

### ⇒ Limitations

Also known as your coverage amount, your insurance limit is the maximum amount your insurer may pay out for a claim, as stated in your policy.

The amount to be paid for losses shall not exceed the value stated by you as the policyholder at the time of completing the proposal form.

### ⇒ Warranties

A warranty is a term in an insurance contract which must be exactly and literally complied with by the insured. Non-compliance to the warranty from even for reasons of necessity constitutes a breach. Breach of a warranty will discharge the insurer from liability under the policy automatically.



**DISCLAIMER: Each insurance company's policies are subject to specific terms and conditions.**

## ABOUT THE FINANCIAL SERVICES AUTHORITY

Established under the Financial Services Authority Act, 2013, the Financial Services Authority is responsible for the licensing, supervision and development of the non-bank financial services industry of the Seychelles.

In its mandate, the FSA has been working tirelessly to regulate the Insurance Industry, undertaking prudent supervision to promote the maintenance of efficient, fair, safe and stable insurance market for the benefit and protection of policyholders.

In recent years, supervision has been evolving and moving from a style that is compliance based to one that is risk based. Since mid 2016, the Insurance and Pension Section of the FSA has been working to implement such risk based supervision framework to our local market.

The framework is aimed at identifying the most critical risks that face each company and through a focused review by the FSA to assess the company's management of those risks.



## UNDERSTANDING YOUR INSURANCE POLICY

Website: [www.faseychelles.sc](http://www.faseychelles.sc)

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An insurance policy is a legal contract between the insurance company (the insurer) and the person(s), business, or entity being insured (the insured). Reading your policy helps you verify that the policy meets your needs and that you understand your and the insurance company's responsibilities if a loss occurs. Many insureds purchase a policy without understanding what is covered, the exclusions that take away coverage, and the conditions that must be met in order for coverage to apply when a loss occurs. The Financial Services Authority (FSA) would like to remind consumers that reading and understanding your entire policy can help you avoid problems and disagreements with your insurance company in the event of a loss.

### **Firstly a consumer need to become a policyholder before obtaining a policy document**

Steps to becoming a policyholder;

- ⇒ You need to understand your insurance needs
- ⇒ You complete and sign a proposal form
- ⇒ You pay your premium as agreement by both insurer and yourself
- ⇒ You obtain your policy document

## **Policy Document**

The policy is provided to consumer / policyholder only upon commencement of the policy and as you renew your policy annually you will be provided with a Renewal Schedule or Debit Note which will summarize the contents of the policy document.

It is very important that as a policyholder you keep your original policy document, in a safe place for further use in the event of claim.



**As you read your policy documents, pay close attention to these sections;**

### **⇒ Definitions**

Most policies have a definitions section, which defines specific terms used in the policy., and they will be useful to know in times of claim.

### **⇒ Exclusions**

The coverage provided by the insuring agreement can be limited elsewhere in the policy through exclusions. Exclusions states the circumstances in which the policy will not provide coverage, even if the insuring agreement would otherwise provide coverage.

### **⇒ Conditions**

Conditions are provisions inserted in the policy that qualify or place limitations on the insurer's promise to pay or perform. If the policy conditions are not met, the insurer can deny the claim.

### **⇒ Exceptions**

Exceptions limit the application of an exclusion such that it does not apply to the described circumstances or loss causes to particular perils named in the policy.

### **⇒ Excess**

An excess (also known as a deductible) is an amount the policy holder must pay if they proceed with making an insurance claim on their insurance policy. The amount to be paid for excess are discussed and agreed by both parties when you are purchasing the insurance cover.