

COVER

— Knowledge Shared —

Cyber Risk THE NEXT PANDEMIC?

WHY RENASA,
ROGER?



**BECAUSE THEY HELP US
OUTCOMPETE OUR
COMPETITORS, ARCHIE!**

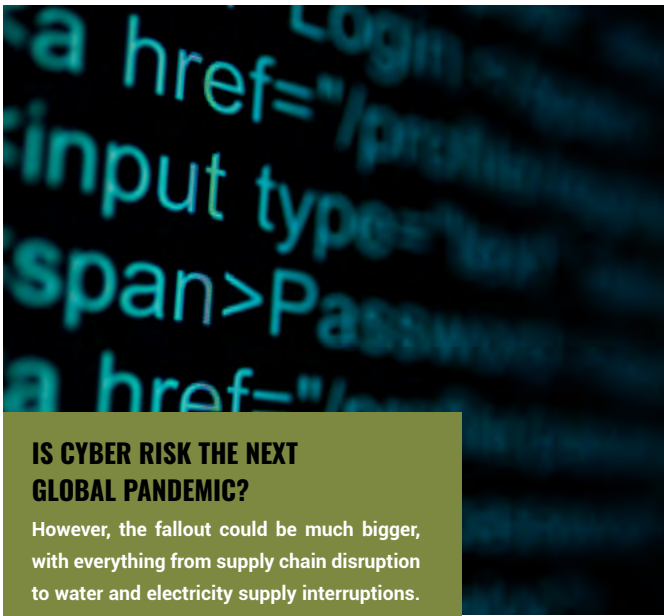


INTERESTED?

Email Michael Clack
michael.clack@renasa.co.za

 **RENASA**
INSURANCE COMPANY LIMITED

THE BROKER'S BEST FRIEND
www.renasa.co.za



IS CYBER RISK THE NEXT GLOBAL PANDEMIC?

However, the fallout could be much bigger, with everything from supply chain disruption to water and electricity supply interruptions.

CYBER RISK

Sign up & Download our Digital magazine for free by visiting: www.cover.co.za



27

GEORGE PARROT

Interpol estimates that nine out of every 10 African businesses are operating without the necessary cybersecurity protocols in place.



31

ALFRED BANDA

Now, more than ever, the need for reassurance and empathy places intermediaries in a position to identify their clients' vulnerabilities and to put smart safeguards in place.



53

NETSTAR

Insurers know all too well criminals' penchant for certain types of vehicles which affects how much you pay for insurance on these vehicles.



79

WIMPIE VAN DER MERWE

You can't connect the dots looking forward; you can only connect them looking backwards. So you have to trust that the dots will somehow connect in your future.



The views expressed in this magazine do not necessarily represent those of its owners, publishers or editorial staff. Editorial contributions sent to COVER are subject to editorial change to suit the style of the magazine. All manuscripts, photographs and other similar matter are accepted on the understanding that no loss or damage is borne by the publisher, the editor or their personnel.

End-to-end insurance administration software

OWLS™ Software is an end-to-end, cloud-based full function administration software for our clients entire business needs.

We are proud service providers to insurance companies, UMA's, administrators, intermediaries and financial services companies.

Over 1 billion transactions per annum

Over 10 000 admin features

Over 27000 registered monthly users



InsurTech 2022
Lead Sponsor

CONTENTS PAGE.

CYBER RISK

<i>The importance of device and connectivity management</i>	12
<i>"Why Cyber Security Insurance is Crucial for Risk Mitigation"</i>	15
<i>Little confidence in dealing with cyber-attacks</i>	17
<i>Vigilance needed to mitigate risk of costly cyber attacks</i>	19
<i>Six ways CFOs can stay ahead of hackers</i>	22
<i>Why aren't more SMEs taking cybersecurity seriously?</i>	24
<i>'Working from anywhere means threats are everywhere'</i>	27
<i>Cyber breaches put businesses at risk for major losses</i>	29

FINANCIAL PLANNING

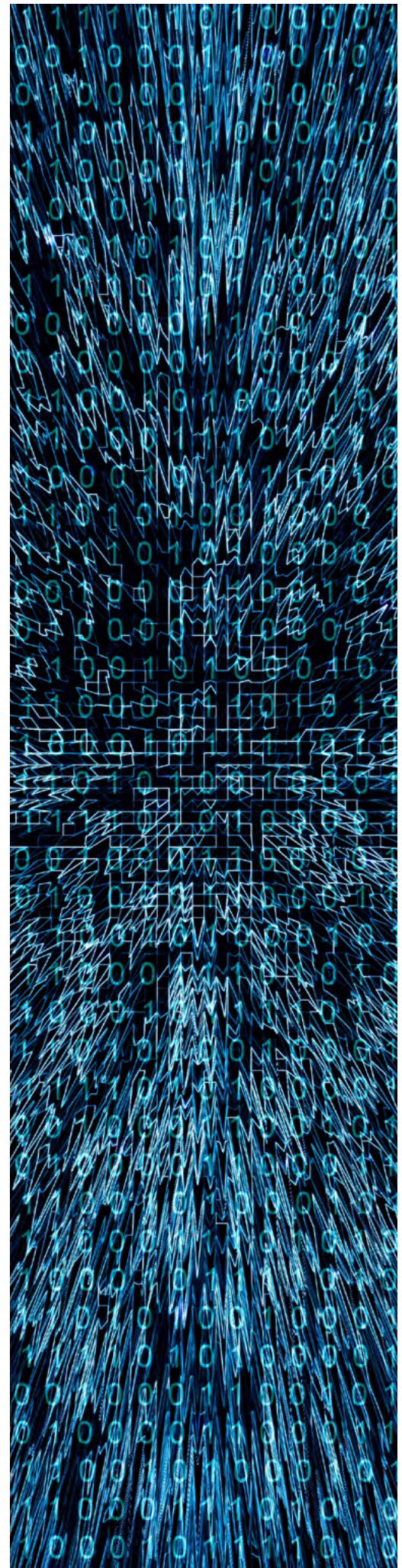
<i>How intermediaries can protect vulnerable clients</i>	31
<i>Does long-term investment planning have a place in an ever-changing world?</i>	34
<i>Memories of exchange controls still haunt local investors</i>	35
<i>Unclaimed benefits: is the retirement fund industry doing enough?</i>	37
<i>The real cost of grief without proper estate planning</i>	41
<i>Growing the long-term insurance industry in times of economic downturn</i>	43
<i>Advice imperatives and the lingering impact of covid</i>	47
<i>Ten top tips on the planned two-pot system for retirement savings</i>	49
<i>GapCare Offers More Healthcare Options</i>	51

SHORT TERM INSURANCE

<i>More to vehicle insurance than what you drive and where you live</i>	53
<i>Tech trends bring new risks for insurers</i>	56
<i>How to mitigate climate-change related risks?</i>	59
<i>Bringing innovation to life with LAUNCHPAD</i>	61
<i>Managing short-term insurance adverse trends</i>	63
<i>The role of loss adjusters in the evolving insurance industry</i>	65
<i>Building our future through education</i>	68

TECHNOLOGY

<i>Reimagining financial advice in a data rich world</i>	71
<i>Thriving in the Digital Age of Insurance</i>	75
<i>Don't make your customers pay for your bad tech</i>	77
<i>The need for empathetic customer experience</i>	79
<i>Speed To Market in the Insurance Industry</i>	81
<i>Reengineering the customers journey</i>	85





IT TAKES 78
SPECIALISTS
TO CHANGE
A SKYLINE

Expertise makes it possible.

Behind every modern marvel is a team of experts who take innovation to the next level. In insurance, having a risk solutions partner that understands your business the way you do is crucial to protect it. With over 101 years of experience and being the leaders in specialist underwriting across a broad range of industries, you can be sure we'll use our technical expertise to offer you quality insurance solutions to protect your business.

Santam. Insurance good and proper.

AVIATION/HEAVY HAULAGE/MARINE/TAXI • ENGINEERING/CONSTRUCTION/CORPORATE PROPERTY/REAL ESTATE •
HOSPITALITY/PRIVATE CLIENT/TRAVEL • GUARANTEES/LIABILITY • STRUCTURED INSURANCE • AGRICULTURE/CROP
Santam is an authorised financial services provider (licence number 3416).



Welcome to COVER

Knowledge Shared

Editor's Note



TONY: EDITOR IN CHIEF

INSURING CYBER RISK: NOT FOR THE FAINT

Cyber risk is one of those areas that requires quite varied expertise to manage and insure. The challenge is that brokers must advise their clients on risks that are so complicated and have so many facets, that the risk to the broker is massive. However, with brokers increasingly taking up their role as risk advisers, they will need to develop the relevant skills, even if it is just the skill of using cyber risk professionals to ensure their advice is sound.

Cybercrime changes daily and the technology that people and business use is getting more sophisticated by the day. How do brokers then advise their clients without exposing themselves? Big thank you to our contributors for their participation in this feature where we unpack the the risks and share suggestions on how to protect clients.

Look out for our Cyber Risk E-book, where we will host several more opinion pieces which we could not fit into the magazine. Enjoy the read!

