

GLOSSARY OF INSURANCE TERMS & PHRASES

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DATE OF LOSS/ INCIDENT

The date on which the mobile was lost or stolen or when the damage to the handset occurred.

EXCESS

When you submit a claim you will have to pay an excess.

An excess is the first amount payable by a customer in the event of a loss and it is the uninsured portion of your loss.

It serves to deter customers from submitting minor claims and it also deters fraudulent claims. The main objective of the excess is to keep premiums down.

Payment of the excess is a condition of the insurance agreement and cannot be offset against the claim.

EXCESS BANDS

The excess bands are determined by the value of the handset involved. The more expensive the handset, the higher the excess.

INCEPTION DATE

The date on which insurance was activated for the mobile phone.

INDEMNITY (MAXIMUM INDEMNITY)

After a loss has occurred, the insured shall as far as possible be placed in exactly the same financial position as he was before the loss occurred.

INSURANCE

A risk transfer arrangement whereby the responsibility for meeting losses passes from one party (the insured) to another (the insurer) on payment of a premium.

INSURANCE COVER

The protection provided by insurance.

INSURANCE PREMIUM

The money paid by the insured to the insurer for cover as provided in the policy.

INSURED

A person or organisation purchasing insurance.

INSURER

A person or organisation providing insurance.

LAPSE

The termination of an insurance contract through the non-payment of the premiums.

PREMIUM BANDS

The premiums are determined by the actual retail value of the handset, e.g. the monthly premium for a mobile phone valued at between R3001 – 5000 is R75-00. The premium is fixed at that level and the customer cannot negotiate a lower or higher premium.

SHORT TERM INSURANCE

Insurance that operates on a year to year basis and which may be terminated by the insurer or the insured.

SUM INSURED

The monetary limit of the insurer's liability under a policy.