

## **CEO'S REPORT AT THE ANNUAL GENERAL MEETING OF THE OMBUDSMAN FOR SHORT-TERM INSURANCE ON 29 SEPTEMBER 2020**

Good morning everyone and thank you for your attendance this morning. This is certainly the most well attended OSTI AGM that I have been at. This talks to one of the conveniences of working remotely and doing things online.

As our Chair mentioned, our office remains closed for now and we continue to work from home. We are in no rush to reopen the office and, for us right now, the risks of opening the office outweigh the benefits, especially as we have experienced, over the past few months, an increase in productivity levels. This can best be illustrated by running through some of the office statistics as they currently stand.

As at the end of August, OSTI had registered 9% more complaints and closed 19% more files than it did for the same period last year. The number of matters on the 6 Month List has decreased from 756 in January to 589 as at the end of August and our average turnaround time has dropped from 141 days in January to 136 days as at the end of August. Of all the complaints registered up until the end of August, 7% or 554 are COVID-19 related complaints, with 401 relating to business interruption (BI) cover and the remaining 153 to travel insurance.

In April and May, during the hard lockdown, we experienced a decline of around 25% in registered complaints but, since June, this number has recovered and we have now received 9% more complaints YTD when compared to August 2019. The majority of the BI complaints came to us in June and July, and since then we have experienced a decline in these types of complaints. On the other hand, the majority of travel insurance complaints were received in July and August. We set up a dedicated COVID-19 team within the SCH department to deal with these complaints. This was done to ensure consistency in decision making and to ensure that these complaints are timeously dealt with, given the sensitive context of these complaints.

Since the beginning of the year, we have had one resignation from a junior assistant ombudsman, who had been with us for one and a half years, and the position has been filled. Currently, in our internship program, we have 4 administrative interns, 3 of whom are in their second year, and 5 legal interns, 3 of whom are also in their second year. We have also, for the first time, entered into secondment arrangements with two legal firms and have two junior associates assisting us with the resolution of older matters. Our top priority continues to be the well being of our staff and we are very grateful that none of our staff have to date been directly and adversely affected by the coronavirus. We are of the firm belief that people and performance can, together, thrive.

Our "soft" amalgamation with the office of the Ombudsman for Long-Term Insurance (OLTI) continues. Both offices share a single Ombudsman, Judge Ron McLaren, we have a single email address, a single fax number, the ability to seamlessly transfer calls received from complainants from one office to the other, and a single website called the Insurance

Ombudsman Portal; with each office still having its existing ports of entry. We have not been in a position to progress beyond the soft amalgamation as Chapter 14 of the Financial Sector Regulation Act, which governs ombud schemes, has not yet come into force; it is due to come into effect on 1 November. In our recent engagements with the National Treasury (NT) and the Regulator, NT has indicated that all efforts are being made to ensure that Chapter 14 comes into effect on 1 November and that the Ombud Council will be in place on 1 November. NT has also indicated that, although the Ombud Council should be appointed by 1 November, it will not be in a position to carry out all of its functions straight away and that a project plan with timelines will be communicated to us. The Ombud Council will not, therefore, be in a position to receive and consider applications for recognition of industry ombud schemes on 1 November. The Financial Services Ombud Schemes Act remains in force until 31 May 2021 but the FSOS Council will not, in the interim, be reconstituted.

As mentioned by our Chair, with our respective board's and council's mandate, OSTI and OLTi have recently entered into exploratory discussions with the Banking and Credit Ombuds. These discussions are to explore the possibility of an amalgamation of these four schemes. After each scheme obtained a mandate from its governance body, we met with the NT and the Regulator at the end of July to gauge whether there was still an opportunity for the schemes to explore a "rationalisation" of the schemes. NT gave us its "blessing", so to speak, and said that it was very excited to hear that we were engaging in these discussions. Since meeting with NT and the Regulator, we have had several meetings amongst ourselves and we have scheduled a follow-up meeting with the NT in October. We have also been advised by the NT that, whatever work we do in exploring an amalgamation, will assist the Ombud Council in the work that it will need to undertake. We have also been advised that we need not await the outcome of the World Bank Diagnostic Report, which we have been told by the World Bank team should be with the NT by the end of the year. We will engage further with you as developments in this area unfold; for now, our engagements and discussion are exploratory in nature.

In closing, I would like to say a word of thanks, on behalf of the senior leadership team, to the Chair of our board, our board members, and especially those board members serving on the Crisis Committee. Thank you for your time, expertise, and incredible support during these trying and uncertain times. I would also like to thank you, our members, for being so diligent in paying your contributions and for your ongoing support of the office. Last, but not least, I would like to say thank you to everyone at OSTI, especially the senior leadership team, including Miriam, who are here today. Thank you all for your hard work, dedication, and resilience in these most challenging times.

Edite Teixeira-Mckinon

Chief Executive Officer