issued by:

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Addressed to:

The Chief Executive to the County Council
The Clerk to the Fire and Rescue Authority
The Clerk to the Fire and Civil Defence Authority
The Clerk to the Combined Fire and Rescue Authority
The Commissioner of the London Fire and Emergency Planning Authority
The Chief Fire Officer

Please forward to:

All members of the fire and rescue service

Summary

This Circular provides information about personal insurance for firefighters. It sets out the facts regarding types of insurance policy, the availability within the insurance market (in consultation with the Association of British Insurers), confirms the current compensation arrangements for firefighters and the Government's position on this issue.

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1.0 Introduction

1.1 In December 2005, Jim Fitzpatrick, Fire and Rescue Services Minister, met senior officials from the Association of British Insurers (ABI). The meeting was intended to establish:

a) which companies offer products without terrorism exclusions, so that firefighters can be fully informed about the choice within the current market; and,

b) whether the example of UNISON offering access to insurance products as a benefit of membership could be extended to other trade unions.

1.2 This circular provides information about insurance policies and terrorism exclusions. It also sets out the Government's policy as it relates to members of the fire and rescue service in England.

2.0 Types of personal insurance policies affected

2.1 Most life insurance policies (e.g. endowment policies) which are likely to be the main type of policy held by members of the emergency services, are not affected by any exclusions for terrorism. Whilst terrorism is sometimes excluded from other types of policy (e.g. personal accident or mortgage protection) this will not always be the case. It is simply a case of shopping around to find the product that better suits the customer's needs.

2.2 The ABI has supplied statistics about these policies. For example, 50% of households have life insurance and 20% have mortgage protection policies.

3.0 Availability of personal insurance policies

3.1 The ABI has confirmed that there are insurance products in the market which do not have terrorism exclusions. The ABI has published information on its web site, which can be found from www.abi.org.uk under the Information Zone section. Individuals concerned about their cover should contact their brokers in the first instance.

3.2 The Chief Fire Officers Association has also circulated a list of insurance providers who offer products without terrorism exclusions, which was circulated to CFOA members earlier in 2005. This can be obtained from CFOA or via any of its members.

3.3 UIA, the insurance company owned by UNISON, has confirmed that is willing to discuss with other trade unions the possibility of providing an insurance product suitable for their particular needs.

4.0 Compensation arrangements for firefighters

- 4.1 In summary: the dependents of a firefighter who dies on duty can expect to receive a lump sum of up to seven times pensionable pay plus an ongoing pension. There are also arrangements in place to top up the widow(er)'s pension in certain circumstances. If a firefighter is injured on duty there is provision for an ill-health pension and injury benefits providing up to 85% of salary depending on circumstances. These benefits are standard as part of a fire fighter's terms and conditions of employment and cover them for death or injury in responding to all incidents.
- 4.2 For example: dependents of a firefighter who dies in service would receive 2x pensionable pay (ie salary, excluding overtime) under the Firefighters Pension Scheme (FPS). This is a final salary scheme linked to rank. For the average competent firefighter this would be approximately £25,000.
- 4.3 In addition, the conditions of service death benefit is linked to a competent firefighters' salary after 4 years service (ie it isn't linked to final salary) and would pay out 5 times this sum. Again this would be approximately £25,000.
- 4.4 So the dependents of the average competent firefighter who died in service could expect to receive 2x £25,000 under the FPS plus a further 5 x £25,000 under conditions of service, equalling seven times pensionable pay. In addition they would also receive any ongoing pension awards under FPS.
- ## 5.0 Government policy
- 5.1 The decision to take out personal insurance is a matter of personal choice for individuals. Any firefighter who has concerns about their policy should consult their policy document and then their insurer for any clarifications.
- 5.2 Firefighter pay, pension and injury arrangements reflect the nature of the job and the risks that may be incurred. The death in service benefits for fire fighters are more generous than those available to any other public service worker.
- 5.3 This is a cross emergency service issue and is not specific to firefighters.

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