



IRA

INSURANCE REGULATORY AUTHORITY

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“Bima bora kwa Taifa”

TIPS ON BUYING INSURANCE

The major role of insurance is to pay some money, to make some repairs, to replace a destroyed or stolen property or to replace to some degree lost incomes following the death of a policyholder. There are two types of insurance i.e. general and life. General insurance pays money, replace lost or destroyed property as a result of misfortunes such as fire, strike, storm, pests, drought, flood, theft and the like. Life insurance, on the other hand, pays the policyholder if he survives the policy period or his dependents in the event of his untimely death or disability.

The problem that many people face when seeking to buy insurance is deciding which policy(s) to buy now! Below are some tips that may help you select the right insurance product for your needs:

If you own a motor vehicle or you are an employer, always ensure that you buy the compulsory motor

vehicle third party insurance and workers injury benefit insurance.

Plan to have a life policy which will pay some money to your dependents in the event of your untimely death. This can go a long way in assisting the family in settling down as they cope with the reality of the loss.

Take insurance for your treasured possessions such as business, home, crops or livestock because their loss will cause you financial loss that may be quite difficult to cope with, at times even changing completely the lifestyle of your family.

It is advisable to arrange for health insurance for yourself and family because sickness comes suddenly when money is not available. You may not even have no time for raising that money.

Education is increasingly becoming more expensive. However, the

future belongs to the educated and everybody would like their children to have the best education. It is not always possible to have enough money to pay school fees as well meet other competing needs of life. An education policy can take care of this by allowing you to pay small regular amounts from the time the children are born or when still young.

We are all growing old day by day. People are also more likely to live longer after retirement, thanks to medical advancement. That time you will not be able work due to old age yet you still have needs to meet. It is, therefore, advisable to arrange for income to rely on during these times. Life policies, investment plans, pension plans, annuities, and deposit administration schemes are best suited to meet old age needs.

Illness is a risk we live with right from birth to death. It is important to plan for illness in order not to be

caught unawares should it strike. Illness can at times be critical e.g. stroke or heart attack. Medical policies take care of hospital expenses incurred as a result of illness.

We are always exposed to accidents either falling off, getting mugged or hit by a vehicle or any object. Personal accident policies pay a given sum of money to the policyholder or his/her beneficiaries following an accident that often results in injury, disability or death.

In order to buy valid insurance, always ensure that the insurance agents you are dealing with are licensed by the IRA. Deal with an insurance company with an office near you. This saves a lot of time when you require their services.

IRA is passing a lot of valuable information

about insurance on TV (Vioja Mahakamani), both Swahili and vernacular radio stations, providing reading materials through its website or at its offices, in braille form and many other forms. You are encouraged to raise any issues regarding insurance with IRA using contacts availed here.



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