

MAKE SURE YOU KNOW WHAT YOU ARE COVERED FOR

The policy will not cover damages resulting from wear and tear or lack of maintenance.

HOW ARE MY PREMIUMS WORKED OUT

Different factors are taken into account when the premium is determined, e.g. where you live (it may be more dangerous to live in some areas than others), type of structure (a house made of bricks is more secure than a wooden house) or what security you have in place (such as burglar alarms, burglar bars on windows or security gates). It is important that any security systems that are specified are actually used or the insurer can reject the claim.

KNOWLEDGE IS POWER

Make sure you know what you are covered for, what is excluded and what to do to obtain the cover you require. Avoid surprises. Don't bank on writing to the ombudsman when your claim gets rejected, you may lose. Prevention is better than cure.



Not happy with the way your insurer handled your claim? Tell your concerns to the Ombudsman for Short-term insurance at 011 726 8900 or info@osti.co.za, or www.osti.co.za or P O Box 32334 Braamfontein 2017.

If you are not happy with advice you received you can talk to the FAIS Ombud at 012 762 5000 / 012 470 9080 or info@faisombud.co.za or www.faisombud.co.za

The Ombud's services are free and accessible to all consumers.

Still not fully happy? You can reach the Financial Services Board at 0800 20 20 87 or info@fsb.co.za or www.fsb.co.za

Contact details

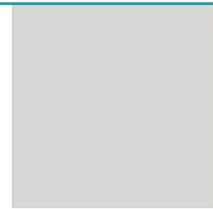
Tel: 011 726 5381

Fax: 086 647 2275

Email: info@saia.co.za
knowyourinsurance.co.za

www.saia.co.za

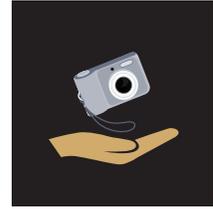
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SAIA



South African
Insurance
Association



HOUSEHOLD INSURANCE

A GUIDE TO HELP YOU
PURCHASE THE RIGHT COVER



Household insurance provides cover against damages or loss to the contents in the home that you live in. In other words, everything that you would take with you when you move to another home, is what can be insured. It is also known as household contents insurance.

WHAT IS COVERED

Cover is generally provided for the:

- Furniture (including carpets, rugs, paintings)
- Appliances (fridge, microwave, vacuum cleaner, television, etc.)
- Clothing
- Linen
- Foodstuff in the fridge and freezer
- Groceries
- Personal possessions (clothing, watches, glasses, jewellery, sports equipment, etc.)



HOW MUCH INSURANCE COVER MUST I HAVE?

The sum insured (the insurance cover) is the estimated amount of what it would cost to replace the items inside your home with a similar new one. The amount is annually adjusted for inflation and you must review the cover if a new or expensive item is added to your home, e.g. a new dining table and chairs or you upgrade your t.v.

Some insurance policies cover items that leave the home on a daily or frequent basis, e.g. laptops, cell phones etc. In some cases the insurance company may want you to specify such items explicitly. The insurance company may also want certain valuable items to be specified e.g. a stamp collection or jewellery. They may also want you to get a valuation certificate to show how much the item is worth. There might be an extra premium for these items or they might be excluded from the policy.

HOW MUCH WILL THE POLICY PAY OUT?

Most policies will pay the replacement cost in proportion to the amount you insured the items for. Replacement cost is the cost of buying a similar new item. If it costs you R5 000.00 to replace your camera, that has been specifically insured, but it is insured only for R3 000, your insurer will only pay R3 000.00 and you will have to pay for the balance.

Remember to insure your contents for the correct value. If it would cost R200,000 to replace all the items in your home, but you only insure them for R100,000.00, your insurer will assume that you have chosen to self-insure the balance of your contents. That means you

are choosing to cover half of the value of all your items yourself (R100 000 / R200 000). So if your home has been robbed and you claim for items worth R20 000 but you have chosen to self-insure half the value, your insurer will only pay you out R10,000.00. You will have to pay the other R10 000.00 yourself.

Normally insurers will pay the cost of repairing the item, if the cost is reasonable. If it is too expensive to repair, they will replace the item.

WHAT ARE YOU INSURED AGAINST

Generally cover is provided for damage or loss caused by the following events:

- Theft
- Fire
- Storm damage
- Flooding
- Lightning (some policies will exclude damage caused by power surges)
- Vandalism
- Earthquake
- Landslide
- Anything that can cause damage or loss that is not specifically excluded in the policy wording
- Normal wear-and-tear of items is not covered

