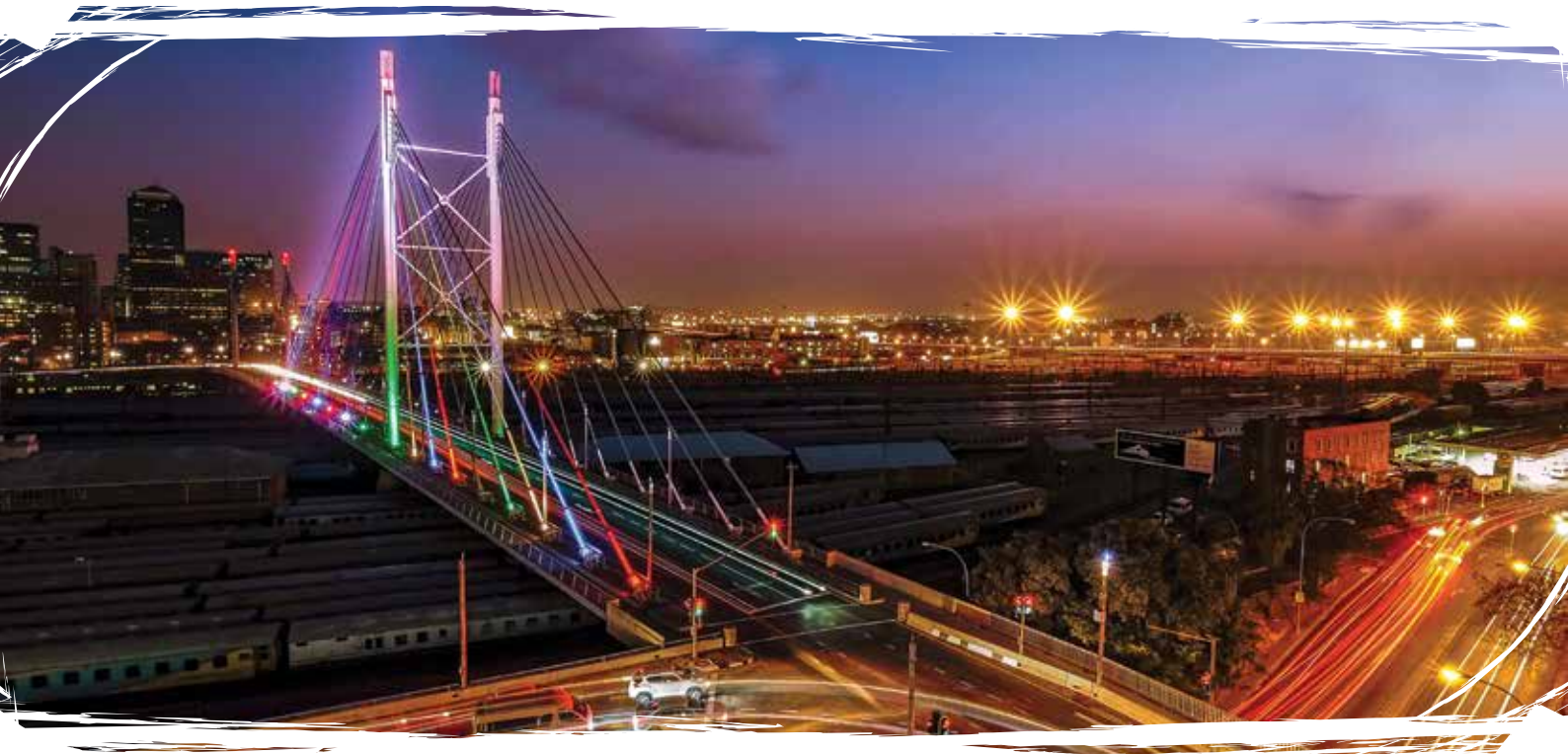


Explanatory Notes and INSURER STATISTICS



Explanatory Notes

1. The data must be understood in the correct context and it is therefore necessary to record some words of explanation in relation to these statistics.

Ombudsman's limited jurisdiction

2. The office of the Ombudsman has limited jurisdiction over commercial lines policies and, in any event, has jurisdiction for personal lines business only up to R2 million, save for home owners claims where the jurisdictional limit is R4 million. The statistics therefore focus only on personal lines claims (statistics provided by the Financial Services Board) and personal lines complaints received by this office. Commercial lines complaints which are not reflected in the statistics, represent only about 7.0% of total complaints to the office of the Ombudsman.