Confidence Rule 50:

**THE BEST THINKING
IS FUTURE-THINKING.**

KINGJAMES 55298

More rewards
to look forward to.
Sanlam for Professionals
now with Wealth Bonus® Booster

When your clients take out a qualifying* Sanlam Premier Insurance solution and invest in a qualifying* Sanlam Cumulus Echo Retirement Plan, not only will they get Wealth Bonus®, they will also be rewarded with Wealth Bonus® Booster for being a professional.

More value. And more rewards to look forward to.

To find out more, visit www.sanlam.co.za/professionals.

*Ts & Cs apply.



Live with confidence

[Financial Planning](#) | [Investments](#) | [Insurance](#) | [Retirement](#) | [Wealth](#)

Sanlam Life is a Licensed Life Insurer, Financial Services and Registered Credit Provider (NCRCP43).

Security



CYBER RISK

" Interpol estimates that nine out of every 10 African businesses are operating without the necessary cybersecurity protocols in place "

- GEORGE PARROT, COMMERCIAL PARTNER, KING PRICE

0.017-000!101!!!000!0101!

THE IMPORTANCE OF DEVICE AND CONNECTIVITY MANAGEMENT



If not, then there is a significant risk of disruption to operations if devices and data cannot be managed, controlled, or accessed in real-time. The ability to gain visibility and control of one's device and SIM fleet also opens the opportunity for companies to develop new revenue streams through digital services and products or increase their operational efficiency.

MAKING IT REAL

But what does this mean for a business? For example, a food delivery company needs to notify restaurants that there is a new order, notify its drivers to pick up that order and notify customers when food is on the way. To coordinate these events on a large scale considering that thousands of orders must be processed every minute, the food delivery company must have access to their devices and SIMs that communicate the status of the order both to and from the kitchen.

Another example can be found in a security company. Given the nature of the business, it must immediately send an armed response team to a home if an alarm is triggered. Therefore, the security company must be notified in real-time whenever there is a breach in a security system via live data. Using devices installed with networked SIMs, security businesses can ensure that their panels are always able to transmit these critical events.

Device and connectivity management becomes significantly more crucial when a company owns thousands of highly distributed assets. It is not operationally or financially viable to travel to each asset to perform routine checks and maintenance. For instance, a traffic management solution must access data from traffic lights all over a city to regulate traffic flow. A gaming company that lets thousands of slot machines to casinos throughout the country needs access to asset data to ensure slot machines are in working order.

With companies embracing digital transformation, the well-known practice of managing SIMs and devices to mitigate against out-of-control data costs and inefficient use of business application devices take on new importance.

Today, many businesses require a combination of device and connectivity management to form the cornerstone of their output. Device and connectivity management can be defined as the process of controlling, monitoring, maintaining, and configuring devices and SIMs remotely.

If access to device data through cellular connectivity is the lifeline of a company's business model, then device management is the key to sustaining this with connectivity management being the golden thread tying everything together. If access to device data is mission-critical to the organisation, then device management is imperative.

GETTING THINGS IN PLACE

Like with most internet of things (IoT)-related business deployments, device and connectivity management can quickly become very complex. The difficulties can be tripled when a business must deploy an 'at-scale' solution. Something as straightforward as sourcing an IoT device or a SIM can become a chaotic and time-consuming process which takes time away from a company's main operational focus. Furthermore, the expertise, resources, and experience required to build a management platform and infrastructure from the ground up are greatly underestimated by many.

Often, companies do not consider aspects such as the deep domain expertise necessary, the continuous engineering required to keep the environment running optimally, the importance of partnerships with key industry players, and the time it takes to develop an IoT device management platform that works. When built internally, device and connectivity management projects require a company's team to decide which services are needed and then piece together a complex infrastructure from developer manuals.

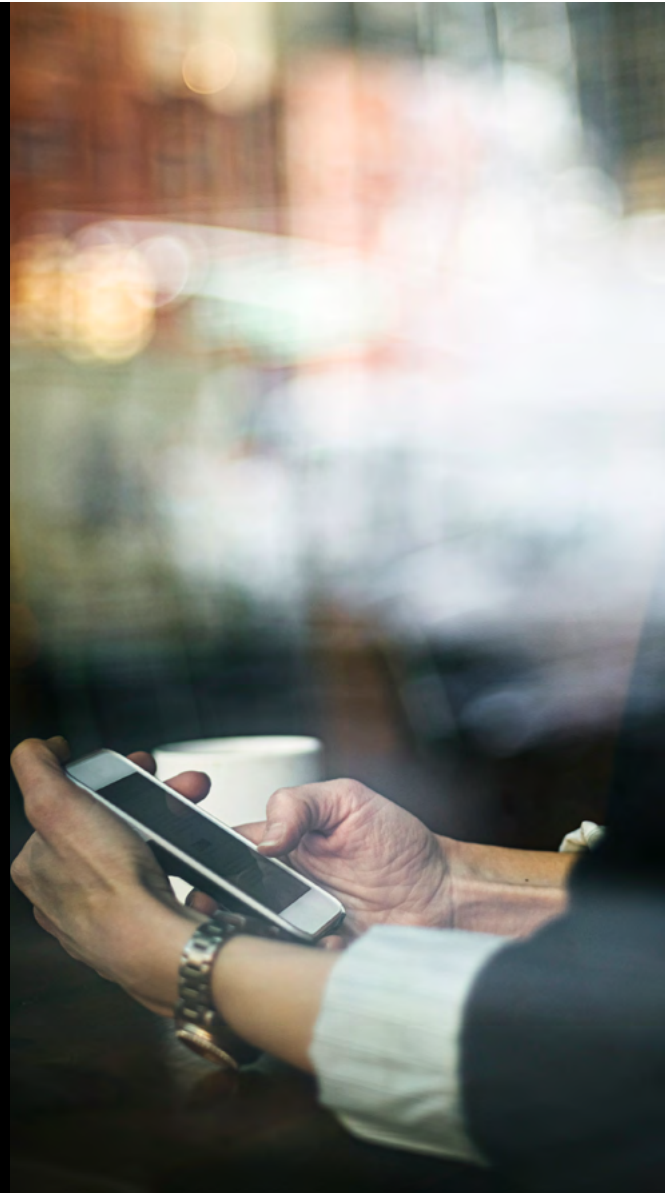
Ultimately, this takes the focus away from their core responsibilities. If the newly-built infrastructure has weaknesses, it will only be a matter of time until the system buckles especially when put under pressure on a large scale.

UNLOCKING VALUE

Understanding and appreciating the complexity of IoT can be overwhelming. Fortunately, companies do not have to manage everything themselves or need to appoint experts in the field of connectivity and device management. Instead, the true potential of these powerful toolsets can be unlocked through robust IoT partnerships. It all begins with putting the basics in place. Unlocking additional value from connectivity and device management will then look significantly different depending on the goals of the business using the system. We all know that data is king, but the real value lies in its visualisation, analysis, and interpretation.

Linking core device and connectivity management systems to another critical operational system can be the next significant leap forward for a digitally-centric organisation. Anything from an operational maintenance platform to a user application can be used as an additional revenue stream for companies to create more value for their customers and themselves. From our own experience, we have seen clients take their rugged device and transform it using connectivity data into a customer-facing mobile application while delivering operational portals for maintenance teams. Massive potential for these infrastructural deployments lies in the ability to connect real-time data to a fly-wheel of other applications to drive further business insight, and customer value.

Device and connectivity management has therefore become a cornerstone for business success in today's digitally-driven business environment. If this is not done effectively, then the company stands to lose significant momentum in a highly competitive market.



Harvest your
business's full
potential.



Help it grow
with Bryte.

Insure your business with Bryte.
Visit bryteinsure.co.za or contact
your broker.



Bryte Insurance Company Limited is a licensed insurer and an authorised FSP (17703)



Insurance

WHY CYBER SECURITY INSURANCE

IS CRUCIAL FOR RISK MITIGATION



PHILIPPA
WILD

Head: Commercial Underwriting at Santam

COVER

According to a recent Accenture study South Africa reportedly experiences 577 malware attacks per hour resulting in losses of R2.2 billion per year. Cybercrime is undoubtedly one of the most serious risks that businesses today face. In the past, many businesses, especially smaller ones, may have deprioritised cyber security insurance but now, with advancements in technology and the rise in remote work, it is a crucial part of any risk mitigation strategy.

Cyber security is important for everyone with an online presence, more so for businesses with the responsibility to protect customers and their information. The ramifications of not having adequate cyber insurance can be severe. As businesses incorporate more e-commerce into their business models and grow their online presence, it becomes increasingly important to be protected from cyber criminals.

WHY SHOULD BUSINESSES CARE ABOUT CYBER INSURANCE?

One great advantage of having cyber insurance is that it enables a business to bounce back from specific business interruptions and financial losses incurred because of cybercrime. Cyber insurance also helps with the practical side of getting IT experts to restore systems, recreate data and pre-empt new threats.

CYBERATTACKS CAN RESULT IN:

- Liability for accidental loss of data.
- Liability for loss of data and its consequences by deliberate, dishonest, negligent, and fraudulent means.
- Accidental damage caused by computer-driven property or equipment.
- Loss or damage caused by failures or computer malfunction.
- Loss, damage, and liability caused by algorithmic errors and malfunction.
- Loss of intellectual property, reputation, and business opportunities.

