



# WHY YOU MUST HAVE SHORT-TERM INSURANCE IN YOUR FINANCIAL PORTFOLIO

What is short-term insurance and what does it cover? Why should you have it? We break down the basics to understand its value and importance.



## WHAT SHORT-TERM INSURANCE IS

Short-term insurance is cover that protects you from financial risks related to the things that you own (your possessions). It can be any type of insurance, other than life insurance, that protects against financial burdens linked to disability, severe illness and loss of life.

A short-term insurance policy is an agreement between a policyholder and an insurer that is in place for a limited time. The policy can be flexible to provide enough cover for different circumstances because your insurance needs for your possessions will change over time.



## TYPES OF SHORT-TERM INSURANCE COVER

Short-term insurance can cover both personal and business needs. Here are the most common types of short-term insurance cover:

**Vehicle cover** includes:

- Third-party insurance (for damage caused to another vehicle in an accident where you are at fault)
- Theft of or damage by fire to your vehicle
- Comprehensive insurance, which is the above plus vehicle damage caused by an accident, vandalism, hijacking or the weather (for example, a hailstorm).

**Homeowner and business property cover:**

- Damage to the structure of a property (a home or business premises), including by fire, flooding, hail, wind, natural disasters, leaks or structural-integrity issues

**Household cover:**

- Theft or loss of valuable possessions that are kept on the premises
- Damage caused by flooding, fire or robbery of valuable possessions kept on the premises

**Personal liability cover:**

- Any legal responsibilities (like a lawsuit) after an accident you are considered responsible for, for example, if someone is injured in an accident you were involved in or that happened on your property

**All-risk cover:**

- Theft of or damage to personal possessions that you have with you outside your home, for example, jewellery, cellphones, laptops, tablets or cameras



## TIPS FOR A FIRST-TIME BUYER OF SHORT-TERM INSURANCE

If you're thinking about short-term insurance cover for the first time, don't feel intimidated. Here's what to keep in mind when looking for the right plan for you

- 01 | Clearly identify your needs:** What do you need to insure? What are your goals?
- 02 | Assess your budget:** Be honest about your current financial position and what you can realistically afford. Can you comfortably use some of your income for monthly premiums and still meet your other financial commitments?
- 03 | Know what short-term insurance is about:** What cover types and options are available to you? Could add-on benefits give you enough cover for your needs? Do you understand the terms used in these policies, like 'premiums', 'deductibles', 'co-payments', 'inclusions' and 'exclusions'?
- 04 | Do some research:** Many insurers offer similar products. Research the full package of options they offer and decide which one meets most of your needs. This will help you make an informed decision when it comes to getting quotes.
- 05 | When in doubt, get expert advice:** A knowledgeable financial adviser can help you with your research and comparing products and quotes. They know what's on offer and can tell you which insurers can best meet your needs. Financial advisers also understand the claims process and can explain how it works and what you need to be aware of.



## BENEFITS OF HAVING SHORT-TERM INSURANCE COVER

- 01 | Less financial burden:** Accidents or incidents come at a cost that you may not be able to afford at the time. Short-term insurance helps you to replace possessions and pay for repairs, legal fees, vehicle towing and even storage – without having to go into debt.
- 02 | Emergency assistance:** If your geyser bursts or you urgently need electrical repairs or a locksmith, you need to get help fast. Otherwise, the situation can quickly become more serious. Sometimes you may not be able to call for help yourself – you may be badly injured after an accident or a hijacking. Telematics-based insurance cover is useful, as it offers tracking capabilities to pick up vehicle-related emergencies and send the necessary help.
- 03 | Rewards and cashbacks:** Many insurers offer incentive programmes to their clients. For example, if you haven't claimed for some time, the insurer may have extra money that they can share with you to add more value to your cover and overall experience.

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