

# What Events Short-Term Insurance Actually Covers

## DISCLAIMER:

This guide is for informational purposes only and does not constitute financial or insurance advice. Cover, limits, and exclusions vary between insurers and policies. Always review policy wording and consult a licensed financial services provider before making a decision. Bilnor Staffing Solutions accepts no liability for decisions made based on this guide.

## Understanding Short-Term Insurance

Short-term insurance in South Africa is designed to protect you financially against **sudden, unexpected events** that cause loss, damage, or liability. Unlike long-term insurance (such as life cover), short-term insurance focuses on **assets and legal responsibility** and usually operates on annual, renewable policies.

Cover and definitions are regulated under South African insurance law and overseen by the **Financial Sector Conduct Authority (FSCA)**.

## Core Events Covered by Short-Term Insurance

While cover depends on your policy and insurer, short-term insurance typically covers the following **events**, not routine wear and tear.

### 1. Motor-Related Events

Short-term motor insurance commonly covers:

- Vehicle accidents and collisions
- Theft and hijacking
- Fire and explosion
- Storm, flood, hail, or falling objects
- Damage caused by vandalism
- Third-party damage or injury (liability)

Cover applies depending on whether you have **comprehensive, third-party, fire and theft, or third-party only** insurance.

### 2. Home & Building Damage Events

Homeowners' insurance generally covers damage caused by:

- Fire, smoke, and explosions
- Storms, wind, hail, and flooding
- Burst geysers and water pipes
- Structural damage from falling trees or debris
- Earth movement (limited and policy-specific)
- Impact damage (vehicles, aircraft debris)

This applies to permanent structures like walls, roofs, garages, and built-in fixtures.

### 3. Household Contents Events

Household contents insurance protects your belongings against events such as:

- Theft following forced entry
- Fire and smoke damage
- Storm and water damage
- Accidental damage (if included)
- Vandalism

This includes furniture, appliances, electronics, clothing, and personal items inside your home.

### 4. Theft, Burglary & Hijacking

Short-term insurance often covers:

- Burglary with forced entry
- Armed robbery
- Vehicle hijacking
- Theft of insured items (subject to security requirements)

Claims usually require **proof of forced entry**, police case numbers, and compliance with policy security conditions (alarms, tracking devices, locks).

### 5. Natural and Weather-Related Events

In South Africa, many policies include cover for:

- Hailstorms
- Flooding and heavy rain
- Lightning strikes
- Wind and storm damage
- Fire caused by natural events

Some high-risk zones may have **special conditions or exclusions**, particularly for flooding.

### 6. Personal Liability Events

Personal liability insurance covers you if:

- You accidentally injure another person
- You damage someone else's property
- A legal claim is made against you for negligence

This is especially important for homeowners, pet owners, and parents.

### 7. Business-Related Events (If Insured)

For businesses, short-term insurance may cover:

- Damage to business premises
- Theft of stock or equipment
- Business interruption after insured events
- Public and employer liability claims

Cover is tailored based on the nature and size of the business.

### **What Short-Term Insurance Usually Does NOT Cover**

Most policies exclude:

- Wear and tear or gradual deterioration
- Mechanical or electrical breakdown (unless added)
- Maintenance-related damage
- Negligence or reckless behaviour
- Events not disclosed when the policy was taken out

Understanding exclusions is just as important as understanding cover.

Many South Africans assume they are “fully insured” until a claim is rejected due to **incorrect expectations or unmet policy conditions**. Knowing exactly which **events** are covered helps you avoid costly surprises.