Insurance can help protect a business against these risks. The insurance contract will contain all the necessary details for a client to understand how and to what extent they are protected in the event of a cyber attack.

WHICH BUSINESSES ARE MOST AT RISK?

The simplest answer is that any business that has any kind of online presence or stores customer data should invest in cyber insurance, but this is especially true for businesses that do the following:

- **Storage of credit-card data:** You could be exposed to security breaches in terms of your customers' confidential information, running the risk of liabilities occurring from breach of their privacy.
- **Storage or processing of sensitive third-party data:** You could have contractual liability if third-party data is leaked, in addition to harming the brand's reputation.
- **Uses a transactional and interactive website/e-commerce platform:** This means you could face regulatory penalties if a breach were to occur.
- **Using a cloud service provider to store sensitive information:** You could be held accountable for any information lost during a breach of the system.

HOW TO PROTECT YOURSELF:

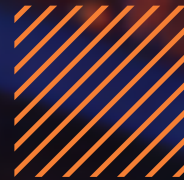
Most importantly one needs to have a holistic risk mitigation strategy in place and take proactive steps to minimise the chances of a cyber-attack. This is called maintaining good digital hygiene. Employee education is key to this and taking these steps will help keep all stakeholders protected:

- Understand your password philosophy and minimum requirements.
- Recognise the signs of phishing.
- Look for signs of suspicious behaviour on their laptops and other devices.
- Monitor for unusual sounds on devices, such as clicks and unexplained static.
- Although IT departments can provide technical assistance, employees should be encouraged to take an active and empowered role in watching videos, attending seminars, and attending awareness programmes set up by their organisations.

Thereafter, ensuring that you have adequate insurance is an important step in shielding your business from the impact of a cyber-attack.

Knowledge is power when it comes to matters of cyber security. Equip yourself as a business and protect and empower your people with the peace of mind that comes from cyber insurance.





LITTLE CONFIDENCE IN DEALING WITH CYBER-ATTACKS

The toll of almost three years of unrelenting workplace disruption, digital transformation and ransomware attacks means just 4% of regional business leaders are confident in their organization's ability to manage cyber risks. This is according to a new report published by Marsh, the world's leading insurance broker and risk advisor, and Microsoft Corp., a leading platform and productivity company for the mobile-first, cloud-first world.

SPIROS
FATOUROS

CEO, Marsh Africa

The report, *The Middle East & Africa State of Cyber Resilience*, questioned over 660 regional and global cyber risk decision makers and analyses how cyber risk is viewed by various functions and executives in leading organizations, including cybersecurity and IT, risk management and insurance, finance, and executive leadership.

According to the report, business leader's confidence in their organization's core cyber risk management capabilities – including the ability to understand/assess cyber threats, mitigate/prevent cyber-attacks, and manage/respond to cyber-attacks – remains a major concern for the region's business leaders – with over three quarters (76%) having no confidence in their own organization's cyber resilience.

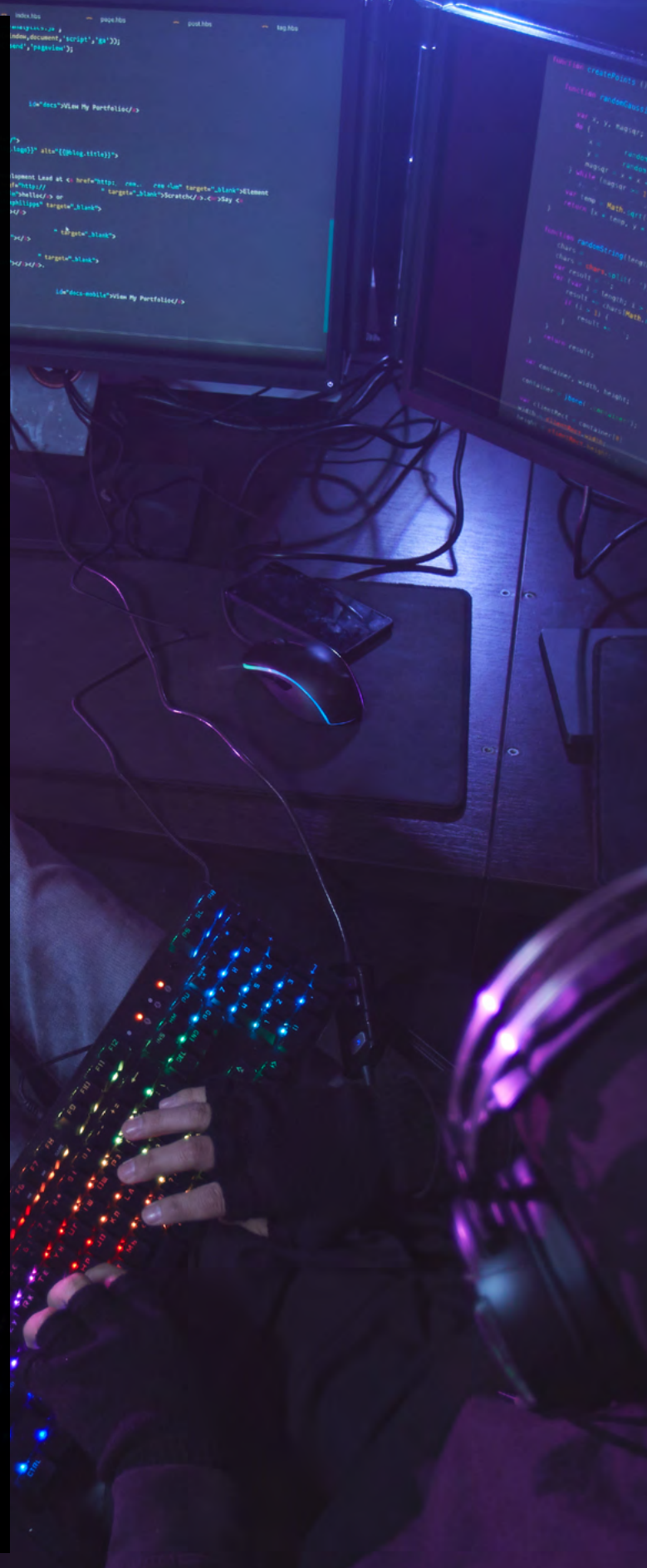
It's not about if you will get attacked, it's a matter of when it will happen, which makes it all the more surprising that organizations continue to take a siloed approach rather than looking at the risk from an enterprise-wide perspective.

Further, many organizations are still struggling to understand the risks posed by their vendors and digital supply chains as part of their cybersecurity strategies. 60% of respondents stated that they have not conducted a risk assessment of their vendors or supply chains.

Other findings included, a third (37%) of organizations admitted to not having any kind of cyber insurance in place even though it is a key element in managing cyber risk. This is despite a rapid increase in the number of cyber-attacks over the last few years and omnipresence of this risk - according to Microsoft they receive 24 trillion security signals per day.

Indeed, more than half (54%) of the those organizations who had secured insurance acknowledged that doing so was accepted best practice within their business sector and had helped them adopt a more stringent and resilient approach to cyber risks. Three quarters (75%) recognised that insurance was an important part of any cyber risk management strategy.

Cyber risks are pervasive across most organizations. Successfully countering cyber threats needs to be an enterprise-wide goal, aimed at building cyber resilience across the firm, rather than singular investments in incident prevention or cyber defense. Greater cross-enterprise communication can help the region's businesses bridge the gaps that currently exist, boost confidence, and better inform overall strategic decision making around cyber threats.



VIGILANCE NEEDED TO MITIGATE RISK OF COSTLY CYBER ATTACKS

The outbreak of the COVID-19 pandemic in March 2020 saw an unprecedented surge in cyber threats and attacks as organisations around the globe implemented work-from-home policies, which saw a huge uptake of cloud-based collaborative tools, as well as employees accessing corporate networks and resources through company VPNs.

The acceleration of digital transformation and the abrupt nature of cloud adoption meant that many companies made this transition without proper cybersecurity preparedness, which increased their attack surface, as employees logged in through unsecured networks and home computers. The risk increases exponentially when companies have security gaps such as passwords that never expire and folders containing sensitive data open to every employee.

According to the Varonis 2021 Data Risk Report, on average, a financial services employee has access to nearly 11 million files the day they walk in the door. For large organisations, the number is double: 20 million files open to all employees.

Hence, two of the highest security priorities for IT are securely transitioning to remote work and locking down exposed data to mitigate the risks stemming from remote logins. As many organisations have discovered, digitally transforming without the proper security controls exponentially increases the risk posed by insiders, malware and ransomware attacks, while also exposing companies to possible non-compliance with regulations.

SOUTH AFRICAN LANDSCAPE

In South Africa, the situation is no better than in other parts of the world. The Veeam Data Protection Trends Report 2022 reveals that 86% of South African organisations suffered ransomware attacks, making cyberattacks one of the single biggest causes for downtime for the second consecutive year.



RYAN
VAN DE COOLWIJK

Product Head: Cyber at iTOO

A little Good makes Big Change



Hollard.
**change
maker**

Hollard ChangeMaker is a first of its kind insurance initiative that makes it easy to make real change, create better futures, and save on your premiums.

