

# Insurers crunch numbers as storms clear

Short-term insurers are still assessing claims after last week's freak storms, just months after catastrophic events in the southern and Western Cape hit profits.



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The latest storms - which ripped through Gauteng, Mpumalanga and KwaZuluNatal - damaged homes, schools and hospitals. This led to KwaZulu-Natal premier Willies Mchunu declaring the province a disaster area.

Santam said the events had placed its claims team under severe pressure. It had deployed its emergency management plan, involving dispatching special claims teams to affected areas to work directly with intermediaries and customers.

"In situations like these, our priority is always to assist with emergencies, especially in cases where individuals have lost nearly everything as a result of the extreme weather events," said Ebrahim Asmal, Santam's executive head of claims.

"In such situations, it usually takes a number of days to get a full picture of the damage, the cost and the extent of the claims received," Asmal said.

Santam would be able to provide information on the extent of the damages in two days, he said.

Rudolf Britz, chief actuary at short-term insurer Momentum, said they experienced an increase in property damage claims

due to extreme weather.

"There is much talk about the causes of these events. We certainly are starting to receive more claims for extremeweather property damage than we have previously," he said.

Increasing population pressure resulting in more properties being built that are exposed to the elements, contributed to a rise in claims, Britz said.

The rising incidence of extreme weather events could push insurance premiums up.

"Traditionally, one can underwrite risk that happens in isolation and balance that against the broader pool, where conditions are stable," said Britz.

"But once the entire pool is affected by more frequent and more severe events, then the whole pool has to contribute.

"This means that premiums must increase by more than inflation as events become more frequent and more severe."

**Source:** *Business Day*

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