

THE AUTOMATED PERSONAL ASSISTANT

Chapter 3.1

Insurance Term Sheet

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Glossary of commonly used terms when looking at your short-term insurance needs and discussing these with your insurer

- Accident** An unfortunate, unforeseeable or unintentional event which occurs suddenly and typically causes injury, loss or damage.
- Additional excess** The additional excess(es) applicable to the same claim over and above the basic excess. You need to add this additional excess to the basic excess to arrive at the total excess. Note: excess is also referred to as deductible.
- Basic excess** The minimum amount payable by you in terms of all claims submitted under your insurance policy. This is the first amount that needs to be paid by you before the insurer will pay your claim. This amount usually gets deducted from the value of the claim if the claim is being out directly to you.
- Comprehensive cover** Comprehensive car insurance covers your car for loss of or damage to the vehicle caused by: accident, explosion, earthquake, storm, hail, flood, snow, theft, hijacking or fire. You are also covered for loss of keys, towing and storage, medical costs and liability to other people among other benefits up to limits specified in the schedule. Comprehensive cover is more than just third-party claims if you get into an accident with another car.

- Claim/claims** Any request for compensation or indemnity from your insurer that you need to log with them.
- Insurable interest** You have an insurable interest in the property if you will gain a financial benefit from the protection of that property being insured, or if you could suffer a financial disadvantage should the property insured be lost, damaged, or in the case of personal injury insurance, where an insured person is injured. This is an interesting concept and needs to be established by ownership, legal possession or direct relationship. Insurers may stipulate specific policy provisions requiring you to prove insurable interest when taking out the insurance policy or at stage when claiming.
- Insured value** This is the amount you and the insurer agree to insure a specific item for in the event of a valid claim for that item's total loss/damage, and is specified in your insurance policy (usually called specified items for example your motor car, jewellery, valuable paintings). Average does not apply to agreed value items.

Occasional professional and business purposes

Means travel related to your particular profession or business limited to a number of trips or per month. If the vehicle is being used on a more regular basis for business or professional purposes it must be insured under class of use, i.e. business.

Person Means yourself or a company, close corporation, institution or organisation.

Permanent disability Means permanent disability, occurring within a period as specified after sustaining bodily injury.

Power surge Means an unexpected increase in the current voltage of an electrical circuit that causes damage to electronic/electrical equipment, the unexpected increase in usually temporary.

Private residence The building of your home of which the wall and roof construction and address that is covered under the insurance policy.

Regular driver or principal driver

The person who drives the vehicle or makes use of the vehicle most or more frequently than any other person.

Retail value

The likely/suggested selling price of the vehicle by a motor dealer to a purchaser. This is the possible value that a motor vehicle “retails” for if you were to buy it from a dealership. The retail price is the closest value to the replacement value or cost of your insured motor vehicle and would generally include any standard/ factory fitted accessories.

Salvage

Salvage is what is remaining from a damaged item which has been treated as a “write-off” by your insurer (i.e. cannot be repaired or the cost to repair is more than the retail value of the vehicle). This damaged item now becomes the property of the insurer after your claim has been paid to you.

Sum insured

The maximum amount that your insurance company has agreed to pay for insured property in the event of a valid claim, this is in terms of your insurance policy. \

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Let's chat on any aspect of this bonus

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