

■ NATIONAL

Ombud for short-term insurance set to feel the fallout of Covid-19

A total of R94.9m was recovered in favour of consumers in 2019

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Almost 75% of complaints were about rejected accident claims. Picture: 123RF/DIMITRY KALINOVSKY

The impact of the coronavirus will be felt across the short-term insurance industry and by consumer Insurance (OSTI) said on Wednesday in its 2019 annual report.

The OSTI, which facilitates consumer disputes between short-term insurance companies and consumers, also reported a significant increase in complaints related to business disruption and travel in 2020.

CEO of the OSTI Edite Teixeira-Mckinon said that while the report does not cover the current context felt by the organisation, the industry as a whole, as well as consumers with some of the trends in it.

“Up until the end of March 2020 we had received, year on year, substantially more complaints, so t

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“But in April we saw a decline in complaints, and that was predominantly because 49% of our complaints were for motor vehicle insurance. With less vehicles on the road, there are less claims and therefore less complaints. So there

The OSTI closed 9,167 complaints out of 10,367 in 2019, which translated to more than R94.9m recovered prior two year’s R87m.

Complaints for motor vehicle insurance made up 49% of the total number of received complaints, for commercial insurance, complaints decreased to 7.9%, while household content insurance grievance

Teixeira-Mckinon said keeping the communication open and resolving disputes timeously and effectively, citing that there are already concerns regarding potential cancellations of insurance cover as a result of the lockdown.

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