

# Protect yourself

## - Avoid Deceptive Sales Practices

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We purchase insurance to protect ourselves and our loved ones from unforeseen financial perils like illnesses, death and theft. We also purchase insurance to enable us manage our projected financial obligations like payment of school fees. In this regard, we use insurance both as a financial mitigation and planning tool. Consequently, it is important that we purchase the right insurance product that we need to meet our desired objectives.

For us to purchase the right product, we need to identify our needs and understand the nature of the contract we want to get into before putting ink on paper. It is therefore important to know some of the deceptive sales practices and steer clear of them. This is because with increased development financial fraud has been on the rise and the insurance industry has not been left out. Should you become the victim of deceptive sales, you will not have only wasted the money paid for in premiums but you could also lose hundreds or thousands of shillings in un-payable claims

Deceptive sale practices simply put are those practices that are not sincere and are deliberately tailored to make someone purchase an insurance cover that they may not need or may not offer cover for that which they want insured. Deceptive sales practices are not unique to the insurance industry. Indeed, this is a problem that affects the entire market scenario regardless of the service, good or industry. Anyone can be a victim of deceptive sales practices. However, with a few measures and armed with the right information, you can protect yourself and make right insurance choices. The following are some tips on how to avoid deceptive sales tactics;

### VERIFY WHETHER THE COMPANY, BROKER OR AGENT WHO YOU ARE DEALING WITH IS LICENSED

In order to sell insurance, companies, brokers and agents must be licensed by Insurance Regulatory Authority (IRA). This also applies to any person engaged in other insurance businesses like loss assessors, investigators and adjusters among others. To be sure of their credibility you can check for their details on the IRA website. All licenses are issued on an annual basis and the licenses displayed should be for the current year.

### KEEP THE POLICY DOCUMENT AND OTHER PAPERS RELATED TO THE INSURANCE POLICY YOU ARE PURCHASING SAFE

When you decide to purchase any policy, always keep detailed records. Get all rate quotes and key information in writing. Also, keep a copy of all paperwork you complete and sign, as well as any correspondence, special offers and payment receipts. Once the paper work is completed and premium paid, you should receive an original of the policy document copy. This is always within some stipulated time. If you do not receive your copy within this time,



contact the insurance company or agent immediately

### INSURANCE "RED FLAGS"

Watch out for the following "red flags" that could warn you of possible deceptive sales:

**High-pressure sales pitch-** If a particular group or agent has contacted you repeatedly (and seems impatient), offering a "limited-time" offer that makes you uncomfortable or aggravated, trust your instincts and steer clear. You can also call their office to clarify on the product they are offering. There should be no pressure in signing any document and the agent should educate you more on what you are purchasing. If the agent does not seem to have answers to your questions related to the policy, seek for further clarification from other quarters such as their supervisor.

**Quick-change tactics-** Skilled scam artists will try to prey on your "time fears." They may try to convince you to change coverage quickly without giving you the opportunity to do adequate research. Remember to also individually fill in the proposal form and provide accurate details. Do not sign on any blank paper or give cash to an agent.

**Unwilling or inability to prove credibility-** A licensed agent, broker or insurer will be more than willing to show their registration documents as evidence of their credibility. If the agent you are dealing with is uncomfortable to show proof of having a license or referring you to his seniors, you have reason to doubt on his eligibility as a licensed intermediary. You can always confirm this from IRA or from the company he is acting on behalf of.

### • Get More Information

IRA is your best source of information on an insurance company, broker or agent, as well as the available products. If you suspect you have become a victim of deceptive sales practices, report to the IRA immediately with copies of all your documents

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