

Insurance ombuds are future fit to tackle post-Covid era

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With the lifting of the dark clouds of the Covid-19 pandemic, the ombudsman for long-term insurance (OLTI) and the ombudsman for short-term insurance (OSTI) are looking ahead and planning with optimism.



In a joint [annual report](#), which has as its theme 'Shaping our Tomorrow', the two insurance dispute resolution schemes said a highlight of the 2022 financial year has been the granting of recognition as industry ombud schemes by the Ombud Council in terms of section 194 of the Financial Sector Regulation Act, 2017.

The Ombud Council has a mandate to oversee financial ombud schemes and assist in ensuring that they provide customers with access to affordable, effective, independent and fair alternative dispute resolution processes for financial complaints.

Much progress was also made during the year towards the amalgamation of the four industry ombud schemes, being OLTI, OSTI, the ombudsman for banking services, and the credit ombud.

Denise Gabriels, deputy ombudsman for OLTI, said meetings between members of the four ombudsman schemes have had the benefit of fostering working relationships amongst the offices and a better understanding of one another's operations and challenges.

OLTI reported it had received 7,126 chargeable complaints (8,163 in 2021) while OSTI ended the year with 11,542 registered complaints (9,797 in 2021).

OLTI and OSTI jointly placed more than R330m (R331,134,101) in the hands of complainants. OLTI recovered R220,836,922 for complainants in lump sums and an additional R857,544 was awarded as compensation. OSTI recorded payment of R109,439,635 as the monetary benefit and value for consumers who approached the office for assistance.

Tribute was paid to Judge Ron McLaren who retired at the end of 2022 as joint ombudsman for OLTI and OSTI.

Gabriels said Judge McLaren not only had an open-door policy, but he lived it. "He was always available to give guidance when one was stuck with a particularly difficult matter. He left no stone unturned in his investigation of a matter and treated every person's view with respect."

She welcomed Judge McLaren's replacement, Judge Margie Victor, saying: "We look forward to the fresh insights and

guidance she will bring, especially as we transition to an amalgamated financial ombud scheme.”

Edite Teixeira-Mckinon, CEO of OSTI, said Judge McLaren will be remembered especially for his integrity and fairness, and his respect for the dignity of all persons. “His quiet strength and confidence made all who worked with him feel strong and confident,” she said.

After more than 20 years, OLTi has moved to new premises 'just around the corner' at Claremont Central Building, Vineyard Road, Claremont.

Four new members subscribed to the OLTi scheme in 2022, viz. Long Life Insurance Limited, Guardrisk Microinsurance Limited, NMS Insurance Services (SA) Limited and Old Mutual Alternative Risk Transfer Limited.

Teixeira-Mckinon said of the 11,542 complaints registered by OSTI during the 2022 financial year, 39 were Covid-19-related complaints, 57 were SASRIA-related complaints arising from the civil unrest in July 2021, 202 related to power surge complaints, and 647 related to the KwaZulu-Natal floods of April and May 2022.

She said, despite experiencing a substantial increase in complaints, the increased workload was managed by the same staff complement and the average number of days taken to resolve complaints decreased by 16 days from 138 days in 2021 to 122 days.

Tribute must go to all the staff who worked tirelessly to end the year on a healthy operational performance, said Teixeira-Mckinon.

For the first time, OSTI embarked on the INSETA workplace-based learning programme for unemployed youth and had two learners in this programme. The programme aims to give learners work experience, thereby increasing their chances of gaining permanent employment and contributing to the economy.

The OSTI achieved an average customer experience rating of 78 out of a target of 80 (97,5%) for 2022. Customer experience surveys are sent to both insurers and complainants on the finalisation of a complaint.

As a result of OSTI's engagements with the South African Insurance Association, Financial Sector Conduct Authority, and the non-life industry, four new members joined the scheme, viz. Escap SOC Limited, Guardrisk Microinsurance Limited, Aurora Insurance Company Limited and Clientele General Insurance Limited.

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