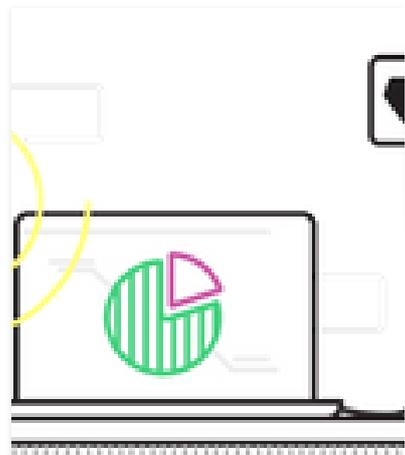




Q & A



Q&A

The Naked Difference: a new approach where the company, customers and causes all win

Oct 14, 2020 Media

Johannesburg, 13 October 2020 – AI-driven car, home and contents insurance provider, Naked, has announced that it has paid around R250,000



Couple to appear for possession of

Legal Ombudsman

The Policy wording stipulates what is Covered and Not covered under Buildings Cover

Nov 16, 2020 jonckie Building Cover, Ombudsman

An insured client needs to be well aware of the wording in his/her policy document as it details what is covered and not covered. Not every peril can be insured and insurers are well within their rights to rely on the signed policy document in a dispute about whether an insurance payout needs to be made!

The Case of the Collapsed Fibreglass Pool

In March 2018 the fibreglass shell of Mr F’s swimming pool cracked and he claimed against his insurance to repair the damage. However, Mr F’s insurer did not believe that the claim fell within in the ambit of his policy and rejected it.

Believing that the insurer was renegeing on its responsibility to payout, Mr F approached OSTI to mediate on the matter.

Mr F's claim

The initial basis of Mr F's claim was that his swimming pool's fibreglass shell had cracked due to the extended Western Cape drought. The pool, which had a very low water level at the time, suddenly developed a crack on the side on 11 March 2018.

The insurer rejects Mr F's claim

To validate Mr F's claim, the insurer appointed a building assessor to inspect the damage. In his report, dated 12 March 2018, the assessor found that as Mr F could not fill his pool due to the drought, the pressure from the soil on the side of the pool was too strong for the half-empty pool shell to withstand. This caused the shell to buckle and collapse. The assessor reported that Mr F had failed to use a pool cover to slow down the evaporation process and that the age of the pool shell had contributed to the damage.

The insurer also appointed a pool specialist to evaluate the extent of the damage. The specialist's report, dated 16 March 2018, confirmed the assessor's findings. In light of these reports, Mr F's claim was rejected on the basis that the damage fell outside of the cover offered by Mr F's policy. The insurer stated that the damage was not caused by an 'insured peril'. Rather, the damage had occurred gradually over a period of time, which was specifically excluded in terms of the policy. The insurer relied on the following provisions as the basis for its rejection:

WHAT IS NOT COVERED under Buildings cover



Wear-and-tear and breakdown

- any cause that was not sudden and unforeseen,
- gradual deterioration, including rising damp, wear-and-tear, rust, mildew or fading.

WHAT IS COVERED under Buildings cover

suspected stolen vehicles and goods

📅 Sep 8, 2020



Fortunately escape from injury in a house fire in

Florida

📅 Sep 6, 2020



Defining the Digitally Determined

📅 Aug 11,

2020

News



Car Insurance

Stolen Vehicle Recovery

Alleged hijacking suspect behind bars

📅 Jun 5, 2020 🧑 Media

The Northern Cape SAPS Organised Crime Detective Unit arrested one male suspect for recent alleged hijackings. On Friday, 1 May

- Fire, Explosion, earthquake;
- Subsidence;
- Acts of Nature; specifically loss or damage caused by wind, thunder, lightning, storm, hail, flood or snow;
- Bursting of water heating systems and pressurized water pipes;
- Theft;
- Power surges;
- Impact;
- Accidental damage;
- Alternations and additions;
- Fire brigade charges;
- Temporary accommodation, and
- Liability to other parties.

Mr F rejects the expert assessments

Mr F rejected the insurer's findings, saying that the insurer's appointed specialist had no expertise in the building, renovating or installing of pools, and merely sold pool equipment.

Mr F said the damage had occurred suddenly on 11 March 2018 and that he had, in fact, covered his pool for the duration of the summer months, specifically to prevent evaporation.

Mr F also felt policyholders should not be penalised because of the drought.

Although the case had already been closed on 1 August 2018, Mr F sent OSTI a report from another service provider dated 10 August 2018. By this time, the side of Mr F's pool had completely collapsed. The insured's service provider reported that the pool's fibreglass shell had been damaged as a result of tree roots protruding through the soil. It was, in fact, the roots that had pushed against the fibreglass structure causing it to bulge and eventually collapse.

Further to these new findings, Mr F asserted that he enjoyed cover since damage caused by tree roots was not specifically excluded in the policy documents.

Mr F also argued that the tree roots could have resulted in subsidence damage, which is an insured peril.

Lastly, Mr F stated that the terms and conditions of his policy were never communicated to him.

OSTI's findings



Plummeting road crash numbers and car usage to

reshape car insurance sector

📅 May 13, 2020



PPS Short-Term Insurance providing

relief for motor vehicle premiums paid for the month of April by means of a 20% discount.

📅 May 4, 2020



FCA What's Behind: Season 2, Episode

1 – The Engine Revolution

📅 Apr 29, 2020

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Having reviewed all the evidence, OSTI found in favour of the insurer saying there was no evidence that the damage was caused by an insured peril. Neither drought nor damage caused by tree roots was defined as an insured peril. OSTI also noted that even if the damage to the pool was caused by tree roots, this would have happened over time, despite the pool only cracking on 11 March.

OSTI found that there was no evidence to support the insured’s argument that subsidence had occurred.

OSTI also noted that the service provider appointed by the insurer did have the expertise to make an assessment on the cause of the damage to the pool.

Furthermore, Mr F had been sent the original terms and conditions of his policy and all policy updates.

OSTI upheld the rejection of the claim.

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