

Read the small print!

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The office of the Ombudsman for Short-Term Insurance is concerned that many consumers are often not aware of the policy's obligations or the consequences of non-compliance.

Brian Martin, the Ombudsman for Short-Term Insurance, says consumers have to make sure that they read and understand the conditions of their policy contract before they agree to its terms.

Martin was responding to the high number of rejected motor vehicle and household theft claims his office had received from consumers in the 2007-2008 financial year.

Launching the office's annual report, Martin said his office had recovered R113 million from insurers on behalf of consumers.

This amount, he said, was the highest ever recorded in any one year and that it represents a 28% increase over the recoveries made in the previous year.

Martin attributed this success to factors such as the introduction of the principle of proportionality in settlements, stricter enforcement of the Policyholder Protection Rules (PPR) and an increase by 7,4% in the volume of complaints received.

Of concern to Martin is the decline in the average turn-around time to finalise complaints.

He ascribes this to the loss of professional staff and the increase in the number of complaints they receive.

He says his office had made only one ruling during the year compared to the seven made last year.

According to Martin some insurers expressed a desire for an appeal mechanism to be put in place against formal rulings made by his office, but this was rejected.

Source: *Sowetan*