

INSURANCE CLAIMS

ALL CLAIMS EXCEPT MOTOR VEHICLES

BACKGROUND

The Council insures all its assets against theft, damage, loss etc. with an Insurance Company for the purpose of protecting and safeguarding such assets against circumstances beyond its control.

FREQUENCY: QUARTERLY

CLUSTER: VARIOUS

DOCUMENTATION REQUIRED

- Master Claims Register
- Claim forms
- Insurance policies

AUDIT OBJECTIVE

To ensure that all claims are timeously reported and re-imbursed by the insurers
And all policies and procedures have been adhered to.

AUDIT PROCEDURES

- Ensure that all claims reported to the Insurance Division are recorded in the master claim register whereby a claim number and a job number are allocated for the use on claim forms/works order/invoices and all correspondence relating to the individual claims.
- Ensure that there is an individual register for every type of insurance cover e.g. combined and all risks. Claim numbers obtained from the master claim register must be recorded under individual register records.
- Ensure that a file is opened for individual claims.
- Check that the relevant department has been advised of claims involving damage to Council property so that quotation/estimates may be prepared as soon as possible.

- Ensure that all events are reported no matter how insignificant they may be. Check that claims are reported in time to avoid repudiation by the insurance company.
- Ensure that accidents, theft or criminal offences which give rise to a claim are reported to the SAPS. Check that details of the person to whom a case has been reported have been obtained including a reference number of the police.
- Ensure that the correct claim form is fully completed and properly signed.
- Examine the claim form to ensure that it contains the required details such as a clear and understandable description of the circumstance surrounding the loss and full details of the third party.
- Verify the estimates on damage and check the arithmetical calculations to ensure that it is correct.
- Check that a debit has been raised against the insurance.
- Ensure that when settlement cheques are received they are deposited in the Council's account and an official receipt is issued reflecting the received amount and this amount must be recorded in the individual claims register records.
- Ensure that details of the claims have been recorded in the individual registers and that the claim files are closed off and filed.
- Ensure that in cases where Council officials are fraudulently responsible for losses, steps taken against such an official are indicated and be aware that the official concerned is regarded as being excluded from the cover afforded by the policy unless the insurances confirm in writing to the contrary.

MOTOR VEHICLE CLAIMS

- Check that accidents, losses and damages are reported to the Council's insurance division.
- Ensure that accidents, thefts or other criminals, which result in a claim in terms of the policy, have been reported to the SAPS. Check that the reference number of the police has been recorded on the claim form.
- Ensure that the driver of the vehicle has fully completed and signed the claim form. A photocopy of the drivers licence and photocopy of his/her identity book must accompany the claim form.

- In the case of other parties concerned, especially other vehicles, details of the other parties should be supplied, such as the name and address of the owner, name of the driver, registration letters and number of vehicle.
- Check that the request the claimant has submitted is in writing to the insurance division or the brokers. Ensure that claim letter, summons, notices, are forwarded to the brokers without delay.

DAMAGE TO VEHICLES

- Ensure that two quotations are obtained for the re-instatement of the damage to vehicle from any of the nominated panel beaters.
- Check that the panel beaters invoice is approved and certified by the relevant/responsible official before a cheque is issued against the insurance suspense account.
- Check that the settlement cheque received from the insurance company has been posted to the appropriate debtors account.
- Ensure that vehicles damaged beyond repair or stolen must be cancelled and the original cancellation of registration certificate must be submitted to the Council's insurance brokers.
- Check that in the case of stolen vehicles the keys of the vehicle must be submitted to the insurance brokers.