



CIB ADJUSTMENT

EFFECTIVE 1 MAY 2023

DEAR VALUED CIB CLIENT,

Over the last eighteen months, the motor insurance industry has experienced many challenges. While there was a decline in motor vehicle usage and accidents during the pandemic, the motor accident frequency has returned to pre-Covid-19 levels.

You would have noticed that the increases being implemented on policy renewals are higher than in previous years. This is because of numerous contributing factors, such as:

- Car thefts are up over 100% and the recovery rate is down substantially.
- Not increasing premiums during the Covid-19 period.
- Reinsurance costs have increased disproportionately because of the heavy losses reinsurers have experienced in South Africa.
- Inflation on motor spare parts has increased at above 25% and our average motor repair cost has increased by 35% over the last eighteen months.

The above challenges have affected the motor insurance industry drastically.

The ancillary services listed below have exhibited extraordinary and above-inflationary increases in the last eighteen months, too. CIB had initially absorbed a large proportion of these increases and despite their best efforts to contain these costs; they are now forced to adjust these sections to re-balance the systemic shift in market conditions.

They will implement the following changes effective 1 May 2023:

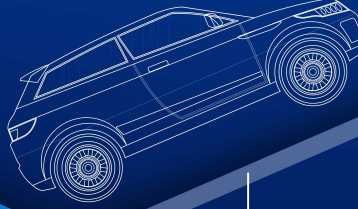
- Emergency Home Assist will be increased by R32.50 per month.
- Personal Lines Motor Assist will be increased by R32.50 per month.
- Commercial Lines Motor Assist will be increased by R32.50 per month.
- Car Hire will be increased by R32.50 per vehicle per month for all options (30, 45, and 60 days).

Why is your motor insurance premium increasing?

Reinsurance costs are up by
25%
as a result of massive losses experienced in South Africa

Car thefts has increased over
100%

30.84%
Average cost per claim increase over a 36-month period



The following factors impact your motor premium increase:

Towing and Roadside Assist rates have increased by 32%

Car-hire rates have increased

Car-part availability remains a challenge which leads to delays on repairs, increase in car-hire days, cost of parts and operations.

Average motor repair cost has increased by 35% over the last 18 months

Inflation on motor spare parts have increased by 25% in last 12 months



011 455 5101
www.cib.co.za

CIB (Pty) Ltd is an Authorized Financial Services Provider FSP No. 8425. Underwritten by Guardian Insurance Company Limited FSP No. 75.

Should you have any queries, please contact our offices.
We thank you for your valued and continued support.

Kind Regards,
1.618 SHORT TERM SOLUTIONS



1.618 Short Term Solutions is a registered Financial Service Provider - FSP No. 49705

© 1.618 Group

This email was sent to {{contact.EMAIL}}
You've received it because you are a part of the 1.618 Group.

[Unsubscribe](#)