**Volunteer. Do good.
Earn back some of your premium!**

Get involved at hollard.co.za

Hollard Life Assurance Company Limited (Reg. No. 1993/001405/06) is a Licensed Life Insurer and an Authorised Financial Services Provider, FSP No. 17697. Offer currently only available on qualifying Hollard life insurance policies. T&Cs apply*.



The report also found that on average, per attack, organisations were unable to recover 31% of their lost data, while 78% were unable to recover at least some of the data they had lost.

At the same time, human error remains a massive risk, with 49% of local organisations reporting accidental deletion and overwriting of data or data corruption as a primary cause of IT outages.

However, securing remote working environments also proved to be a challenge in many cases, as organisations found that some of their staff stay in areas with poor connectivity, making it difficult to push security updates and patches to these users.

Therefore, the past two years have seen an unprecedented drive by hackers to exploit commonly used platforms, as remote workers often used devices with access to sensitive information out in the “wild”.

The work-from-home trend has definitely also seen less awareness of security practices, with employees often letting their guard down when working remotely. As a result, attempted and successful phishing and ransomware attacks have also grown exponentially.

While South Africa's Protection of Personal Information (POPI) Act came into force in July last year, we have yet to any fines or penalties being imposed on companies that are not compliant with the regulatory requirements of this legislation.

ENFORCEMENT OF POPI ACT

Encouragingly, the country's Information Regulator announced earlier this month that has reached a significant milestone with the establishment of its Enforcement Committee. The POPI Act provides that the Enforcement Committee may make any recommendation to the Regulator necessary or incidental to any action that should be taken against a responsible party in terms of the Act or an information officer or head of a private body in terms of the Promotion of Access to Information Act. This means that it should just be a matter of time before penalties and fines are imposed for non-compliance.

At the same time, while the cybersecurity threat landscape continues to evolve in both sophistication and frequency of attacks, so does the innovation and advancement of security solutions and tools. For example, the next generation of endpoint protection is underpinned by artificial intelligence, which can monitor all processes on a device to detect suspicious activity, or multi-factor authentication, which adds additional layers of protection to the sign-in process.

Unfortunately, this is an ongoing battle, as cybercrime has become a very lucrative business, meaning that cybercriminals will continue to create more sophisticated and targeted attacks. This means that businesses and employees constantly remain at risk. Considering the significant risk posed by cyber threats to organisation, it has never been more vital that companies adopt a robust cybersecurity posture, by implementing a system of precautionary measures, as well as a cybersecurity-first culture to make cybersecurity a critical component of an organisation's values and ethics.

COVER

SIX WAYS CFOs CAN STAY AHEAD OF HACKERS

Global losses from payment fraud have tripled from US\$9.84 billion in 2011 to US\$32.39 billion in 2020, according to Deutsche Bank's 2021 report on the future of payments. While cybercriminals can target many areas of an organisation, the dangers are ultimately measured in financial terms. This means CFOs no longer ignore cyber security simply because it is a complex issue outside their area of expertise. As custodians of the company's monetary assets and financial data, CFOs are responsible for safeguarding the enterprise from threats to its financial health, especially those that can result from processes within the finance domain, such as accounts payable.

RYAN
MER

CEO at eftsure Africa



CFOs need to play a key role in their company's cyber security. The CFO is responsible for some of the most sensitive and valuable data the organisation possesses. It is potentially disastrous for the finance team to be ignorant of cyber risk.

BELOW ARE SIX WAYS CFOs CAN COMBAT THE RISK OF PAYMENT FRAUD:

Know your vulnerabilities and understand risks

The first line of defence is to identify which information requires the most protection and research the many ways your organisation could be attacked. Hackers often target the finance department and team members directly in attempts to defraud. CFOs need to ensure that these vulnerabilities are both understood and addressed. This means testing current processes and systems to find weak spots, perhaps with the help of external experts. Many organisations' weak areas lie in their manual processes, which use human inputting methods and decision-making, often resulting in errors and gaps in security. Independent third-party platforms can help manage supplier data and automate payment checking and supplier verification, saving time on manual processes and reducing human error and manipulations.

Improve your basic security

Review your company practices in relation to password and security controls. Look at whether you can strengthen your company's passwords and ensure that they are changed on a regular basis, if possible, adding an extra layer of security with two-factor authentication.

Move data to the cloud

Stay ahead of ever-changing security demands by moving sensitive data to the cloud, where it is kept in centralised storage that can only be accessed through sophisticated authentication methods. Cloud providers update their systems frequently based on the latest security best practices, providing new encryption techniques, improved login protocols and real-time identification of unauthorised users and suspicious activity.

Tighten your payments security

Look at your payments processes and identify potential weaknesses, possibly re-evaluating your financial procedures for approving payment releases. Ways to address weaknesses include ensuring there is clear separation of duties between staff and adding more verification steps. Limit the risks by providing an integrated payments system that cross-references the payments an organisation is about to release with a database of verified bank account details.

Educate your staff

Employee email accounts are gateways to sensitive information and attacks, especially those in finance and accounts payable, making them targets of cybercrime. Equip staff with the skills and tools to spot threats and respond appropriately by introducing cyber safety awareness programmes, workshops and simulations. Enforce policies that restrict what information can be kept in email inboxes prior to secure archiving.

Keep your cyber security updated

As cyber risk grows and cybercriminals get better at what they do, it pays to be proactive about the controls, oversight and data management processes you have in place. Avoid waiting for a fraud incident or assuming your organisation is fully protected from fraud. Constantly remind staff at all levels about the risks of cybercrime to help build a strong security-conscious culture and continuously update controls to adapt to new fraud patterns. Collaborate with the chief information security officer (CISO), if your organisation has one, or enlist the help of an outsourced CISO-as-a-Service to address these risks and for assistance in deploying new defences.

In South Africa there is case precedence for firms being held liable for payments that did not reach the intended recipient, a situation that demands every CFO's attention. It's a war out there – and cybercriminals are bringing the battle to you. Don't wait for them to succeed be proactive and get on the front foot now so you stop them before they succeed.

WHY AREN'T MORE SMES TAKING

CYBERSECURITY SERIOUSLY?



PHILIPPA
WILD

Head: Commercial Underwriting at Santam

South African small businesses are particularly vulnerable to cyberattacks. Why? Business owners aren't taking the necessary precautions to protect their digital assets, often with dire financial consequences.

In fact, some reports indicate that more than 60% of all data breach victims are businesses with under 1,000 employees. In a business environment where every cent counts, preventative measures must be weighed against the costs of not having IT security protection in place. Threats are becoming more prevalent, as there is a rise in online activity and hybrid working across the globe and here in South Africa.

Secret password attacks increased by an alarming 104 percent in less than a year, according to ESET's 2021 threat report. That equates to 55 billion new attacks detected in less than six months. The latest statistics make for sobering reading and underscore the high probability of South African businesses being targeted by sophisticated criminal networks.

The sheer number of attacks means it's a question of when, not if, a compromise is launched on any given business network, regardless of size. Ransomware attacks are also on the rise with massive consequences for organisations of all sizes. Just one example is a supply-chain attack that leveraged software vulnerabilities in an organisation's IT management system. This ransomware event was accompanied by a USD\$70 million ultimatum to regain control of the company's digital assets and operational control. Digital compromises occur in mere nano-seconds. The price-benefit analysis is obviously relative to the cost of digital business disruption. Estimates suggest that more than half of businesses fail within six months after a hack, making this phenomenon a critical component of business survival and success.

So what is the solution for organisations with large security demands, but small security budgets? Installing the first (and, often, least expensive) anti-virus program you can find is not enough. In today's highly connected world, a robust, company-wide cyber-security policy is essential. This policy should outline your organisation's cyber-security defence strategy, which should include what assets must be protected, the threats to those assets and the security controls required to mitigate such threats.

HERE ARE SOME IMPORTANT POINTS TO CONSIDER:

Security systems: Outline which controls are implemented and the threats they address, such as anti-virus software and firewalls. These controls are essential and, today, there are many cost-effective products on the market specifically designed for SMEs. Include guidelines on how updates and patches will be applied, such as how regularly browsers and operating systems will be updated. Software providers regularly release patches to fix identified vulnerabilities, and these should be implemented as soon as possible.

Training: A chain is only as strong as its weakest link and it can take just one mistake from an unassuming employee, whether an executive or an intern, for criminals to gain access to your systems. Your policy should outline how employees will be trained in identifying suspicious situations and protecting confidential data. It should also address what happens when an employee doesn't follow protocol. In most cases, staff error isn't an isolated incident, but rather a sign that training isn't adequate.

Remote access: Employees' home connections are usually less secure than internal company networks. As such, these employees should either be supplied with secure equipment and networks, or prevented from accessing sensitive company information. The solution will depend on the company's unique situation.

Password requirements: Weak passwords are one of the biggest security threats, so system-generated password requirements or password rules are essential. These should contain a combination of at least eight upper- and lower-case letters, numbers, and special characters.

Back-ups: Company data must be backed up regularly, and preferably encrypted with multi-factor verification access, so that work can continue if systems are compromised.

