



Most insurers underwrite you when you apply for cover, asking you for medical tests and information to assess your risk.

Besides looking at your health and lifestyle risk, the insurer will also consider your occupation and hobbies.

Your insurer can decline your claim and even cancel your policy if it is discovered that you were not absolutely honest when you applied for cover.

To avoid a nasty surprise at claim-stage, be open and honest in your application and ask your financial adviser to explain what's meant by non-disclosure.

Also, if your financial adviser is filling in the application form on your behalf, carefully check that your answers have been recorded correctly. Never sign a blank application form.

### **Inform your insurer if things change**

It's not just important to share information with your insurer at the time of taking out your life insurance.

If anything changes that impacts significantly on your risk, your insurer needs to know.

For example, it's a good idea to let your insurer know if you take up smoking, change the type of work you do or travel outside the borders of South Africa for more than 30 days.

If you've ditched your desk for the great outdoors and embarked on a new career as a landscape designer, this could have a significant impact on your risk profile and on how your claim might be assessed at claim-stage.

Also remember to update your contact details if you move, or change employers, and to notify your insurer if your banking details change.

### **Amount insured and amount paid out**

There may be a difference between the amount you're insured for and how much gets paid out.

It's important to discuss with your financial adviser how your cover will pay out and what criteria will be used to assess your claim.

When it comes to illness and injury claims, some insurers look at your ability to work, others use medical criteria to assess whether you qualify for a claim.

Many life insurance policies will pay you a percentage of your insured amount based on how severe the illness or injury is that led to a disability or critical illness claim.

This is where claims are assessed based on objective clinical criteria, rather than subjective occupational criteria.

The advantage of this clinically-based approach is that instead of having your claim for a "less severe" condition declined outright (as may have been the case where occupational criteria are applied), you will still receive a pay-out.

It may, however, be less than your sum insured.

Another advantage is that even if you have claimed, you'll still have the remainder of your insured amount available for future claims.