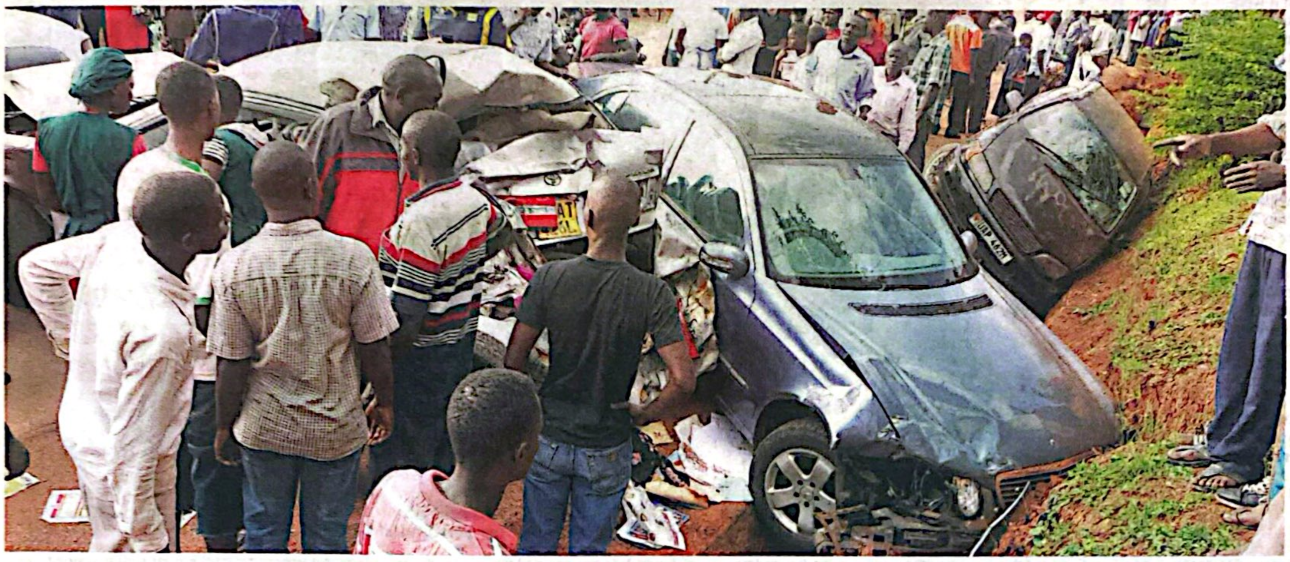
INSURANCE

New Vision
ADVERTISER SUPPLEMENT



Bystanders gape at vehicles involved in an accident. An insurance policy requires you report such claim within a specified period of time

What you must know about insurance claims settlement

By Billy Rwothungeyo

The ability to settle claims is perhaps the most important function an insurance company has. Clients who take out policies should have the belief that their policy will be settled when need arises.

According to National Insurance Corporation acting Managing Director Elias Edu, insurance is important because it provides useful solutions for risk protection and management.

"It enables the insured to transfer his risks to the insurance company whilst paying relatively small consideration called premium. Insurance plays important roles in the economy as a stimulant for business development and growth," he adds.

What is a claim in insurance?

A claim is a notification that a policy-holder lodges with an insurance company that payment of a certain amount of money is required after the insured suffers loss that is covered by the claim they took out.

Getting a claim settled by an insurer

"Depending on the nature of the claim, normally, the first thing you must do is report. Each policy will specify the time. So policies will require that you report within a particular period of time," says Latimer Kagimu Mukasa, the managing director of Phoenix of Uganda Assurance.

Elias Edu

After you have reported, the insurance company then acknowledges that it has received the claim. A form will then be given to you to fill. In this form, you will be required to provide details. These details will range from private details to those that concern the loss that you have suffered.

"For some complicated claims, the services of a loss adjuster will be called upon to investigate the circumstances of a claim. These loss adjusters are also regulated by the insurance authorities," Mukasa adds.

Written report

The loss adjuster then writes a report to your insurer who makes the decision on whether to pay out a claim or not, depending on the merits of the case brought up. "It is important to note that not all claims are payable," Mukasa says.

A Police fire brigade officer trying to extinguish fire

Faith Ekudu, the public relations and advocacy officer at the Uganda Insurers Association (UIA), says a claims process is in place to manage both the client's and insurer's expectations. "Whereas many people view this process as tedious and bureaucratic, the procedure actually ensures that both the client and insurer act within the boundaries of their contract. How both parties behave will determine how long this process is and its results," she says.

Industry regulator; the Insurance Regulatory Authority of Uganda (IRA), which was established under Section 14 of the Insurance Statute 1996 (now The Insurance Act), has claims guidelines on its website.

Requirements when making claims

So what are some of the requirement one needs when making a claim? Definitely, you will need a valid copy of the policy you hold with the insurance company.

In case of theft, fire, accident, you will need a Police report to carry along with the policy. In case of death, you will need a death certificate or death summary from the hospital, and then a beneficiary of the policy the deceased had taken out. If an insurer declines to pay out a claim, or you do not agree with the evaluation of the claim offered to you, there is a complaint handling mechanisms at IRA.

"We encourage the claims team to maintain constant communication with the claimant to guide them through the process. We are also deploying the use of Information Technology to improve the process," Edu says.

To allay fears of people who think insurance companies do not pay claims, Edu says over the last few years the insurance industry has seen an increase in claim settlement.

"By third quarter alone, our company, NIC General has paid over sh1.6b in claims. Claims payment is key to success for all insurance companies and there are service standards built into the claims process which are being monitored not only internally by the insurance companies but also by the industry regulator," he adds.

Contacts

"If your claim is declined or when dissatisfied with your insurance company, lodge a complaint with the IRA's complaints bureau through this email: ira@ira.go.ug. You can also write a letter detailing your complaint to the chief executive officer of IRA PO Box 22855, Kampala. Or call us on our toll free line, 0800,124124," says the authority.