With the groundwork of a carefully thought-out policy in place, it simply becomes a matter of adhering to and enforcing it. The pay-off is the peace of mind that even though you may be small, your company's assets, and the employees who rely on it, are as safe as they can possibly be.



WHEN IT COMES TO CUSTOMER COMMUNICATIONS MANAGEMENT (CCM), THE ABILITY TO MOVE QUICKLY IS HALF THE BATTLE WON.

Introducing the GhostDraft 360 suite of CCM products.

GhostDraft 360 puts seamless collaboration at the heart of template creation, automation and distribution, and is proven to reduce build costs, time to market and the risk of product failure.

Don't put the brakes on innovation. Talk to us about 360 and the GhostDraft suite of products.

☎ 021 065 0120
✉ info@ghostdraft.co.za
🌐 www.ghostdraft.co.za

CONTACT US | REQUEST A DEMO

 **GhostDraft**

THE IMPORTANCE OF PLANTING TREES

A crucial part to play in our lives

In South Africa we celebrate National Arbour Day. This is done by dedicating a whole week in September to encourage all South Africans to plant native trees. The goal of Arbour week is to raise awareness on the current status of our trees in South Africa.

Trees are important to the ecosystem and to us humans. They play a role in the overall health of the environment by acting as purifier for pollution and carbon dioxide that has been released in the atmosphere mainly due to fossil fuels. In return this contributes to a reduction in climate change and increases oxygen levels. One tree can

provide enough oxygen for four people - how incredible is that? Humans benefit from trees by making use of their shelter, protection and for production purposes such as timber and medicinal sources. With this said, people tend to invest in properties with greener surroundings as it stimulates a healthier work and living space. Another special thing about trees is that they provide a safe and secure habitat for wildlife by offering a variety of food sources and shelter. It is clear that trees have their part to play in the social, economic and natural sectors, which is why it is important to promote and protect our healthy trees.

Invasive Species

However, planting trees includes a good understanding of the tree species and the habitat it occurs in. Trees should be planted in areas where they will obtain the resources they need for optimal growth. Each tree species has a particular role and by planting them in a suitable ecosystem, it will be more beneficial to them as well as to us. For example, Spekboom (*Portulacaria afra*) thrives in subtropical thicket biomes due to the growing conditions being ideal for it, however if you were to plant an Spekboom in a dense area with little to no sunlight, it will result in the plant not

achieving its full potential. This brings us to the next topic, invasive tree species. Invasive species are plant/tree species that are not native to an area and instead poses a threat to the natural species. Good examples of invasive species in South Africa are Black Wattle (*Acacia mearnsii*), Eucalyptus species or Rooikrans (*Acacia cyclops*). Invasive species have the ability to outcompete indigenous vegetation by influencing the water and nutrient availability, soil structure and fire regimes, consequently changing the whole ecosystem surrounding it.

What is the solution?

The best solution is to avoid planting invasive species, instead eradicate and replace them by restoring natural vegetation. This includes planting native trees and plants that are fit for the chosen area. By doing this we provide an opportunity to our native species to

restore in its natural system. This is why Arbour Day is important as its not only about planting trees but planting the correct trees and plants in natural and urban areas where it can contribute to a healthier and more functional environment for us to live in.



Stefani Vos, Landscape Practitioner
Living Lands

Stefani Vos is a Landscape Practitioner of Living Lands, an organisation that works directly with farmers, land owners and land users to support land rehabilitation and sustainable veld management. In her day-to-day work, she is out in the field looking at sustainable veld practices and rehabilitation activities in the Langkloof region, Eastern Cape. Her passion lies with ecology and her love for nature is what made her chose this career. Her main goal is to make a difference on the landscape that she works in.



Infiniti Insurance is inspired to contribute in this way toward developing awareness, sharing knowledge and building capacity, in support of the achievement of Sustainable Development Goal 15 on Life on Land (SDG 15) for a more sustainable world.



#NOTIMETOWASTE



Contact Us
+27 (0)11 718 1200
www.infinitiafrica.com

WORKING FROM ANYWHERE MEANS THREATS ARE EVERYWHERE



For many South Africans, 'working from anywhere' has become the hottest trend in town. They're not just working from home: they're working from their local coffee shops, public places and even other countries.

In the process, they're exposing their employers to a world of new cyber-security threats and many businesses aren't doing enough to manage their risks. 2021 was a record year for data breaches, according to the Identity Theft Resource Center but many companies still think it will never happen to them.

Interpol estimates that nine out of every 10 African businesses are operating without the necessary cybersecurity protocols in place, putting themselves and their clients at risk of massive financial loss.

The problem is that working from anywhere means cyber-threats are everywhere, and companies of all sizes must take extra precautions to secure their IT systems and company and customer data.

The biggest problem is when they work remotely, employees do things they wouldn't do at the office. They share devices with other family members, or use the same device for both personal and work activities.

They install their own software and apps, or insert thumb drives without first making sure where they come from. Many even actively try to get around company security measures, or don't install the latest security patches and updates. So, how do you allow your employees the freedom to work remotely while staying secure?

EDUCATE YOUR PEOPLE

In the world of cyber-security, people are the weakest link. You can have all the security and firewalls in the world, but it counts for nothing if one employee clicks on a dodgy link in an SMS or an email, and boom. I cannot stress how important it is to not only have a strong remote working security policy, but to constantly keep security top of mind with every single employee.

"It is important to us that our business insurance clients have comprehensive cyber insurance as well as access to technologies that help them adapt to new ways of working, especially now that working environments have changed."



KEEP THE CROWN JEWELS SAFE

It's important to get the security basics in place: a firewall and enterprise-level anti-virus software, and backing up data regularly. Businesses must also be able to control who is able to access their information. That means ensuring robust verification of everyone who wants to access company systems and networks, and keeping a log of who accesses the system and when. Something else to consider is having some form of cyber insurance in place, to help cover your business in case it becomes a victim of such cybercrimes.

USE A VPN

If your people work remotely, or use their personal devices for work, virtual private networks (VPNs) are a critical tool. A VPN provides a secure, reliable connection to your company's computer systems, even if your people are logging on from public Wi-Fi. All your internet traffic is then routed through an encrypted virtual 'tunnel' that is secure and private.

GET THOSE UPDATES DONE

When your device is in the office and connected to the company network, security updates are installed automatically. Away from the office, it's the Wild West, with many remote employees either postponing or avoiding installing updates. You've got to make it as easy as possible for your people to stay updated, otherwise you're putting yourself at risk.

The risks are immense: a cyberattack can literally put a small to mid-sized company out of business. The IBM 2019 Cost of a Data Study puts the average total cost of a data breach in South Africa at R43.3 million. Globally, an Inc.com study suggests that 60% of small businesses close their doors within 6 months of an attack.

Adding an extra layer of complexity is South Africa's Protection of Personal Information Act (POPIA), which fundamentally changed the way businesses deal with consumers' personal information. If your business is hacked, and you don't have the correct procedures and safeguards in place, you could get fined by the Regulator.





**LANA
ROSS**

*Chief Operating Officer of
Discovery Business Insurance*

CYBER BREACHES PUT BUSINESSES AT RISK FOR MAJOR LOSSES

Cyber breaches put businesses at risk of major financial losses, reputational damage and legal difficulties, to name just some of the potential issues businesses could face, resulting in forward-thinking business insurance providers incorporating cyber security into their offerings to lower clients' risk exposure and prevent claims.

Some of the biggest challenges involve human error breaches, phishing and social engineering manipulation tactics, and ransomware. All of these can result in significant damage to businesses, as well as their customers. A cyber attack can lead to system damage and to loss or theft of confidential and personal information stored on a computer system.

Businesses usually have a number of devices that are relied on for daily business operations. A Denial-of-Service (DoS) attack is an attack meant to shut down a machine or network, making it inaccessible to its intended users or computers. The attack is accomplished by flooding the target with traffic, or sending it information that triggers a crash.

This will mean that the business cannot operate optimally until it can decontaminate the affected computers or devices. Essential data including their clients' data could also be lost, which could expose their clients to illegal activities too. A cyber attack can also lead to loss of revenue and profits, which may even cause a business to fail. Then there's the possibility of legal repercussions. If a third party's information is compromised during a cyber attack on your business, they may sue you. If a cyber attack results in client information being lost or compromised, the business could be in breach of the Protection of Personal Information Act (POPIA) which carries fines of up to R10 million. Alternatively, the business owners may face up to ten years' imprisonment.

All of this results in high legal defence costs. It is important to us that our business insurance clients have comprehensive cyber insurance as well as access to technologies that help them adapt to new ways of working, especially now that working environments have changed. Dedicated IT support services are also important so as to help resolve IT issues quickly and avoid interruptions to their business, which are features which we have made available to our business insurance clients. Our cyber security partner, AVeS Cyber Security, is recognised as one of the market leaders in providing cyber security services to the insurance industry for over 20 years. This holistic and proactive approach allows our clients to mobilise a response to a cyber attack quickly

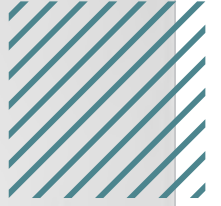
A close-up photograph of a man's face and torso. He has a short beard and is wearing a dark suit jacket, a light blue dress shirt, and a dark tie. He is holding a thick stack of US dollar bills in his hands, which are visible in the lower right portion of the frame. The background is a blurred, light-colored wall.

