

Making an effective claim

Today, we share with you one very important aspect of life insurance — making claims. Indeed, this is something which all of us would not hope for but when the inevitable happens; we want to ensure that our families get what was promised, promptly and hassle-free.

- **What are those situations that give rise to a life insurance claim?**

Generally, a life insurance claim arises in the following situations:

(i) on maturity of the policy i.e. completion of the term for which the insurance was taken in case of endowment policies; or

(ii) on death or total permanent disability of the life assured, if it occurs before maturity of the policy, provided the policy is in force on the date of death.

- **How soon should I notify the insurer?**

You or the claimant should notify your insurer as soon as possible so that they may send you the relevant forms to fill up. Generally, most insurers give you a period of thirty days from the date of the incident to notify them and to get the claims process going.

- **What are the documents required?**

Depending on the types of claims, the documents required may vary. Under a death claim, some of the most common documents are a certified copy of the death certificate, photocopy of the deceased's identity card, proof of the claimant's relationship with the deceased and other supporting documents as required by your insurance company.

However, under a medical and health insurance claim, additional supporting documents are required. These include all original bills and receipts, full physician/medical report stating the diagnosis, date the disability commenced and summary of the cost of treatment and referral letter.

- **How soon can I expect to receive my claims?**

As with most life insurance policies, they come with a two-year contestable period. If the insured dies within that period, the insurance company has the right to more thoroughly investigate the claim and make sure that no fraud or suicide (within the first 12 months) was involved in the death of the insured.

If fraud or suicide has been ruled out and you've submitted all the documents as required, you can expect to receive your claims within a month or earlier. You may visit the client charter published in the insurance



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companies' website for more details.

In any case, under the Insurance Act, insurers are obliged to settle the claims within sixty (60) days of receipt of notice of claim. Otherwise, the licensed insurers shall pay a minimum compound interest of four per cent per annum or such other rate as may be prescribed on the amount of policy moneys upon expiry of the sixty days until the date of payment.

- **Why are there delays in claims?**

Although many may not think so, life insurance companies do not take great pleasure in delaying or denying life insurance claims. Unfortunately, most times, a claim is denied or delayed because the claimants do not submit the required forms to get the claim paid or the applicant was not all that honest at the time of application. Here are some steps to avoid delays in life insurance payout:

(i) contact the insurance company directly and ask them exactly what is required

(ii) fax, Email and mail all required forms and information as soon as possible

(iii) call again a few days later to ensure your claim is being processed or see if they need anything else.

For most insurance companies, paying out claims in a prompt and proper manner is indeed the moment of truth for them. To ensure that you get what was promised, be sure that you understand the pertinent terms and conditions, especially on what's covered and what's not and do pay your premiums on time.

■ Next week, we'll highlight some of the options available if you encounter any difficulties in keeping up with your premium payments. Your Friend for Life article is contributed by the Life Insurance Association of Malaysia