

## YOUR MONEY SORTED



# INSURANCE AND DRINKING

By LETITIA WATSON

Send suggestions for topics and requests for info to [yourmoney@you.co.za](mailto:yourmoney@you.co.za). We may answer your questions in this column but won't reply personally.

The festive season is here but, remember, one for the road could cost you dearly!

### DRINKING AND VEHICLE INSURANCE

People don't always realise that drinking affects their insurance cover. If you drive under the influence you're acting unlawfully, which means that if you're involved in an accident your insurance company may decline your claim even if you weren't at fault, Willem Smith of Hollard warns. If your insurance company does pay, it may load your monthly premium because your drunk driving makes you a high-risk client. Make sure you know how much you can drink before you're over the limit.

### LIABILITY

Even if you have third-party insurance, an insurer can refuse to pay out for an accident claim if you've exceeded the legal alcohol limit. This means you'll have to bear all the costs of repairing your vehicle and also be held liable for damage to the other vehicle. You may also be held liable for legal costs and your and the other party's medical costs. The Road Accident Fund can also decline claims for an accident in which someone was driving drunk.

### LIFE COVER AND PREMIUMS

Heavy drinkers pay higher premiums because they're regarded as health risks. When you take out a life policy the insurer will ask how much you drink and what your alcohol consumption has been in the past. Each person's risk is assessed individually. Men can pay a higher premium if they have more than three drinks a day and women more than two drinks a day, Haley Taylor of Hollard Life says. Medical advice to stop drinking or a history of drunk driving also affects your premium.

### NO COVER

If you apply for life cover and you're regarded a risk because of your alcohol consumption you may be asked to have a liver test. The premium rate will then depend on the damage the test reveals and how serious your liver damage is, Taylor says. Your premium could be loaded by 50 percent. Severe liver damage could result in your life cover application being turned down, or you may get cover but death due to alcohol-related diseases will be excluded.

## 5 QUESTIONS ABOUT ALCOHOL AND INSURANCE

- 1 What if I refuse to be tested?** Refusing an alcohol test if you're the driver could result in your short-term insurer not paying out your claim.
- 2 Can I lose my cover?** Yes, if you drive under the influence and are high risk, the short-term insurer can refuse to insure you again.
- 3 What happens if my driver's licence has been suspended?** No vehicle insurer will insure an unlicensed driver.
- 4 What does "loading" your life insurance mean?** This is the amount by which the usual premium is increased and is based on issues such as how serious your health risk is when you apply for cover.
- 5 What are exclusions on life cover?** These are specific conditions that aren't covered and must be set out clearly in the policy document.

## 14% POSSIBLY DRUNK



At night on average one in every seven drivers on the road (about 14 percent) is drunk. Six out of 10 drivers who die in accidents have dangerously high alcohol levels in their blood. Nearly 3 000 adult pedestrians are killed on our roads every year, of whom 70 percent are drunk at the time of their death.

SOURCE: ALCOHOL.CO.ZA

**TIP!** Be honest when taking out insurance. If you've lied about the insurable risk, your claim could be declined.

### GET MORE HELP HERE

- fpi.co.za
- aasouthafrica.org.za
- saia.co.za

*Drink moderately, for drunkenness neither keeps a secret, nor observes a promise*

— SPANISH AUTHOR MIGUEL DE CERVANTES