

Dos and Don'ts When Buying Insurance

What is Insurance?

Is an agreement in which a person pays an insurance company and the insurance company promises to pay money if the person becomes injured or dies or to pay for the value of property lost or damaged.

Why buy Insurance?

Life is full of uncertainties. We face various risks in our day to day activities including risks to our life, health, property and so on. Knowing that your assets are insured, gives you financial security, peace of mind and is the simplest way of telling yourself that you value your assets.

The Dos and Don'ts of Insurance

When you are buying insurance there are very important issues to look out for;

Dos

- *Do own needs analysis.* Before you start shopping for insurance, it is important to know what kind of insurance you need. You can also consult a broker, agent or insurance company for advice on what kind of insurance policy suit your needs.
- *Compare products provided by various insurance companies.*
- *Compare the price and quality of the insurance product.* Shop around or seek professional advice before buying insurance.
- *Ensure the insurance company is registered in terms of the Insurance Act (Chapter 24:07), to carry out insurance business in Zimbabwe.* If in doubt, check with the Insurance and Pensions Commission whose address and contacts are the back of this brochure. You also have a right to request to see the licence of the agent or intermediary.
- *Choose an agent or broker who makes you feel comfortable.*
- *Fill the proposal form carefully, factually and thoroughly.* Remember to fill in the proposal form yourself.
- *Always get a receipt after paying for your insurance.*

- *Read through all insurance documents thoroughly.* On the receipt, always verify policy details. In case of any discrepancy, report immediately to avoid any inconveniences.
- *Do inform your agent of changes to your business,* so that your policy always provide adequate coverage.
- *Feel free to ask questions.*
- *Inform your insurance company immediately after suffering loss or damage of the insured asset.*

Don'ts

- *Don't pay cash to an unauthorized person*
- *Don't provide false or misleading information.* Doing so, may result in the insurance company refusing to pay when they discover that you provided false or misleading information.
- *Don't underinsure to get a reduced premium.*
- *Don't leave any portion of the proposal form blank or unanswered.*
- *Don't sign a blank proposal form*
- *Don't forget to renew the policy and pay the premium before the policy expires.* Failing to do so, will result in you losing the right to be compensated.
- *Don't exaggerate the extent of your damages.* You could be accused of engaging in insurance fraud.