

Insurer Statistics and Explanatory Notes



The opposite to utmost good faith is to act in bad faith. Many species of cuckoo are masters at this. They parasitize the nests of other birds by laying an egg, leaving it to the innocent host to bring up the young cuckoo. This picture shows a cuckoo egg in the nest of a Kurrichane Thrush.

Explanatory Notes

1. The publication of statistics relating to the workings of the Ombudsman's office is an innovation initiated by member companies which has been approved by the FSOS Council. However, 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 represent only 4.8% 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 than do smaller insurers. Thus, for example, when considering the percentage of complaints received by this office against a large insurer, the large insurer, upon a superficial analysis, appears to attract a relatively low number of complaints. What is a more important statistic is the proportion of complaints to this office relative to an insurer's share of the total 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 demonstrated a higher number of complaints to this office per thousand claims received, 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 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 the OSTI respectively during 2012.
5. Also note that under column 1 certain insurers are shown by the FSB statistics as having received no claims during 2012. This may be explained on the basis of either the company

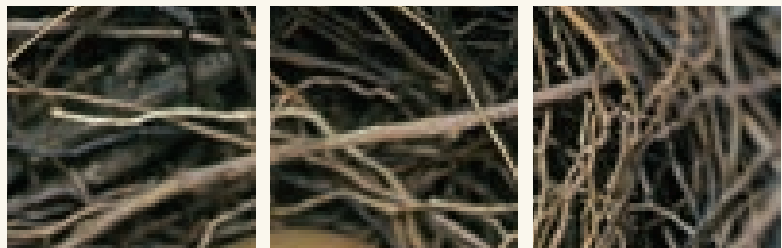
issuing only commercial lines policies or that the company is dormant. Only personal lines statistics are included in the table as this is what has been received from the FSB (columns 1 and 2)

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 33% overturn rate mentioned in the Ombudsman's report includes both types of claims. If a high overturn rate is registered against a particular insurer, this may, but not necessarily, indicate that the insurer is not treating its customers as fairly as it should with respect to its decisions on claims. 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 three circumstances in determining the Overturn Rate:
 - (a) The decision of the insurer is overturned by the Ombudsman.
 - (b) A resolution of the dispute has been mediated by the Ombudsman with the insured receiving any benefit which he/she would not have received without the involvement of the Ombudsman.
 - (c) There has been a Final Ruling in favour of the insured by the Ombudsman.

General

7. Any media queries in relation to a particular insurer's statistics should be directed to the insurer involved.



INSURER STATISTICS - JANUARY 2012 to DECEMBER 2012 (PERSONAL LINES ONLY: COMMERCIAL LINES EXCLUDED)

