

CREDIT INSURANCE DURING COVID-19

During the time of the COVID-19, many companies and institutions might close, and you might stop earning an income from your employer, become unemployed or retrenched. You might then struggle to pay your debt for the contract you have committed yourself too. Often when you take out credit the borrower would have required you to take out a credit insurance policy which would assist you if you become unable to pay your debt in certain circumstances. Check with the store where you purchased your goods, your bank or credit provider where you took out a loan if you have a **credit insurance** policy.

What are we talking about?

Credit Insurance is an insurance policy that pays off an outstanding debt in the event of the policy holder's death or if the policyholder becomes permanently or temporarily disabled and for loss of income/retrenchment/damage of purchased goods on credit.

What to do when you have lost income and are struggling with repaying the debt for the goods purchased or credit/loans?

If you have purchased furniture or appliances or any other goods on credit or have taken out vehicle finance or a home or personal loan and are still paying for it, you may have credit life insurance. Therefore, you need to:

1. Speak to your credit provider and ask about credit insurance you may have taken with them.
2. Request a copy of the credit insurance policy contract so that you can read and understand the contract to assess what you are covered for and what is excluded. You may want to clarify the following issues with your credit provider:
 - Who is the insurer?
 - What are you covered for and when – including are you covered for loss of income?
 - When are you not covered, i.e. the exclusions?
 - What is the duration of the waiting period?
 - How much is the premium and how is it payable?
 - When and how much can you claim?
 - What is the notice period of a claim and what is the process.?
3. Ensure that you know and understand your rights and responsibilities in relation to credit insurance.
4. Find out whether the credit provider has disclosed all information related to the policy contract before attaching any signature.

NB: Once the credit claim has been paid, or a valid death claim is paid, you will no longer have the consumer credit insurance cover.

5. Visit <https://www.fscamymoney.co.za/> for more detailed information.

Stay safe and stay at home during the lockdown.

If you have any queries and for more information on consumer education messaging and activities, you can contact the FSCA at the following details:

Contact Centre: 0800 20 (FSCA) 3722
Email: CED.Consumer@fsca.co.za
info@fsca.co.za
Website: <https://www.fscamymoney.co.za/>