FINANCIAL PLANNING

"Now, more than ever, the need for reassurance and empathy places intermediaries in a position to identify their clients' vulnerabilities and to put smart safeguards in place."

- ALFRED BANDA, RISK SPECIALIST AT SANLAM INDIVIDUAL LIFE

COVER



HOW INTERMEDIARIES CAN PROTECT VULNERABLE CLIENTS

Life's curveballs are striking South Africans across the board if Sanlam Individual Life's 2021 claims payments are anything to go by – undoubtedly presenting a picture of the dire need for support and sound advice from intermediaries. The pandemic presented numerous challenges – including the loss of loved ones and jobs – all of which contributed towards the mental health struggles we have seen. As a result of the pandemic, the business also paid out R8.24 billion in claims in 2021 – double 2018's figures.

ALFRED
BANDA

*Risk Specialist at Sanlam
Individual Life*

Apart from the overall increase in the life company's claims, 2021 saw an 82% increase in death and funeral claims (equivalent to R7.2 billion) compared to the previous year. The main reason for this increase in death claims was Covid-19, but there has also been an increase in deaths as the result of cancer and heart conditions since 2019. If one looks at severe illness and disability claims, the bulk of claims were for clients under 55, with more than half of the severe illness claims resulting from cancer.

A post pandemic world is strongly prompting people to seek human connection. Now, more than ever, the need for reassurance and empathy places intermediaries in a position to identify their clients' vulnerabilities and to put smart safeguards in place to help champion their greater resilience. Money is, after all, a deeply personal subject and people often reveal extremely intimate details about their lives when seeking financial advice. In today's world, this presents an opportunity for intermediaries to action relationship-led advice where coaching, encouragement and guidance all form part of the mix. It's about framing risk conversations in a way that resonates.

HAVING REASSURING RISK-RELATED CONVERSATIONS

Claim statistics such as those of Sanlam Individual Life – can be both enlightening and critical conversation starters to help break through the 'it won't happen to me' mind-set often held by clients. It's important to have these chats in a relationship-led way that focuses on connection and understanding.

Nick Clifton, Customer Experience Manager at Swiss Re Europe and SA, supports the belief that behavioural economics can help guide such conversations. He suggests explaining the financial advice process, connecting with a client on a personal level, understanding an individual's loss aversion (fear of losing something they already have) as well as optimism bias (people hope for the best, which means they can forget to plan for the worst).

CARING FOR VULNERABLE CLIENTS

This approach can also help intermediaries identify clients who are 'in trouble' – physically, financially, or emotionally. Part of a relationship-led approach means sincerely caring for clients on a deeper level. That means recognising real vulnerabilities that may 'go beyond the norm' and have a negative effect on clients' outcomes.

Financial Times reports a shift in how financial advisers recognise vulnerabilities in clients. In fact, the 2021 Financial Conduct Authority dedicated 50 pages on how to assist

vulnerable clients at all levels. While intermediaries are not expected to take on the role of medical professionals, these are some of the 'warning signs' potentially signalling vulnerability identified by Financial Times:

A '360' swing from previous intentions: A client gives new instructions that radically revoke or counteract past instructions. People do change their minds, but it can be a warning sign when this is at odds with their long-standing intentions and goals.

Obviously bad decisions: A client veers on a path that has quite obviously negative ramifications. Again, we all make bad decisions, but this could signal that someone has impaired cognitive functioning or is being influenced by a third party.

Incoherent instructions: A client seems to ramble or give instructions that simply don't make sense. It can be difficult to articulate financial concepts, so this happens to everyone. But if someone gives consistently unclear instructions or seems to struggle with decision-making, it could be a warning sign.

Extremely emotional: Money and emotions frequently go hand in hand. But extreme displays of emotion may mean something else is at play. Mood changes might signal emotional distress or something more serious like a neurological disorder.

Another person is suddenly on the scene: It needs to be strongly ascertained that any third-party privy to a client's accounts and decision-making is doing so with the client's permission.

When an individual is anxious and displays multiple signs of not being themselves an intermediary may need to raise an alarm. This could be done via the family in a sensitive way that does not break a client's confidentiality, or by suggesting a capacity assessment with a medical professional.

Importantly, young people can be vulnerable too, whether this is due to poor mental or physical health, or maybe a hugely distressing life event. Intermediaries are well placed to provide clients with support and reassurance and help put robust risk mitigation tactics in place.

In conclusion, we are committed to working with our intermediary partners to empower clients to move towards financial confidence. A significant part of this means ensuring they're properly covered, not just for today, but for life-changing events in the years to come. At Sanlam, we don't just deal with claims; we help clients when they're at their most vulnerable, by finding reasons to pay, not the other way around. That's how we honour our commitment – as evidenced by our claim statistics.

DOES LONG-TERM INVESTMENT PLANNING HAVE A PLACE IN AN EVER-CHANGING WORLD?



I've given this question some serious thought recently. My own children are young adults and their views on the world and how they envision their future is literally worlds apart from how I saw the future at their age.

How does one plan for a future 50 to 60 years ahead when we have no idea what the world will look like then, and what the demands on us will be? Futures strategist John Sanei said in a talk recently that we're a society addicted to certainty, and we seek certain and specific outcomes. Examples he gave included believing that marriage or job security is for life, or that a tertiary education is a guaranteed gateway to success.

We may not be able to predict the future, but the one thing we can control is our own behaviour. Future success will demand that we be more agile, so while planning is still essential, we'll need to change and adapt those plans more frequently as the world, and consequently our lives, change.

FINANCIAL SECURITY GIVES YOU OPTIONS

My own children will probably never know a life that consists of spending five days a week in an office, for 40 years. They will be more in control of their own lives and how they spend their time as people take more control and ownership of their own destinies. This is the reason why I believe financial security, and knowledge of personal financial matters, will become even more important than ever before. Financial security gives you options and the freedom to try new things. That will be critical in a world that presents new and more options every day.

THERE'S MORE TO LONG-TERM INVESTMENT PLANNING THAN RETIREMENT PLANNING

Long-term investment planning is not only about retirement planning. If you've just started working and have time on your side, long-term planning will include dreams and goals perhaps you want to take a gap year, travel, study full-time, or even do volunteer work. But these goals need to be factored into a plan, with steps on how you're going to get there. They won't happen by themselves.

ADVICE IS CRITICAL: TALK TO QUALIFIED PROFESSIONALS

Although life is fluid, if you've worked for a few years, you probably have a fair idea of what's important to you and some of the things you'd like to do and achieve in the years ahead. A qualified financial adviser can help you translate these ideas into actionable goals. Think of an adviser as more of a life coach someone who can help you get there and motivate you when times get tough along the way.

CREATE A LIFE YOU WANT

Retired industrial psychologist Professor Johann Coetzee once spoke about the four "Ms" that feature in people's lives money, moments, memories and magic. Focusing on the last three creating moments, memories and magic

adds up to a life of meaning, and that's what we should be planning for, not simply for the accumulation of money. Microsoft co-founder Bill Gates is credited with saying that most people overestimate what they can achieve in a year, and underestimate what they can achieve in a decade or even twenty years.

So to answer the question posed at the beginning of this article, yes, long-term investment planning most definitely does have a place in a fast-changing and chaotic world. In fact, as we've seen, it's more critical than ever before if we want to be able to adapt and grab opportunities as they present themselves.

Whether you're in your 20s or nearing retirement, have a plan for at least the next 20 years. And while long-term investment planning is the bedrock of the plan, ensure that you're planning for a well-lived life at the same time. A life that you can look at back on and be happy with.



Your clients realise why medical aid is such an important part of their financial portfolio, yet it's still a grudge purchase. But you have a secret weapon to turn that **grudge** into 'great'...

Adding an Elect variant to any Fedhealth flexiFED option adds a **massive 25% discount to your client's medical aid costs**. And the trade-off is excellent – they don't have to give up any benefits or even join a network.

The Elect variant is like an excess on car insurance. Your clients pay 25% less on their monthly contribution, and if they need to 'claim' by going for a PLANNED hospital procedure, they will have to pay a R13 000 fixed excess (there's nothing to pay for an emergency – the excess only applies for planned procedures).

A planned or elective procedure is something that's planned over time like elective C-sections, knee replacements or hip replacements.

In reality, most people will rarely need to undergo planned procedures – if ever. So, it's perfect for your clients who are relatively healthy and don't foresee any such procedures soon.

To learn more or become a Fedhealth broker and help your clients save on medical aid, please visit fedhealth.co.za or call 0860 002 153.

SAVE 25%

Fedhealth Elect

Excessively AWESOME

Craving a saving? Look no further.

FEDHEALTH
Create your aid.

MEMORIES OF EXCHANGE CONTROLS

STILL HAUNT LOCAL INVESTORS



COVER

South Africa is isolated from the rest of the world in the geographic sense we live on the far tip of Africa, in the southern hemisphere, as far as it's possible to get from the powerhouse economies of America Europe and China.