3. No adverse conclusions should be drawn against any insurer based purely on the number of complaints against them received by this office. Larger insurers issue proportionately more policies which cannot form the basis of a complaint to this office due to our jurisdictional limits. Thus, for example, when considering the percentage of complaints received by this office against a large insurer, the large insurer, upon a superficial analysis, therefore appears to attract a relatively low number of complaints. What is the more important statistic is the proportion of personal lines complaints relative to an insurer's share of the total personal lines claims reported to the Financial Services Board. The clearest indicator of this is column 5, being the number of complaints to this office per thousand claims received by an insurer. Where an insurer receives a high number of complaints to this office per thousand claims, this may be an indicator that claims are dealt with unfairly by the insurer. However, this statistic should be considered in conjunction with column 8, being the overturn rate. The overturn rate is an indicator that the decision of the insurer with respect to a complaint was changed in some respect by this office with some additional benefit to the insured. Further comments on the overturn rate appear below.
4. Please note that a claim can be received by an insurer in year one and a complaint in respect of that claim may be received by OSTI only in year two, hence the number in column 3 may be greater than the number in column 1. The statistics record the numbers received by insurers and by OSTI respectively during 2016.
5. Also note that under column 1, certain insurers are shown by the FSB statistics as having received no claims during 2016. This may be explained on the basis of either the company

issuing only commercial lines policies or that the company is dormant. We repeat that only personal lines statistics are included in the table as this is what has been received from the FSB (columns 1 and 2)

Overturn Rate

6. The overturn rate per insurer as shown in the table is for personal lines claims only. It excludes commercial lines claims. However, the overall 27% overturn rate mentioned in the Ombudsman's report includes both types of claims. If a high overturn rate is registered, this may, but not necessarily, indicate that the insurer is not treating its customers as fairly as it should. However the overturn rate should be treated with considerable caution as a high overturn rate can also be indicative of a high degree of co-operation being received by the Ombudsman's office from a particular insurer in resolving a complaint to the satisfaction of the customer. The Ombudsman takes into account the following two circumstances in determining the Overturn Rate:
 - a) The decision of the insurer is overturned by the Ombudsman by way of a recommendation which is accepted or by way of a Final Ruling.
 - b) A resolution of the dispute has been mediated by the Ombudsman with the insured receiving a benefit which he/she would not have received without the involvement of the Ombudsman.

General

7. Any media queries in relation to insurer statistics should be directed to the particular insurer.

	1	2	3	4	5	6	7	8
Name of Insurer	Claims received by Insurers (FSB statistics)	Share of claims received by the particular insurer (FSB statistics)	Complaints received by OSTI	Share of the total number of complaints received by OSTI	Number of Complaints received by OSTI per thousand Claims received by Insurer	Complaints finalised by OSTI	Complaints finalised with some benefit to the insured	Overturn Rate
ABSA Insurance Co Ltd *	169,800	5.30%	964	10.23%	5.68/1000	769	242	31.47%
Abacus Insurance Limited **	6,434	0.20%	8	0.08%	1.24/1000	9	6	66.67%
Chubb Insurance South Africa Limited **	652	0.02%	6	0.06%	0/1000	2	1	50.00%
AIG Insurance	20,501	0.64%	55	0.58%	2.68/1000	48	18	37.50%
Alexander Forbes Insurance Company	57,141	1.78%	153	1.62%	2.68/1000	108	15	13.89%
Allianz Global Corporate	215	0.01%	0	0.00%	0/1000	0	0	0.00%
Auto & General Insurance Company	103,420	3.23%	311	3.30%	3.01/1000	286	43	15.03%
Bidvest Insurance Limited	15,523	0.48%	64	0.68%	4.12/1000	47	7	14.89%
Budget Insurance Company Limited	66,266	2.07%	232	2.46%	3.50/1000	212	46	21.70%
Centriq Insurance	61,280	1.91%	165	1.75%	2.69/1000	137	48	35.04%
Compass Insurance Company Limited	1,130	0.04%	34	0.36%	30.09/1000	32	3	9.38%
Constantia Insurance Company Limited	53,054	1.65%	57	0.60%	1.07/1000	44	5	11.36%
Corporate Guarantee	0	0.00%	0	0.00%	0/1000	0	0	0.00%
Dial Direct Insurance Limited	44,764	1.40%	164	1.74%	3.66/1000	146	30	20.55%
Discovery Insurance	101,077	3.15%	233	2.47%	2.31/1000	189	53	28.04%
Emerald Insurance	0	0.00%	0	0.00%	0/1000	0	0	0.00%
First for Women Insurance Company Limited	43,308	1.35%	126	1.34%	2.91/1000	118	29	24.58%
Generic Insurance Company Limited	31,973	1.00%	49	0.52%	1.53/1000	38	12	31.58%
Guardrisk Insurance Company Limited	174,360	5.44%	475	5.04%	2.72/1000	442	213	48.19%
Hollard Insurance Company	363,898	11.35%	695	7.38%	1.95/1000	596	202	33.89%
Indequity Specialised Insurance Limited	2,385	0.07%	7	0.07%	2.94/1000	5	3	60.00%
Infiniti Insurance	24,644	0.77%	102	1.08%	4.14/1000	70	24	34.29%
King Price Insurance	54,836	1.71%	431	4.57%	7.86/1000	366	75	20.49%
Legal Expenses southern Africa Limited	30,512	0.95%	87	0.92%	2.85/1000	63	12	19.05%
Lion of Africa	7	0.00%	1	0.01%	0/1000	1	1	100.00%
Lombard Insurance Limited	995	0.03%	12	0.13%	0/1000	11	6	54.55%
Lloyd's South Africa	232	0.01%	1	0.01%	0/1000	1	0	0.00%
MiWay Insurance Limited	111,553	3.48%	516	5.48%	4.63/1000	416	32	7.69%
Momentum ST Insurance Company Limited	28,717	0.90%	97	1.03%	3.41/1000	70	3	4.29%

