

# Rands with Sense



## Credit Life Insurance

- This is a special kind of **insurance that pays your debt** in case you die while still owning the money.
- Normally it is also an **accident and health insurance**, which makes payments on the loan if you become ill or injured and can't work.
- Usually, this policy also **includes involuntary unemployment insurance**. This means that, if you lose your income due to no fault of your own, like unfair dismissal or retrenchment, the insurer of that debt will then make your minimum monthly payments for some time.
- If you have debt from a credit provider, **chances are that you do have credit life insurance** on that debt. So if you do become unemployed through no fault of your own, call all the credit providers that you owe money, explain your situation and ask them to assist you in getting the instalments covered by the policy.
- The Consumer Ombudsman states on their website that claims on credit insurance policies are significantly low, which suggests that **few people are mindful that they have credit life insurance** or how to claim.
- So remember, if you have credit life insurance on a debt, then **it is your right to be protected** against life's mishaps.
- It does **remain your responsibility to ensure** that you get what you are paying for and if not, you should report the credit provider to the Consumer Ombudsman.
- If you don't, your good name and **credit record may be negatively affected** and who knows, it may harm you should you may need credit for study loan for your child or a home for you family in future.

