

YOUR MONEY SORTED



INSURANCE & CAR CRIME

By LETITIA WATSON

Send suggestions for topics and requests for info to yourmoney@you.co.za. We may answer your questions in this column but won't reply personally.

Know where you stand with vehicle insurance in the event of hijacking, theft or damage

HIJACKINGS AND INSURANCE

South Africans pay a lot for vehicles, but with hijackings on the rise owners are at risk of losing their hard-earned asset. Vehicle theft is also a major risk. And if a stolen car is traced, chances are it's been irreparably damaged and has to be written off, costing the owner further outlay.

Comprehensive vehicle insurance can provide cover against both hijackings and vehicle theft, Graham Craggs of Budget Insurance says. But, items left inside the vehicle are only covered by all-risk insurance.

OTHER COVER

If you have third-party, fire and theft insurance you're also covered in the event of your car being hijacked. But if you've only taken out third-party insurance you're not covered for these eventualities.

Third-party insurance covers damage to the other vehicle if you caused the accident, but not any damage to your own vehicle. If you have all-risk cover for the items inside your car you should be paid out for these, so any expensive items must be itemised in this part of your policy.

REQUIREMENTS

Your insurer only pays out if you've complied with the terms and conditions of the policy. Insurers often require that certain vehicles, especially luxury models, are equipped with tracking systems and kept in a locked garage overnight.

Make sure you comply with these requirements or the insurer could decline your claim.

ADDITIONAL COVER

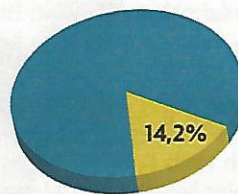
Many insurance policies also provide cover for trauma counselling and medical costs, Dawie Buys of the South African Insurance Association says. This could be useful if you've been the victim of a hijacking. There are conditions: some insurers only provide cover if you see a psychologist or registered counsellor. The cover generally varies between R2 000 and R5 000 for each incident.

Cover is usually only provided if you're not already covered by another medical aid or insurer.

QUESTIONS ABOUT HIJACKINGS

- 1** What security systems provide the best protection against hijackings? Tracking systems and immobilisers help but you have to exercise caution and not take unnecessary risks, Graham Craggs of Budget Insurance says.
- 2** What happens if I have a car loan? You probably also have comprehensive cover as financial institutions insist on vehicles being insured for instalment sales.
- 3** What is gap insurance? Insurance companies only provide cover for the resale value of a vehicle. Gap insurance covers the difference between the resale value and outstanding balance on your car loan.
- 4** How do I get gap cover? It's not automatically part of your insurance – you have to request it.
- 5** How can I reduce my insurance premium? Your vehicle loses value with age. The onus is on you to check the value of your vehicle and adjust your insurance accordingly. Security measures can reduce your premium by up to 20 percent.

HIJACKINGS UP BY 14,2%



Vehicle hijackings increased nationally by 14,2 percent this year, according to SAPS crime statistics published at the end of September.

Hijackings are by far most prevalent in Gauteng but are also on the increase in other provinces.

TIP! Check if your insurance includes vehicle hire if your car is stolen or has to go in for repairs.

GET MORE HELP HERE

- South African Insurance Association saia.co.za
- hippo.co.za
- Ombudsman for Short-term Insurance: osti.co.za of 0860-726-890

Opportunity makes a thief

– ENGLISH PHILOSOPHER AND STATESMAN FRANCIS BACON