In addition, not so long-ago, South Africa was a global pariah state due to its history of apartheid, which brought about overseas restrictions and sanctions, that limited our ability to invest overseas. In particular, strict local exchange control regulations prevented people taking money out of the country to invest overseas.

Fast forward a couple of years later, it is clear how the strict enforcement of these past financial boundaries, has created a mentality that continues to pervade the minds of many South African investors.

MORE LOCAL INVESTORS NEED TO EMBRACE OFFSHORE INVESTING

It's no secret that offshore markets have the potential to offer a broader set of investment opportunities to spread risk and can be considered a good alternative for those wanting to look beyond local markets. It is bewildering that so few local investors are embracing these offshore opportunities given that it is now fairly easy to invest overseas.

For example, BrandMapp 2021 data indicates that offshore investments are held by less than 6% of high-income earners in SA. The current reality is that this country has a limited opportunity set, as we have seen our stock market shrink in size over the last 20 years - from having over 600 stocks on the JSE - we currently now have just over 300.

In terms of diversification locally we simply do not have access to certain sectors that are available globally like biotech, software as a service, artificial intelligence, robotics clean energy, gaming and so on. So, it's not hard to see that the opportunities for diversification and risk mitigation are waiting for those who are willing to entertain a new mindset, which accepts that offshore investing is now actually much easier, with a discretionary allowance of R1m per year, on top of a foreign investment allowance of R10m a year. You can also apply for further amounts on top of all this, subject to the South African Reserve Bank approval.

In reality it's never been easier to take your funds overseas for investment purposes. But to some degree most investors are used to the comfortable perspective of our own local market, and this is why it may seem intimidating to contemplate how to approach much larger, more complex offerings now available offshore. This in itself requires a broader approach than is usually adopted when investing locally.

NAVIGATING YOUR INVESTMENT JOURNEY WITH THE RIGHT TOOLS

It makes sense to first identify your needs financially. In doing this, aim to identify your endgame in terms of what earning goals and growth you want to achieve. If investing globally is required to enable this, then you have arrived at the right place. In addition to going offshore you need to consider the route you take to go offshore.

There are a wide range of options, starting with a rand-based offshore unit trust or with a direct offshore hard currency unit trust. For more ease of convenience, it could be with a linked investment service provider that offers an entry point to multiple asset managers in multiple currencies, with no fixed investment term that allows access at any time.

One of the popular routes for investing offshore is via endowments where tax and estate planning benefits can be considered. In going offshore, the full range of investment strategies are available to clients, from active to index investing.



The choice of active manager encompasses both single to multi-manager options. While index strategies continue to gain popularity due to their low-cost structure.

Many people fear that investing offshore is expensive, to be fair this fear itself is no longer valid because this kind of global investing has become more common place.

It's obvious this is the point that you need to discuss these options with your financial adviser. It's also the moment to break free from any ingrained thinking that has been influenced by the former regime of exchange controls. It's no exaggeration to say that we live in a world of new opportunities and this requires a different set of parameters in your financial thinking. And it is certainly much easier than you might believe to seek diversification and risk-mitigation by accessing global markets.

COVER

UNCLAIMED BENEFITS: IS THE RETIREMENT FUND INDUSTRY DOING ENOUGH?

The Financial Sector Conduct Authority (FSCA) has advised that R47.3 billion was still sitting in retirement funds as unclaimed benefits in 2021. The obvious question is whether the industry is doing enough to get these benefits paid?

Consulting on the South African Institute of Chartered Accountants (SAICA) Retirement Funds Project Group, I asked myself this question and here is what I have learnt along the way.

1. DATA IS OFTEN LIMITED OR WRONG

In the digital age where everyone records your ID number and name, we often forget that this was not always the case. Old payroll systems, some of which were not even electronic, did not capture ID numbers, seldom had first and second names, and rarely recorded gender. Even where information was captured, there were no such things as system verifications, and information was often captured incorrectly or not at all.

Roll forward 20 years and we now have a tracing company trying to trace A Smith who was supposedly born on 2 January 1956 but who could just as easily have been AP Smith born on 1 February 1959.

Whilst changes to the last three digits of ID numbers are well known, we have had many cases where entire ID numbers have changed when members have resolved disputes regarding their date of birth.

These data discrepancies will trigger untraced results if the fund, employer, and tracing agent don't work together to try to determine if a person found with slightly different details could be the person everyone is looking for.

Jeanine Astrup, a Consulting Actuary representing The Actuarial Society of South Africa

Global Choices' 24Hour Emergency Motor Vehicle Accident Assist

At present the FNOL phase of the claims process is very fragmented and not holistically coordinated. Global Choices' 24Hour Accident Assist digital solutions and services **optimise multiple objectives simultaneously** from the motor vehicle accident scene, through to claim facilitation and resolution.



We offer

24 hour total care



24 Hour Accident & Medical Emergency call centre and case management



Accident legal cover and support for accident risk assessment and legal claims



Legal assistance & support with Road Accident Fund (RAF) Claims



24 Hour Emergency Accident Assistance and towing cost cover



Support in getting an accident police case number for the claim, including transport to and from the police station



30- or 60-day car rental cover with unlimited km's, including car rental gap cover during the claim assessment and approval process



Digital solutions accurately capturing the **vital visual information** with our live video streaming technology



Easy to use digital **pre-populated and self-service** platform for the policyholder's convenience

To find out more about this and other unique offerings, visit 24hourassist.co.za or call **0860 300 303**.

“
We are Optimising First Notice of Loss (FNOL) for motor vehicle accidents
”

2. PEOPLE ARE HARD TO FIND

Most tracing agents will trace members using information related to the member's financial transaction history. These "desktop" traces are often successful for members still employed and living in the country. However, these "first-level" traces become less useful for former members who have left the country, no longer work and rely on their children for financial support, or who have since remarried and changed their surname once or possibly twice. Even more complicated are former members who passed away after having left South Africa. There are a few tracing agents who have found more creative ways of tracking members down, but they will cost a little more given that each case will take time to solve.

3. PEOPLE PASS AWAY

Sadly, as time passes, the chances increase of these unclaimed benefit members being deceased. This turns a former member trace into a beneficiary trace. Once you have found the beneficiaries, in or outside of South Africa, you have the challenge of understanding if the deceased had an Estate, the value of the Estate, if the Estate is still open, and how to get hold of the Executor. Thankfully the process is simpler if the amount of money you are trying to pay is small and the Executor is happy for you to pay the Estate beneficiaries. But in all other situations, it becomes complicated both for the beneficiaries who need to arrange the paperwork and the administrator trying to assist the family.

4. PEOPLE DON'T BELIEVE YOU

With all the scams out there at the moment, it is no surprise that members are sceptical when out of the blue they receive a phone call or email advising them that the employer they left 5 or 10 or even 20 years ago would like to pay them money. People react differently when they have trust concerns – some will tell you that you have the wrong person, whilst others will accuse you of being a horrible human being for trying to steal money from people. The challenge is to keep at it and to try not to take it personally.

5. THE PAPERWORK IS ENOUGH TO SEND ANYONE RUNNING

With the financial regulations surrounding benefit payments made by fund administrators, the paperwork required to make a benefit payment to someone who barely exists in the administration system is hard work. Some of the challenges we have identified through this journey include: Did you know that the previous template marriage certificate asked for a woman's maiden surname and married surname but never asked for the surname at the time of marriage, which may well have been the surname from your first marriage?

This creates problems for women who have been married more than once when the surname you have on record came from the first marriage but the marriage certificate has a maiden surname and a second marriage surname. The only way to solve this for the woman involved is a trip to Home Affairs to ask for a marriage certificate that shows their surname at the time of marriage and the surname after marriage. Waiting for this certificate can take weeks or even months.

***"The Financial Sector
Conduct Authority (FSCA)
has advised that R47.3 billion
was still sitting in retirement
funds as unclaimed benefits
in 2021."***

Financial immigration out of South Africa means that the former member no longer has a South African bank account. The administrator has to confirm that the former member correctly financially immigrated and you have to hope that the member kept a copy of his/her South African ID and SARS financial immigration number. Only then can payment be made into a foreign account. Former members who were working in South Africa but who were never South African citizens often return to their country of origin. The former members do not have a South African bank account and cannot meet FICA requirements to open one.

Payment to these members becomes a challenge for the administrator and for the former member who must produce the paperwork requested. Unsurprisingly, members are not happy with the paperwork requested and the fact that some documentation could be very old and unavailable.



6. THE EXERCISE TAKES TIME AND RESOURCES

It makes no sense for a company to go through the pain described above for a small tracing and documentation collection fee and funds therefore must recognise that this next level of unclaimed benefit tracing will come with costs. Also, questionable cases where ID numbers, dates of birth, or surnames differ, will require further investigation by potentially the employer, fund, and administrator.

This again has time and cost implications. Therefore, if one has to ask "can the industry do more", my view is absolutely. However, all parties involved need to recognise that it will result in higher costs and resource allocations and will

need a whole lot of perseverance. For individuals who did not receive a benefit payout when they left employment, the FSCA has created an online unclaimed benefits search engine.

Members should note any previous surnames or changes to ID numbers. If former members withdrew from a defined benefit fund before 2004, have not been paid an additional surplus benefit and have not already confirmed that their former fund did not undertake a surplus allocation, they should also consider getting in contact with their previous employer.

