

10 Ways to avoid disappointment when making an insurance claim

The Office of the Ombudsman for Short-term Insurance has seen a 34% rise in complaints from policyholders in 2003 - partly due to problems where claims are not paid because insurers say incorrect information was supplied.

Steffen Gilbert, Santam CE says many people are shocked when making a claim to find they are not covered.

“And more often than not its because consumers don’t stick to the rules when it comes to providing relevant information at the outset.

“We want to prevent our mutual clients from any frustration and don’t want them to have to complain to the ombudsman. So, we have drawn up some basic rules to help policyholders. Please share these rules with clients.”

Don’t inflate a claim and don’t falsify it because it’s fraud

Insurance fraud in South Africa amounts to between R1 billion and R3 billion a year and push up premiums by between 5% and 15% worldwide. Fraud also leads to criminal prosecution and difficulties in getting future cover.

Make sure all material facts are disclosed to the insurer

The insurer trusts the information is correct and calculates an appropriate premium based on it. If a person fails to disclose information or doesn’t give the correct information, the insurer may reject the claim.

Don’t insure your child’s car in your name

Parents who attempt to reduce the cost of insurance by insuring the car (which is registered in the child’s name) on their policy, are acting fraudulently. The insurance must be in the child’s name, even if the parents pay the premium.

Disclose all previous claims.

Policyholders must disclose all previous claims to the insurer. If he doesn’t, his policy could be declared null and void. This happens regularly, and the reality usually only hits policyholders when they’ve incurred a loss and want to submit a claim.

Get a valid driver’s licence.

By law, a valid driver’s licence is required before a person may drive a motor vehicle. If a policyholder gives someone without the necessary driver’s licence permission to drive the vehicle, cover may be refused.

Take due care.

All insurance contracts stipulate that a policyholder must take the necessary care. He must take the steps necessary to prevent loss or damage by, for example, not leaving the keys in the car or leaving valuables lying on the seat of the car. He must also have his car serviced regularly to help prevent an accident.

Don't drink and drive.

An insurer will reject a claim if it is found that the driver exceeded the legal blood alcohol level and this gave rise to the accident. It is also against the law to drive under the influence of alcohol.

Ensure security requirements are in place.

To enjoy cover, the necessary security requirements must be in place. If the policy stipulates that the car must have an immobiliser or a tracking device installed, the insurer will not pay out the claim if this hasn't been done. The necessary proof of installation must also be sent to the insurer. In some cases the insurer will also require that the car's tracking system be activated before your client will enjoy cover.

Pay premiums when they are due.

Don't take chances. Pay premiums when they are due. If an insurer sends a notice stating that your client's policy will lapse on a certain date, he will not be covered after that date unless he renews the policy and pays the required premium.

Ensure your vehicle is roadworthy.

If your client drives a car with smooth tyres and this leads to an accident, the insurer is unlikely to pay out the claim. It's your client's responsibility to make sure his car's tyres are in a good condition.

ENDS