



## Cancelling policy cover midterm.... Are you entitled to a refund?

**A**t some point, most of us have required some form of insurance. We either searched online, called or perhaps even visited different insurance providers and settled on an insurance policy. For any insurance policy, a premium (payment for the insurance) is paid by the client. This premium is usually paid periodically, as agreed, so as to ensure that the policy is active. When purchasing any type of insurance, there is usually a document provided to the customer. This is called the policy document. It outlines what is covered, what is not covered and as well details what happens when either party decides to cancel the policy midterm.

If you paid your premium and cancel your policy before the end of the term, the insurance company will refund the unused premium balance in most cases. Most insurers will prorate your refund based on the number of days your current policy was in effect, but

there are cases where insurance companies will not refund the premium for example if you lodged a claim, if your policy has run for over half the period, if you are involved in a criminal act, or having false declarations etc.

To cancel your existing insurance policy, you may send written instructions to your insurer or your agent.

Insurers typically are not allowed to cancel a policy midterm except in special circumstances. With few exceptions, an insurance company may cancel coverage during this period, (e.g) if the premium is not paid, or if you have not kept to the terms of the policy etc. The insurer must either mail or deliver to you a written cancellation notice.

For all matters insurance, reach out to us for professional advice and covers at the best price.