

# COMMON PERSONAL INSURANCE COVER TERMS & MEANINGS



## PERSONAL INSURANCE COVER OR PLANS

Insurance policies can be complex for the ordinary person, including Lesotho personal insurance plan holders. This article is meant to help consumers, including Lesotho personal insurance plan holders, understand some of the basic terminologies.



## PERSONAL INSURANCE COVER TERMS



### Personal Insurance Policy

Covers an individual against personal injury or death. It also covers funeral expenses in the event of the insured person's death or other people on the policy. It also covers the loss or damage to property and assets—for example, a house, vehicle, and other personal items.



### Insured Sum

This is the monetary value of your insurance cover or plan. This is the maximum amount that the insurer will pay in the case of a valid claim.



### Renewal Date

Is the start date of a personal insurance policy. On that date, every year, the policy automatically renews. It is essential for the policyholder to be aware of this date as the premiums may change.





### Policy Schedule

Is a document that contains a policyholder's insurance policy information. It will include your correct name and surname, physical address, the insured item or items, policy cover amount, premium amount, payment schedule, policy exclusions, excess payments, policy renewal date and other essential information.



### Terms and Conditions

Are the terms and conditions under which the insurer will honour the policy contract. The policyholder is encouraged to be proactive and read their policy to understand these terms and conditions before an incident to minimise the risk of a claim being turned down.



### Repudiation

Refers to when the insurer refuses to pay a submitted personal policy claim. It is essential for the policyholder to read their policy carefully to understand the circumstances under which claims will be rejected.



### Replacement Value

Is the cost to replace an insured item. i.e., vehicle, property, appliance, etc. It is worth noting that replacement values may increase or decrease with time.



### Retail Value

This is often found in a vehicle insurance plan or policy. It refers to the price that the dealership sells the specific vehicle for.



### Premium

This is the cost to replace an insured item. i.e., property, appliance, etc. It is worth noting that replacement values may increase or decrease with time.



### Extensions

Are events, things or issues that may not be included in your policy but can be included on your personal insurance as extra extras or add-ons at an additional cost.



### Policy Beneficiary

Is the person or people you, as a policy owner, have identified to benefit and receive a payout should you die.

