

POLICYHOLDERS

Premium relief for some vehicle insurance clients

Insurers acknowledge motorists are doing very little driving during national lockdown

EDWARD WEST

VEHICLE insurance companies are making plans to help their clients in the tough financial circumstances that have been created by the national Covid-19 lockdown.

Discovery Insure said on Thursday that it was offering a motor-premium relief benefit to clients for May, based on how far clients drove during April. Most motorists will drive very little during the April lockdown.

For example, if a Discovery Insure client drives less than 500km in April, they will receive a 25 percent discount on their May premium for that vehicle. If they drive more than 500km in April, they will receive a 15 percent discount.

Discovery Insure chief executive Anton Ossip said the risk of being in an accident was greatly reduced during the lockdown, and the company could use its telematics data to ensure clients were paying a premium that was truly reflective of their risk, particularly when their income might be affected by the national lockdown.

Small and medium-business clients of Discovery Insure, who were severely impacted by the national lockdown due to being not able to generate income, could apply to defer their next two months' premiums and repay them over a period.

The measures were in addition to other announcements by the firm in the first week of the lockdown, such as the postponement to July of premium renewal increases for clients whose anniversaries were in May or June.

Santam Group, the largest general insurer, has made R200 million available as Covid-19 relief to help clients and suppliers and contribute to the government's Solidarity Fund.

Santam chief executive Lizé Lambrechts said R135m of this would go to help Santam clients in financial difficulty – both personal lines clients and SMMEs, with premium relief support



MOTORISTS are not doing much driving because of the lockdown. With the risk of being in an accident reduced and many people suffering financially, some insurance companies are providing policyholders with premium relief. | DAVID RITCHIE African News Agency (ANA)

over the next two months.

The R200m included a R25m contribution from Santam subsidiary, MiWay, which had offered their motor policyholders a 10 percent discount on their premiums for April.

Standard Bank Insurance was implementing a 25 percent cash-back relief on its car insurance premiums.

The cashback was part of the range of insurance relief initiatives.

The cashback would be paid back 14 days after the lockdown ends to clients who were up to date and continued to pay their car insurance premiums over this period.

"South Africa is under lockdown. As such, our clients are staying at home

and most are not using their vehicles. It made sense to find a way to provide them with some financial relief when it comes to car insurance," said Dr Nolwandle Mbalo, the managing director of Standard Bank Insurance.

If the lockdown is extended, Standard Bank Insurance would adjust the client's cashback and extend it to cover the full period of the lock down to ensure that they get the maximum cash back.

The cashback for each month would be calculated separately.

Old Mutual has made several options available to its insurance clients over the short term or one to three months, including a premium defer-

ment option with a delayed payback over a set period; leniency on missed debit orders where customers have lost or experienced reduced income because of Covid-19; reducing premiums by allowing customers to amend cover temporarily; and an immediate relief programme for the group's iWYZE motor insurance customers in the form of a three-month 7.5 percent discount on motor premiums.

Old Mutual said Covid-19 was likely to result in a weak and recessionary post-lockdown economy and a weak exchange rate.

Therefore, premiums were likely to increase in the coming months, the group said.

