

# Crime big worry for consumers

What is most concerning consumers\* is crime related risks, with unemployment a growing concern. Less of a concern are motor vehicle accidents and burglary, possibly due to the lockdown.



Source: @schmidt13 [123rf](#)

The findings form part of the 2020/2021 Santam Insurance Barometer on insurance trends, a survey that measures the collective concerns of participants - consumers, intermediaries, and corporations / commercial entities - to identify insurance-related trends, perceptions and client needs.

The survey shows that the challenging economy, political unrest, the pandemic impact on businesses, cybercrime and climate change are among the top risks highlighted by all the groups polled.

More than 950 respondents across the country were polled during the study, which was done between 2020 and 2021.

## Notable trends

Over the past 18 months 50% of consumers reduced the number of kilometres driven each week by an average of 44%, from 162km to 90km per week. In tandem with this, 16% of consumers upgraded their computers and connectivity to enable them to work from home, and three in four people reported an increase in their use of technology.

This was offset by a significant decline in motor vehicle claims, which normally accounts for a significant share of personal insurance claims.

“This change in behaviour was evident in Santam’s claims experience – while there was a notable rise in buildings (16%) and household content (6%) claims (the second and third largest claim categories respectively),” says Andrew Coutts, Santam’s head: intermediated distribution.

It is noted that even though there was a decline in claim volumes, there was a significant hike in the average value per claim in the motor category. The severity of vehicle accident damage likely increased as a result of more people speeding, due to having less vehicles on the road.

#### *Key findings of the study*

- 44% of respondents thought motor vehicle accidents were a major risk (2019 - 58%)
- 43% considered burglary / house-breaking a major risk (2019 – 56%)
- 27% hijacking (2019 – 32%)
- 27% rising crime (2019 – n/a), (did not previously feature)
- 26% theft (2019 – 41%)
- 23% unemployment (2019 – n/a)
- 16% pandemics (2019 – n/a)
- 15% muggings / robbery (2019 – 20%)
- 14% accidental loss / damage (2019 – 5%)
- 10% theft / cloning bank cards (2019 – 21%)

#### *Impact of Covid-19 on consumers*

- 81% of consumers reported a negative impact due to the pandemic
- 60% experienced financial loss, i.e. unable to work / contribute to household finances whilst household expenses increased
- 81% of those who experienced financial loss were able to use savings to see them through
- 19% borrowed money from friends and relatives, 8% were able to draw on insurance policies
- Only 1% cancelled short term insurance policies – home contents, all risk and motor vehicle
- 26% were offered premium relief by their insurers and 93% say this eased their financial burden
- 2% switched to a different insurer
- 59% reduced restaurant outings / food takeaways, when looking to reduce expenditure
- 45% reduced their travel / petrol, clothing, footwear, accessories expenditure
- 33% hobbies, sports and gym expenditure
- 28% groceries
- 23% TV subscriptions
- 19% domestic travel
- 15% cellphone contract
- 10% repayment of debt
- 10% school fees, etc.

“A thriving insurance sector is a critical cog in any healthy economy. Insurance makes people and businesses more resilient. Adequate cover helps them to bounce back when things go wrong.

“The knock-on effect of this is that they have more financial confidence, which means they will be happier to spend more in their personal lives and invest in their businesses; both serve as the lifeblood of economic growth,” says Coutts. \*  
(compared to other polled groups)

Read the full report [here](#)

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