



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



## FINANCIAL WELLBEING

*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 just that – cover for a time when you need protection against the financial risks that you have with your possessions (your things). It's defined as all types of insurance, other than life insurance, that protects against financial burdens linked to disability, severe illness and loss of life.

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



## 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)
  - Cover if the vehicle is stolen, or damaged by fire
  - Comprehensive cover, which covers all of these circumstances as well as vehicle damage caused by an accident, vandalism, hijacking or the weather (for example, damage caused by a hailstorm).
- **Homeowner and business property cover** for the structure of a property (a home or business premises). Damage caused by fire, flooding, hail, wind, natural disasters, leaks or structural-integrity issues is usually covered in a comprehensive home insurance or business insurance plan.
- **Household cover** for the theft, loss or damage of possessions of value that are kept on the premises. Damage can be caused by flooding, fire or robbery.
- **Personal liability cover** protects you against any liabilities (legal responsibilities, like a lawsuit) after an accident you are considered responsible for. This cover applies if someone is injured in an accident you were involved in or that happened on your property. It protects you against some of the financial risks linked with these claims.
- **All risk cover** can include personal possessions that could be stolen or damaged when you have them with you outside your home. Possessions can include jewellery, cellphones, laptops, tablets or cameras.



## 3 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.
- 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.



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

If you're considering short-term insurance cover for the first time, it need not be a daunting experience. Here's what to keep in mind as you look for the right plan for your needs:

- 01 | Clearly identify what your needs are:** What do you need cover for? 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 also 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.



## WHAT DISCOVERY INSURE CAN OFFER YOU

Discovery Insure's products are designed to be flexible so you can tailor them to your needs for car, home or business insurance. We offer comprehensive plans, innovative service, state-of-the-art safety features and affordable add-on benefits.

### 01 | Discovery Insure's car insurance cover plans offer you:

- No excess if an insured third party causes an accident.
- Flexibility to choose the excess amount you'll pay if you need to claim.
- Emergency roadside assistance and trauma support for serious accidents and hijackings.
- Personal liability cover for claims linked to injuries or death caused by an accident, and loss or damage to property.
- Benefits you can adapt to your needs, such as:
  - Joining Vitality Drive (a unique driver-behaviour programme that rewards you for driving well)
  - Lowering your car's write-off percentage
  - Paying lower premiums if you drive more than one vehicle
  - Boosting your car's retail value
  - Credit-shortfall cover
- Car hire for up to 30 days and the option to upgrade your car hire
- Adding market-leading, telematics-based warranty cover for mechanical breakdown or electrical failure.

### 02 | Discovery Insure's home insurance cover plans offer you:

- Comprehensive building insurance that includes:
  - No excess for weather-related claims
  - Cover for accidental loss or damage
  - Emergency security and accommodation while your home is under repair
- Emergency plumbing, electrical and locksmith services.
- Home contents insurance with:
  - No excess for theft caused by forced entry
  - No excess for weather-related claims
  - Power-surge protection
  - An online vault to store important documents
- Portable possessions insurance for insured items that are lost, stolen or damaged while you're out and about.