

Importance of correct information for short-term insurance policies

In the insurance industry there are a few crucial factors that are vital and of which good faith and insurable interest are the most important.

Good faith means that you as the insured should always disclose all material facts about your risk that could play a role when it comes to the insurer accepting or declining the policy. True information is also necessary to determine the correct premium for the risk. Non-disclosure of any material facts can lead to your claim being repudiated.

Insurable interest means that as the insured you must suffer a financial loss should an item be lost or stolen. In other words, if the loss of something doesn't affect you at all then there is no insurable interest and therefore no need to insure it. For example, you cannot insure your neighbor's car on your policy.

With this article we would like to show you the importance of insurable interest and utmost good faith when it comes to the actual drivers of vehicles. A lot of claims are repudiated because the person that will be the regular driver was never mentioned in the policy schedule. There are a few rules that you should remember in order to insure the regular driver correctly:

1. Dependent children may insure their vehicles on their parent's policy, provided that the correct address and ID number are mentioned. The child must be a student and the cut off age is 27.
2. Children that are not dependant on their parents, can also insure their vehicles on the parents' policy but they must reside at the same address as the parents.
3. Should the vehicle be registered in the child's name and the child is always the regular driver, the child must have his own policy with his own address and other details.
- 4 The following information of the regular driver must always be rendered to your insurance company:
 - * Claims history
 - * Was the driver ever placed under liquidation?
 - * Correct address
 - * Will the vehicle be in a locked garage at night?
 - * Has insurance ever been refused or special conditions placed on the policy?
 - * How long has the driver had a driver's license?

When you adhere to the above rules, you would hardly ever encounter problems with a claim. For assistance with your short-term insurance, please contact the lemas Call Centre on 0860 102 383.