

Non-essential insurance claims on hold till after lockdown

The short-term insurance will continue processing all valid and essential claims during lockdown, but only for those related to activity classified as "essential" under the latest regulations. Any other claims (repair/replacement of certain insured items/assets) will be resolved only once the lockdown has been lifted.



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While premium collection remains an integral part of ensuring both the operational sustainability of insurance companies and their ability to settle any valid insurance claims made by policyholders, the industry also recognises that the current circumstances are not business-as-usual, and therefore requiring a more pragmatic approach, the South African Insurance Association (SAIA) says.

The association advises policy holders, who are battling to pay their premiums due to the the Covid-19 lockdown to speak to their financial intermediary (broker) or insurer.

Supporting suppliers

"Insurance companies also appreciate the value that suppliers of goods and services provide in safeguarding the sustainability of the industry as well as services their policyholders, and therefore, the commitment to assist suppliers, in particular small businesses (SMMes), as much as possible during these difficult times," SAIA said.

"The industry will continue to procure services from suppliers as and when they can, depending on the nature of claims received and within the provisions of the recently promulgated Regulations on the classification of essential services. Insurance companies will also expedite payments for work done to assist with the cash flow of their suppliers, whenever possible."

Individual insurance companies have already, and will continue to, put different measures in place to assist policyholders who are impacted negatively by Covid-19 and the resultant lockdown, on a case-by-case basis, SAIA said.

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