

Getting the most out of your insurance

Short-term insurance is sometimes referred to as a “grudge purchase”. The reason for this is very simple: Firstly, one must buy something that one cannot actually see or use and secondly, this “thing” that was bought only becomes of any use if something bad actually happens. Thirdly, there are many people who are always eager to share any bad experiences they might have had with claims not being met, or claims paid late, etc. but you seldom hear the information regarding the high percentage of successful claims.

So what are the secrets of the (very) large number of people who actually manage to get their claims paid without any hassles? Let’s look at some ways to make sure that your insurance policy and broker/insurer do exactly what is promised “on the package”.

- Be informed of exactly what items, amounts and/or occurrences are covered and what is not covered by studying the policy wording. Remember that an insurance policy is a contract and performance is therefore dependant on the contract wording. This is the legally binding document according to which claims are handled.
- Make sure of sums/amounts insured. This is critical, especially in the case of household contents and building insurance. Remember that, although you might have inherited a mattress from a distant uncle, if something happens to that mattress, the insurer has to buy a new one. So what will it cost to have that mattress replaced today?
- Make sure that you comply with the security requirements. Most of the instances where burglary claims and vehicle theft claims are not paid, the reason is that the correct and prescribed security measures were not installed. E.g. If you have an alarm system and you received a discount on your premium for the alarm, the system must be activated when you are away from your premises. If you are not sure about your security requirements, your broker will give you the necessary assistance.
- Declare previous claims. Because an insurance premium is partially based on the client’s claims history (lower premiums for persons with a low claims history), it can also be grounds for the repudiation of a claim.
- Speak to your insurer or broker regularly. This is the best way to familiarise yourself with your insurance policy.
- Be truthful. Even if it means you will pay a little extra for cover, tell the truth.
- A cheap premium can be very expensive on the long run. E.g. a high excess payment option on a vehicle can reduce the premium by 30% to 40% but when you actually claim it is very difficult to get hold of the high amount for the excess payment.
- Use a broker. Although a broker (such as lemas) is bound by the policy wording that was given by an insurer, a broker has absolutely no incentive

- NOT to pay out a claim. The broker can help you to speak to an insurer, especially if you are a longstanding client with a good claims history.
- Chances are very good, especially on our roads, that you will have some sort of vehicle claim within the next 12 months (even if it is only a glass claim). Make sure that you are covered.
 - Insurance policies usually offer liability cover. This is actually a non-negotiable option that you should take because without this cover you are exposed to massive liability claims if, for example, you hit a pedestrian with your vehicle. Make sure that your insurance policy offers sufficient cover for this. This insurance is relatively cheap and in some instances up to R10 million liability cover can be bought for R10 per month.

If you have any queries regarding your policy or your cover, do not hesitate to give lemas a ring at 0860 102 383.