	1	2	3	4	5	6	7	8
Name of Insurer	Claims received by Insurers (FSB statistics)	Share of claims received by the particular insurer (FSB statistics)	Complaints received by OSTI	Share of the total number of complaints received by OSTI	Number of Complaints received by OSTI per thousand Claims received by Insurer	Complaints finalised by OSTI	Complaints finalised with some benefit to the insured	Overturn Rate
Monarch Insurance Company Limited	26,780	0.84%	16	0.17%	0.60/1000	16	12	75.00%
Mutual & Federal Insurance Co Ltd *	168,793	5.26%	630	6.69%	3.73/1000	533	133	24.95%
Nature Ltd	0	0.00%	0	0.00%	0/1000	0	0	0.00%
Nedgroup Insurance Company	62,563	1.95%	212	2.25%	3.39/1000	182	70	38.46%
New National Assurance Company Limited	31,818	0.99%	232	2.46%	7.29/1000	223	66	29.60%
NMS Insurance Services (SA) Limited	99,338	3.10%	6	0.06%	0.06/1000	5	3	60.00%
Oakhurst Insurance Company Limited	25,540	0.80%	216	2.29%	8.46/1000	178	52	29.21%
Old Mutual Health Insurance Limited	1,318	0.04%	3	0.03%	2.28/1000	5	2	40.00%
OUTsurace	279,437	8.72%	454	4.82%	1.62/1000	404	47	11.63%
Regent Insurance	44,322	1.38%	135	1.43%	3.05/1000	128	36	28.13%
Relyant Insurance Company Limited	327	0.01%	0	0.00%	0/1000	0	0	0.00%
Renasa Insurance Company Limited	61,773	1.93%	116	1.23%	1.88/1000	111	39	35.14%
RMB Structured Insurance Limited	58,106	1.81%	353	3.75%	6.08/1000	279	62	22.22%
Professional Provident Society Short-term Insurance Company Limited	177	0.01%	0	0.00%	0/1000	0	0	0.00%
SAFIRE Insurance Company Limited	6,457	0.20%	5	0.05%	0.77/1000	6	0	0.00%
SAHL Insurance Company Limited	24,026	0.75%	90	0.96%	3.74/1000	75	13	17.33%
Santam Limited	368,545	11.49%	617	6.55%	1.67/1000	553	146	26.40%
SASRIA SOC LIMITED	616	0.02%	2	0.02%	0/1000	2	1	50.00%
SaXum Insurance	0	0.00%	248	2.63%	0/1000	272	104	38.24%
Shoprite Insurance Company Limited	22,162	0.69%	33	0.35%	1.49/1000	26	18	69.23%
Standard Insurance Limited	117,958	3.68%	634	6.73%	5.37/1000	538	159	29.55%
Sunderland Marine Africa	0	0.00%	0	0.00%	0/1000	0	0	0.00%
Unitrans	2,922	0.09%	2	0.02%	0.68/1000	3	2	66.67%
Vodacom	90,979	2.84%	36	0.38%	0.40/1000	42	26	61.90%
Western National Insurance Limited	12,110	0.38%	170	1.80%	14.04/1000	109	32	29.36%
Workerslife Insurance Limited	8,745	0.27%	15	0.16%	1.72/1000	12	9	75.00%
Zurich Insurance Company Limited	122,768	3.83%	153	1.62%	1.25/1000	127	36	28.35%
TOTAL	3,206,257	100.00%	9,423	100%	2.94/1000	8,055	2,197	27.27%

Please Note:

* The Statistics for ABSA Insurance Co Ltd include statistics for ABSA Idirect and ABSA Insurance Risk Management Services Limited.

* The Statistics for Mutual & Federal Insurance Co Ltd include statistics for IWyze and Mutual & Federal Risk Financing.

FSB Legend

** Insurer change name during the 2016 period