



South African Insurance Association

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Media statement on OSTI releasing of industry statistics

The South African Insurance Association (SAIA) fully supports the publication of statistical information relating to the adjudication of short-term insurance complaints by the Ombudsman for Short-term Insurance (OSTI). This enhanced transparency is a positive step in the fair treatment of customers, said the SAIA's General Manager: Technical, Suzette Strydom, after the OSTI released statistics on the number of complaints to his office as a percentage of total claims and the overturn rates of rejected claims. It is the first time that such statistics have been released to the public and it is done with the full support of the short-term insurance industry.

"The SAIA is not in a position to comment on the individual performance of its members. However, we strongly support the releasing of these statistics as it will give our members the opportunity to measure themselves against industry benchmarks and guide them toward improved market conduct practices. It will also provide some touch points for the better application of the Treating Customers Fairly framework principles, currently being introduced in South Africa by the Financial Services Board (FSB)," she said.

"The statistics will also put the SAIA in a position to monitor its members' progress in complying not only with the spirit of Treating Customers Fairly (TCF), but also with all six fairness outcomes to be introduced in terms of TCF," added Strydom.

Strydom confirmed that the SAIA Code of Conduct is in place to ensure that members follow fair business practices in all areas of their business, including claims handling.

Although the SAIA Code of Conduct is an excellent tool for the self-regulation of SAIA member companies, the SAIA has not previously had the benefit of statistical information to assess performance in terms of compliance with the Code," Strydom said.

The OSTI was originally set up by the SAIA on behalf of its members in 1989 as an independent adjudicator to provide an affordable, impartial and speedy resolution of complaints about the rejection of claims by insurers for the benefit of policyholders. The OSTI became completely independent of the SAIA in 2002 when it was incorporated as a then Section 21 company with an independent unitary Board and has since been regulated in terms of the Financial Services Ombud Schemes Act by the Financial Services Ombud Schemes Council.



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“The SAIA is extremely positive about the valuable role the OSTI performs and encourages policyholders to refer their complaints against insurers arising out of rejected claims to the OSTI,” Strydom emphasised.

The SAIA Board confirmed the SAIA’s and its members’ commitment to treating customers fairly, moving towards entrenching the TCF outcomes in business practices, as well as the SAIA Code of Conduct at its Board meeting held on 21 May 2013.

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