

Unveiling Santam's new initiative to tackle insurance crime surge in South Africa

Santam has revealed its collaboration with the South African Fraud Prevention Service (SAFPS), a non-profit organization dedicated to combating the growing rates of insurance crime in the country.



Source: [Pexels](#)

In 2021, the Association for Savings and Investments South Africa detected 4,287 fraudulent and dishonest insurance claims to the value of R787.6m across all insurance categories. A sharp increase of more than 29% from the previous year's 3,186 fraudulent and false claims worth R587.3m.

According to Jerry Chetty, head of business integrity at Santam, the partnership augments Santam's ongoing efforts to reduce insurance crime and to limit the negative impact on society and the financial sector.

"As a member of SAFPS, Santam can access information of consumers who have been listed for confirmed fraudulent activity and also identify individuals who may have become victims of identity theft."

He says the partnership fosters collaboration between 100 corporates, governmental organisations and other NPOs aiming to eradicate fraudulent financial transactions by sharing details of suspected identify theft, impersonations and other fraudulent activity.

Chetty explains that an insurance contract is based on the principle of good faith, which requires honesty, sincerity and integrity from all parties.

Chetty says in recent times he has seen an increase in policyholders providing false and misleading information during the underwriting or claims stage and warns that this could have detrimental repercussions.



Santam launches digital insurance for micro township enterprises starting at R75

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Chetty stresses that submitting false or inflated claims is a criminal offence.

Apart from rejecting a fraudulent claim and reporting a criminal case to the South African Police Services; Santam will also as part of its partnership with the SAFPS, share the *prima facie* evidence of confirmed fraudulent activity with the SAFPS community.

“This could have implications for policyholders as other organisations in the community will be able to access this information and use it in their own assessment and client selection processes,” warns Chetty.

Promoting awareness and honesty

He urges South Africans to be mindful when providing information to insurers during policy applications or when lodging a claim as insurance fraud is a serious crime with potentially severe consequences.

Chetty’s advice is that all stakeholders must be honest and transparent when dealing with their insurers. Chetty adds that the SAFPS provides many free services to protect citizens against identity theft and scams.

He advises anyone who suspects they may have fallen victim to scammers to take immediate action. SAFPS services include:

- Protections registration if you suspect you were a victim of identity theft;
- The use of biometric authentication when transacting: www.securecitizen.co.za;
- Yima assists citizens with protecting them against scams: www.yima.org.za;

“Through this partnership we hope to reduce the destructive economic impact of insurance crime and improve societal values,” concludes Chetty.

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