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**THE OMBUDSMAN FOR SHORT-TERM INSURANCE LAUNCHES ITS ANNUAL
REPORT FOR 2006**

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The Ombudsman for Short-Term Insurance launched its Annual Report for 2006 in Johannesburg today (Tuesday 27 March 2007 at 12h00).

During the period under review, the Office received more complaints than ever before and recovered the highest amount of money on behalf of consumers. An increase of 24,8 % in formal complaints saw the Office dealing with 7,187 complaints arising out of a rejected claim or other insurance related complaints in 2006. At the same time the Office recovered more than R67 million on behalf of consumers, the highest amount ever recovered by the Office in any one year.

“Despite the increase in work load the Office still maintained its excellent turnaround time to handle complaints, averaging 87 days. This can only be achieved through an excellent communication system, a competent staff and co-operation by the insurance industry”, says ex-Ombudsman, Helm van Zijl. Helm ended his tenure as Ombudsman for Short-Term Insurance in 2006. Brian Martin was appointed as the new Ombudsman with effect from January 2007.

The Report highlights the Ombudsman’s concern at underwriting managers who double-up to act as brokers as well. According to the Insurance Act, an underwriting manager should not deal with the public. “It is an unhealthy situation when you have a broker, underwriter and claims handler all in one person. When a claim arises this underwriting manager would reject the claim”, says Helm. As such it is not surprising that a number of complaints received by the Office arise from the rejection of a claim by such underwriting manager.

