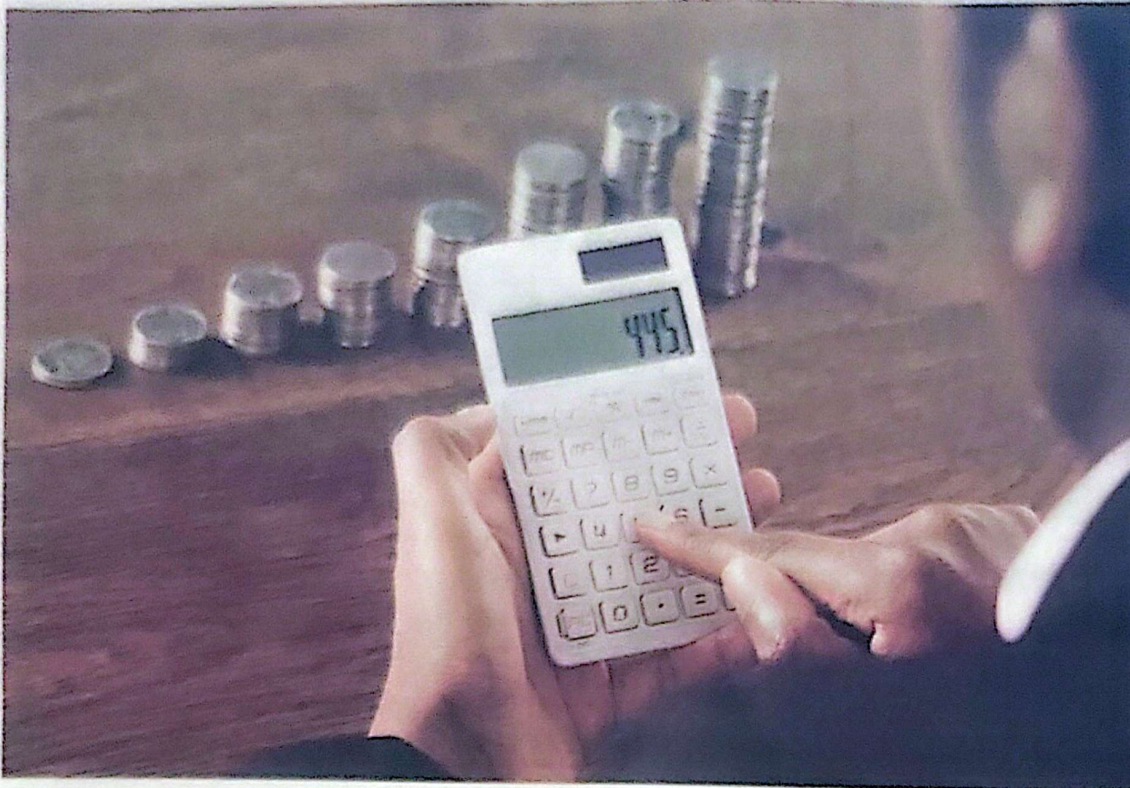


Secure your children's education



Saving your child's school fees can make it possible for them to continue schooling even when you are no longer capable of paying for their education. PHOTOS BY NET/RACHEL MARALA

Parents can guard against eventualities that happen and disrupt their children's education by insuring school fees.

BY DERRICK WANDERA
editorial@ug.nationmedia.com

Sarah Kanya, 27, was only 17 when she lost her parents in a fatal accident in 2010. The tragedy meant she had to step into the gigantic shoes of her parents and begin fending for her two siblings, Jim Kanya and Joseph Kanya.

Luckily for her, her father, Stephen Kanya, who had been working for Mumias Sugar Works in Kenya had been saving money in the education cover with one of the insurance companies.

Yes, she felt the loss of her parents in many aspects of her life but did not lack fees for her and her siblings.

"The only time I felt overwhelmed was when I had to look for money to buy scholastic materials because the insurance company would send the school fees directly to the school account," says Kanya.

900m

AMOUNT OF MONEY THAT WAS GIVEN TO KANYA FROM THE INSURANCE COMPANY AFTER HER FATHER HAD DIED.

HOW IT WORKS

Edward Bugembe, a manager at Jubilee Insurance Company, explains that for education insurance, one needs to gauge the education level of their child such that they can know which level to save the money for.

"If your child is two months old, you know that within six years, they will be in Primary One, and the next 13 years or so, they will be in Senior Four. Therefore, when signing for a policy, know which level you want paid for so that you can begin to save for that particular one," says Bugembe.

The period given is within a month, quarter, half or a year, depending on the policy term of one company to the other. Bugembe says the initial amount or the premium paid depends on one's negotiation and affordability.

Risks curbed

Aidah Namutebi, a sales executive at Jubilee Insurance, says whereas the need for your children to go to school is important, death is a constant and accidents that may rob one of their ability to move or see.

"A part from what one will leave as a will when death occurs, they will also subject their children to everlasting misery. This is why it is important that parents have a clear plan on how they save for their children's school fees so that in case of any eventualities, the children are not robbed of their future," says Namutebi.

For Kanya's father, his saving with the insurance company saved the

entire family. "My father had been saving Shs50,000 for 22 years. He died almost half way his policy term but all the money he was meant to get after the 22 years was given to us. We were given a sum of Shs900 million plus all the accrued bonuses," says Kanya.

Denis Muyamba, a teacher in Bweyogerere, who saved with the former Africa Premier Health, says it was unfortunate that the company collapsed but he had gained from it immensely.

"After 10 years of saving, I got a lot of money that I used to pay my son's fees from Senior One to Senior Four. This money had accumulated over time but it was granted to me so that in case of any emergencies during my



Avoid risks

Background check. Muslims of UAP (United Africa Party) it is good to make a background check about the insurance company you want to join. Note the number of years it has been in existence, its funding and the origin. This will give you a picture of those who want to get money from you disappear.

Have the money fixed. deposit banking is another option to the risks of losing money to unscrupulous owners. Sam Oweka, a fast driver in Kampala, has a fixed deposit account with Finance Trust. He is only allowed to withdraw twice in a month. "This helps me save my money. I do not have an ATM so it makes it hard for me to access the money that meant for my children. I am only allowed to withdraw when I am going to pay for school fees."

policy term, my son would still go to school," says Muyamba.

Namutebi, however, advises that before one commits their money to an insurance company, they should research keenly about it and ensure that they have credible sustainability of their funds.

By doing this, she says, you will buy their confidence.

You stand to gain

Peter Mukibi, a father of four, says not only do you gain in savings schemes but you also get an extra benefit in the course of your premium term.

"You can use your policy document to process a school fees loan from commercial banks. You will require the child's passport photo, birth certificate and the policy holder/guarantor and you will be able to process the loan," says Mukibi.

Mukibi adds that as a parent you may not realise the benefits in the education insurance but your children will gain a great deal from them. "You might save your money in an insurance company and not realise its usefulness in a short term but in the long run, what you reap will put a smile on your children's faces," he adds.

Similarly, Duncan Tayebwa, a risk advisor at UAP, says the gain of education insurance plan is visible over a period of time.

"In case of uncertainties such as fatal accidents and total illness or disability, the life insured gets a double benefit. The benefit comes when you can no longer provide for family," says Tayebwa.

Education insurance ought to become a necessity given the current uncertainties that may affect