



South African Insurance Association

3rd Floor, JCC House, 27 Owl Street, Milpark, 2029 • PO Box 30619, Braamfontein, 2017
Tel +27 11 726 5381 • Fax +27 11 726 5351 • info@saia.co.za • <http://www.saia.co.za>

Ronnie Napier: Speaker's notes

Official opening of the Randburg Alcohol Testing Centre (29 September 2009)

Honourable Mayor of Johannesburg, MEC's, Deputy Chairman of Business Against Crime South Africa, representatives of the short-term insurance industry, valued officers and leaders of the JMPD and SAPS, members of the media, ladies and gentlemen;

It is my honour to deliver an address today, on behalf of the short-term insurance industry, at the official opening of the Alcohol Testing Centre here in Randburg. This centre, the second of its kind in Gauteng, is the result of a South African Insurance Association (SAIA) road safety initiative in co-operation with Business Against Crime South Africa and the Johannesburg Metro Police Department. Road safety initiatives are being implemented by the SAIA in an attempt to curb the high accident rate in South Africa, and to thereby ensure that motor insurance remains affordable. Motor insurance, our largest class of business, is under considerable pressure with around 70% of insurance claims being road accident related and alcohol consumption is a factor in many of these instances.

SAIA, on behalf of its members, has since 2002 donated funds to BACSA in an effort to fight crime. Since our involvement with BACSA began, motor theft has reduced by around 50% (measured per thousand vehicles) and is no longer the primary cause of concern for motor insurers, although still important. Instead, road safety has become an area of great concern.

This year, R1 535 000 was donated to Business Against Crime SA on behalf of SAIA members. These funds were used for BACSA's Violent and Organised Crime initiative which includes vehicle crime and other crimes such as business robberies and household robberies, and the rest of the funds enabled the creation of this alcohol testing centre as part of SAIA's strategy to address the current road safety problems.



Directors: RS Napier (Chairman), MC Truter (Deputy Chairman), NV Beyers, CF De Jager, TM Devitt*, MR Durek+, CW Hitchcock, MS Isaacs*, K Kennedy, A Khilosia, IM Kirk+*, A Klennert+, NG Kohler, SI le Hane*, BN Madhav*, AL Mhlanga, RJ Moletsane, HR Moses*, JJ Ngulube, MS Paton, WT Roos, MA Samie, SH Schoeman, B Scott, RT Stephen*, M Tyikwe*, PG Walters*, CN Zungu*

*Allermates, + German, ++ Irish

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0860 002526
insurance@fraudline.co.za

The reasons for the current road safety problems are many – the age of our vehicle car park, the lack of compulsory roadworthiness testing, alcohol abuse and the general poor attitude towards road safety of our drivers. The ever increasing frequency of vehicle accidents can be partly attributed to the vehicle population estimated at over 9.5 million and the inability of the road infrastructure to cope with the increase in traffic density.

Road safety problems such as drunk driving have also impacted on the cost of comprehensive motor insurance, with the steep increase in the cost of claims contributing to a decline in profitability. Many of SAIA's motor insurance members have recognised a problem in terms of motor vehicle accident related claims that are linked to alcohol. In fact, some of our members have indicated that, of the accident related claims where alcohol testing was undertaken, an estimated 80% of the claims end up being rejected.

In addition, if South African citizens continue to have a spirit of unlawfulness when it comes to driving, including driving under the influence of alcohol and drunk driving, motor insurance premiums could peak to unaffordable levels which could mean that people might not be able to afford motor insurance cover. Insurance premiums reflect levels of risk, and if the risk of accident is perceived as extremely high, higher premiums will follow. Therefore, should we be unable to address the reasons for high accident rates in South Africa, it would lead to a negative impact on consumers (extreme financial stress and unhappiness) and ultimately the economy. It is vital that drivers and insurance companies start working together to ensure that motor insurance premiums remain available at an affordable price to the current and future policy holders of South African motor insurance.

Statistics show that 90% of all road accidents are preceded by a road traffic offence. Not only can serious traffic offences, such as driving under the influence of alcohol, end up in a tragic motor vehicle accident, with resultant loss of lives, assets as well as money, they can also lead to the driver of the vehicle ending up with a criminal record. Should someone be injured or killed in such an accident, serious charges can be laid at the door of the driver of the vehicle including culpable homicide. Even if an accident does not happen, and a driver of a vehicle is found to be disregarding the law, for example driving under the influence of alcohol, the driver can end up with a criminal record for the offence itself.

Most people would be very concerned about the fact that around 50 people are murdered in South Africa daily, however, not as many seem to be as worried about the fact that around 36 people lose their lives in road accidents daily. Arrive Alive further reports (2009) that:

- The number of unlicensed vehicles on the roads is 481,000
- The number of unroadworthy vehicles on the roads is 377,000
- There is a total of 970 000 expired licences
- There is a total of 233 000 expired Professional Driving Permits
- 90% of road accidents are preceded by a road traffic offence
- It is estimated that the cost of road accidents to individuals, commerce, communities and the country tops R38 billion per annum
- Annually more than 13 000 lives are needlessly lost. Of these 15 are pedestrians and 3 are killed in taxi-related incidents
- Around 20 people are permanently disabled on our roads every day
- More than 7000 people are left maimed each year by poor attitude and behaviour on our roads

Despite these horrific statistics, road safety is not a national priority, and no government / business partnership exists to combat this scourge to society. Is it not time that everybody gets together to try to put a stop to this appalling carnage? South Africa can not afford to continue with the current appalling losses when something can be done to address the present unacceptable statistics.

It because of the unacceptable losses of many human lives and the cost of the high accident rates on our economy as well as on our industry that the South African Insurance Association is increasingly giving attention to road safety matters in addition to our historical attention to vehicle and other crime in South Africa.

Adèle Joubert

SAIA Public Relations Officer

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