Name of Insurer	1	2	3	4	5	6	7	8
	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	286 956	10,68%	836	9,56%	3/1000	1 048	370	35,31%
Ace	337	0,01%	12	0,14%	0/1000	3	2	66,67%
Alexander Forbes	50 642	1,89%	119	1,36%	2/1000	135	47	34,81%
Allianz Global	0	0,00%	0	0,00%	0/1000	0	0	0,00%
Auto & General*	220 930	8,27%	1 206	13,82%	5/1000	1 317	577	43,81%
Centriq	16 148	0,60%	258	2,95%	16/1000	316	142	44,94%
Chartis (Now AIG Insurance)**	1 359	0,05%	41	0,47%	30/1000	56	22	39,29%
Compass	16 192	0,60%	59	0,67%	4/1000	68	10	14,71%
Constantia	22 965	0,86%	74	0,85%	3/1000	76	34	44,74%
Dial Direct	47 688	1,78%	411	4,70%	9/1000	417	183	43,88%
Discovery Insure***	12 471	0,46%	33	0,38%	3/1000	19	7	36,84%
Emerald	0	0,00%	0	0,00%	0/1000	0	0	0,00%
Etana	9 801	0,36%	39	0,45%	4/1000	34	13	38,24%
Guardrisk	148 224	5,52%	209	2,40%	1/1000	204	98	48,04%
Hollard	300 635	11,19%	626	7,17%	2/1000	783	294	37,55%
Indequity Specialised Insurance	2 001	0,07%	2	0,02%	1/1000	5	1	20,00%
Infiniti Risk Solution	22 498	0,84%	60	0,69%	3/1000	75	12	16,00%
JDG Micro	13 225	0,49%	16	0,18%	1/1000	17	11	64,71%
King Price***	999	0,04%	11	0,13%	11/1000	1	1	100,00%
Legal Wise	27 319	1,02%	42	0,48%	2/1000	39	13	33,33%
Lloyds	390	0,01%	17	0,19%	0/1000	36	10	27,78%
Lion of Africa	2 576	0,10%	38	0,43%	15/1000	99	44	44,44%
Lombard	0	0,00%	17	0,19%	0/1000	9	2	22,22%
McSure (Now Bidvest)**	6 365	0,24%	11	0,13%	2/1000	14	4	28,57%
Miway	64 113	2,39%	323	3,69%	5/1000	358	79	22,07%
Momentum	11 731	0,44%	31	0,35%	3/1000	43	12	27,91%
Monarch	24 371	0,91%	14	0,16%	1/1000	14	8	57,14%

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Mutual & Federal	145 909	5,43%	511	5,85%	4/1000	454	155	34,14%
Natsure	0	0,00%	6	0,07%	0/1000	8	1	12,50%
Nedinsurance	62 781	2,34%	249	2,85%	4/1000	301	98	32,56%
New National	26 305	0,98%	298	3,41%	11/1000	335	147	43,88%
NMS	106 984	3,98%	4	0,05%	0/1000	4	4	100,00%
Oakhurst	5 771	0,21%	216	2,47%	37/1000	264	84	31,82%
Old Mutual Health Insurance	388	0,01%	1	0,01%	0/1000	0	0	0,00%
Oursurance	284 576	10,59%	702	8,05%	2/1000	882	205	23,24%
R M B Structured	12 461	0,46%	307	3,51%	25/1000	273	135	49,45%
Regent	32 050	1,19%	224	2,57%	7/1000	312	143	45,83%
Relyant	20 620	0,77%	4	0,05%	0/1000	5	3	60,00%
Renasa	30 119	1,12%	59	0,67%	2/1000	96	47	48,96%
Resolution (Now Genric Insurance)**	5 950	0,22%	17	0,19%	3/1000	10	1	10,00%
S A Home Loans	24 736	0,92%	61	0,70%	2/1000	64	14	21,88%
SAFIRE	4 186	0,16%	9	0,10%	2/1000	3	1	33,33%
Santam	385 449	14,35%	833	9,53%	2/1000	839	292	34,80%
SASRIA	229	0,01%	0	0,00%	0/1000	1	1	100,00%
Saxum	3 231	0,12%	55	0,63%	17/1000	56	23	41,07%
Shoprite	9 690	0,36%	14	0,16%	1/1000	13	1	7,69%
Standard	118 479	4,41%	503	5,77%	4/1000	564	222	39,36%
Unitrans	2 652	0,10%	3	0,03%	1/1000	9	1	11,11%
Vodacom***	53 453	1,99%	5	0,06%	0/1000	3	2	66,67%
Western National	5 376	0,20%	31	0,35%	6/1000	43	8	18,60%
Zurich	34 701	1,29%	125	1,43%	4/1000	173	60	34,68%
TOTAL	2 686 032	100,00%	8 742	100%	3/1000	9 898	3 644	

* The statistics for Auto and General Insurance Co. Ltd include the statistics of Budget Insurance Co. Ltd and First for Women Insurance Co. Ltd due to these two insurance companies having been granted their own licences half way through 2012. In 2013 these insurance companies and their statistics will be reflected individually.

** Insurer who changed name during the year.

*** New insurer during the period.