

Car crash and wildfire claims to hit insurers after holiday carnage

By [Moyagabo Maake](#)

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The festive season has not been kind to the country's largest insurers and they expect car crashes "mostly in KwaZulu-Natal" and wildfires raging across the Western Cape to lead to a surge in claims.



Source: [Sullivan Photography](#)

Motor vehicle accidents

Transport minister Dipuo Peters is due on Tuesday to deliver comprehensive statistics on national road accidents, which she has said had risen 16% year on year from December 1 to December 19 2016.

The preliminary figures showed there were 684 fatal car crashes during that period in which 845 people had died.

But short-term insurer Hollard said it was difficult to assess the holiday season right now.

"A clearer picture is only expected to emerge over the next week or so," said Marvin Tshezi, claims manager in Hollard's personal lines business.

Mutual & Federal, another short-term insurer, said it would only be able to share its statistics on vehicle claims next week.

Western Cape fires

Wildfires, which broke out in the Western Cape last Wednesday, have taken a toll on insurers. Santam estimated total claims to the value of R20m, based on those received so far. On January 5, the company had registered 27 claims for damage to residential and commercial property.

Donald Kau, head of corporate affairs at Santam, said an accurate assessment of the replacement costs of damaged property was a challenge. The effect of the fires on Santam's profitability would be determined by reported underwriting margins, giving a full picture of the claims received over the past 12 months, he said.

The margin measures profit after claims and expenses. It expected to release its 2016 financial statements towards the end of February or early March.

Competitor, Outsurance said it had also received claims relating to the Somerset West fires, but could not yet quantify them.

Theo Lane, spokesman for the City of Cape Town's fire and rescue services, said that although the fires had been contained, firefighters were still battling with hotspots.

While a final assessment of damage across the Western Cape was yet to be received, Lane estimated the structural damage to property at about R53m. But MMI spokesman Lerato Mametse said subsidiary Momentum's short-term division had emerged unscathed.

"Momentum short-term insurance has actually seen a decline in claims in December 2016 in comparison to November 2016," she said.

"This, however, is not yet a true reflection as clients have up to 30 days to report claims; some holidaymakers will most likely report their claims when they come back from holiday," Mametse said.

Source: *Business Day*

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