



**SUNDAY SUN** Sunday 25 July 2010

# **NOW HEAR THIS!** WITH **KENNETH MESHOE**

## **I smell collusion between insurance companies ...**

**R**ECENTLY, a young man drove into my car causing great damage to it. After reporting the accident to my insurance company, they sent an assessor to give a quotation for the repairs to my car. My insurer then recommended that I use a particular panel-beater, approved by them.

I was not impressed with the workshop of the recommended panel-beater and so took my car to a panel-beater of my choice. Their quotation was higher than the quotation from my insurer. My insurer was not happy with my preferred repairer even though, in my view, my preferred repairer was more professional than theirs. I then asked my insurer to get me a second quotation.

When I looked at the second quote they sent, I was surprised to notice that the figures were exactly the same as those of the first quote!

“How is it possible that two different panel-beaters in two different cities can give a quotation that is exact to the last cent?” I asked myself. “Was some form of collusion taking place?” I was just asking.

According to the Competition Second Amendment Act, No 39 of 2000, “an effective competitive economic environment balancing the interests of workers, owners and consumers and focussed on development will benefit all South Africans.”

The two quotations I received from my insurance company did not indicate any competition from the two panel-beaters they referred me to.

When different panel-beaters agree to repair a car they have not seen for a price that has been pre-determined by another party, it raises suspicions of possible collusion that is prohibited by the above-mentioned Competition Act.

Whereas an agreement between two companies not to compete against each other may benefit owners of such companies, does such an agreement benefit consumers? Does such an agreement not have “the effect of substantially preventing or lessening

competition in a market” thereby leaving the ordinary man on the street with no option but to acquire the most expensive product? I’m just asking.

My hassles with an insurance company are not unique. A fellow Member of Parliament told me of another insurance that refused to pay for the repairs to her car.

She said that not long after having the oil and water levels of her car checked by a petrol attendant at a garage, her car started to overheat. When she opened the bonnet, she discovered that the radiator cap had not been closed properly, and that water was leaking.

She immediately called the garage where the water and oil levels had been checked. After explaining to the garage owner what had happened, he promised to look into the matter and call her later. The garage owner later called to tell her that the attendant who assisted her denied having touched her car radiator and thus that the garage was not responsible for the damage to her car.

**W**hen she reported the damage to her car to her insurance company, the insurance company accused her of negligence and told her that they would not pay for any repairs because she should have ensured that the petrol cap was properly closed.

Should this lady have been expected that the radiator cap was not properly closed? Do we not take out insurance for the very reason of being protected when damage is caused to our cars or other insured property? Why does it seem that insurance companies are willing to take our monthly premiums but are very unwilling to pay out? I’m just asking.

■ **The Rev Kenneth Meshoe MP is the president of the African Christian Democratic Party**