THE REAL COST OF GRIEF WITHOUT

PROPER ESTATE PLANNING



JEFFREY
WISEMAN

CEO of Momentum Trust

ESTATE PLANNING IS SO CRITICAL WHEN IT COMES TO LEAVING A PROPER AND PAIN-FREE LEGACY BEHIND.

You love your family and never want to see them in pain. But there is an inevitability in this life that we have to come to terms with we are all going to die. The question is, will your death leave your family able to grieve, without any unnecessary financial burden?

Did you know that as many as 35% of wills are rendered ineffective due to insufficient liquidity to provide for estate administration expenses, liabilities and taxes, let alone provide an inheritance to grieving loved ones? These are only the numbers from Momentum Trust's experience.

Leaving behind a stable financial future for your loved ones is up to you. Any financial adviser worth their salt will agree that an estate plan that makes provision for the costs of winding up your estate together with a well drafted will is a critical component of any comprehensive financial plan and is the emotional cushion that a

family needs in a great time of sadness. Without sufficient provision, the cost of losing a loved one can be financially devastating for those left behind. Not only do they have to deal with the costs of burial, but there are also pre-existing debts, administrative costs for lawyers, and valuation costs of assets for estate duty purposes.

Not to mention the Master's fee payable to the Master of the High Court, property transfer costs, and rates and taxes payable to the city council... the list goes on. Any lack of clarity or financial provision can lead to arguments and in many instances, family feuds. So, what do you need to know when it comes to winding up your estate?

MAKE SURE THE EXECUTOR YOU APPOINT KNOWS THEIR STUFF

An executor of an estate is an individual appointed to administer your estate and should be impartial as a loved one may not understand the nuances and challenges that come with the responsibility. Winding up an estate is a difficult, time-consuming and expensive process. If you don't provide for this, it can put a financial strain on your loved ones.



By consulting a trusted financial adviser, you will be able to plan for the unforeseeable future and make informed decisions by providing adequately for enough liquidity to cover the costs associated with estate administration.

WHY IS IT IMPORTANT TO HAVE AN EXECUTABLE WILL?

There are a few challenges that one may face when trying to wrap up an estate without the help of a professional, compounding what is already an emotional time for those you leave behind.

These include:

- If, for some reason, your will cannot be found, is not signed or witnessed correctly it can cause a great deal of confusion and added stress for your loved ones. An incorrectly signed or witnessed will can be declared invalid and your estate might be divided according to the provisions of a prior will or the laws of intestate succession.
- If your estate is too low in value, i.e. less than R250 000, your family will have to administer the estate themselves as it will be too expensive to appoint a professional executor.
- If you failed to provide for sufficient liquidity to settle estate administration fees and debt before you died, your loved ones will have to shoulder the burden of these costs.
- In the case of an insolvent estate with no provision made for settling debts upon your death, all your assets like your house and car will have to be sold to repay your debts before your loved ones can inherit anything.



No one can know when he or she will die and if not planned for properly, this can leave loved ones financially exposed. Take the time to make sure that your will is drawn up correctly and that you have sufficient funds available to ensure a smooth estate administration process and provision for your family not only once the estate is wound up but also during the estate administration process.

With the aid of your financial adviser, you have the opportunity to leave your loved ones and those you cared for with fond memories and a legacy of financial provision. The choice is yours and sadly there are no second chances when death comes knocking.



GROWING THE LONG-TERM INSURANCE INDUSTRY IN TIMES OF ECONOMIC DOWNTURN

The insurance landscape is one of ever-changing complexity. The regulatory environment is shifting, consumer expectations are changing, while fast-developing technologies require business models to become more refined to enable innovation, improve risk management and deliver greater value to clients.

SCHALK
MALAN

CEO, *BrightRock*



Our innovative research has one goal in mind – **helping you help your clients** reach their personal financial goals. **Because with us, investing is personal.**



Innovation



Technology trends



Market insights



Behavioural finance




Research is important for innovation, which is essential to growth, in generating ideas for new products and solutions, and in the advancement of existing solutions in the investments business. The Research Hive was set up within Momentum Investments to provide subject-matter expertise on trends and industry-specific insights. This includes our leading research on behavioural finance, to help you with those important conversations with your clients. When you see our Research Hive logo it indicates that the research is endorsed by our team applying cutting-edge research.

Ultimately, the aim of our research is to effectively help you help your clients reach their personal financial goals. Because with us, investing is personal.

Speak to your Momentum Consultant or visit momentum.co.za

momentum
investments



 Momentum Investments  @MomentumINV_ZA  Momentum Investments

Momentum Investments is part of Momentum Metropolitan Life Limited, an authorised financial services and registered credit provider (FSP 6406).

These rapid changes, accelerated by socioeconomic factors, have led to a difficult operating environment for the sector, creating both challenges and opportunities. Despite these conditions, the sector has weathered the storm and performed well for clients, remaining stable amid massive volatility. However, the key question is, will the South African insurance market maintain this stability and even achieve further growth in a depressed economy?

A lot will depend on the insurers themselves, their ability to adopt agile approaches, and their continued readiness for further unexpected occurrences like those encountered in the past 24 months such as the COVID-19 pandemic, the July 2021 looting, or the recent KwaZulu-Natal floods. From launching as a zero-base start-up on 30 May 2011 to a handful of founding employees and investors, BrightRock has grown rapidly into a market even in a declining economy. Here are some of the lessons that we have learnt over the past decade.

LESSON 1: FINDING PURPOSE IN A PERIOD OF VOLATILITY

BrightRock was founded in the wake of the 2008 sub-prime lending crisis, and an ensuing recession, that had impacted many lives and futures. BrightRock saw an inherent gap and opportunity in the financial services sector in general and the insurance sector in particular. Despite a period of global systematic change, the company developed needs-matched money products that would enable individuals to be the architect of their own financial solution – and in so doing, achieve the company's stated purpose: to help people better navigate change in their lives. Essentially, BrightRock gave consumers better value for money and more flexibility about the life insurance solutions could buy at different stages of their lives, thus moving away from one-size-fits-all risk insurance products. In addition to finding a purpose, insurance companies need to customise their offering because people have different needs.

LESSON 2: CUSTOMISE YOUR OFFERING

In an era where digital technology delivers bespoke, on-demand experiences, consumers expect seamless, customised solutions, services, and product offerings. While insurers and financial advisers are increasingly harnessing technology to enhance service experiences, there has been very little innovation in terms of the underlying product structures. For instance, BrightRock provides better value for its clients through using a back-to-basics approach to product design, which is consumer-centric and unique to the individual financial protection needs of each consumer.

While most insurers offer clients around 52 different cover and premium combinations, BrightRock has harnessed technology to deliver around 54 000 possible combinations, so that clients and advisers can structure a truly personalised life insurance solution in keeping with our needs-matched product philosophy. This is presented to the client in a simple, user-friendly interface that centres on the client's own financial needs, using language that the client is able to recognise and relate back to their day-to-day life. While we are starting to see new InsurTech players introducing new insurance platforms in the market, I believe the insurance sector still has a long way to go to fully harness the latest technological advancements to offer clients truly customised benefits and risk solutions.

LESSON 3: LEVERAGE THE DIVERSE SKILLSETS OF YOUR TEAM TO ENABLE EFFECTIVE COLLABORATION

The insurance sector employs a diversity of skills, from actuarial and financial to digital and technical. The ability to harness these skills and allow cross-pollination across different disciplines is something that differentiates BrightRock from other competitors in the market, where more siloed structures prevail. With a variety of expertise and inputs, you can develop more effective strategies around your products, services, sales, and marketing because teams are collaborating from the get-go to create the best possible solutions. My recommendation to new market entrants is to look at how best to interweave different skillsets and actively encourage cross-functional collaboration from the very earliest stages of a project. It is an approach that saw us deliver results first-hand during the incubation of BrightRock's needs-matched insurance offering.



"The insurance landscape is one of ever-changing complexity. The regulatory environment is shifting, consumer expectations are changing, while fast-developing technologies require business models to become more refined to enable innovation, improve risk management and deliver greater value to clients."

LESSON 4: BE PREPARED TO GO BACK TO THE DRAWING BOARD A FEW TIMES

In any venture, there will be obstacles that test your resilience and commitment. To address these challenges, you will need to keep rethinking and refining your business model. If you can evolve your plans and strategy while staying true to your purpose, your business will be able to remain relevant and sustainable and be positioned to seize the opportunities posed by unexpected circumstances.

There has never been a better time for product innovation than now. The biggest opportunity in the financial services industry lies in delivering value to clients during difficult times. The COVID-19 pandemic demonstrated the importance of life insurance products, which delivered certainty for clients during this time of upheaval.

As economic forces continue to transform, there will be an increase in demand for products that are more affordable and that offer more value for money creating the perfect opportunity for new thinking. I also believe these circumstances position BrightRock ideally in the current market. An inherent characteristic of BrightRock's needs-

matched product architecture is the efficient way cover is structured. Clients can get around 40% more cover for the same premium. The product offering is designed to adapt to changes in consumers' financial needs over time, ensuring that when people's financial responsibilities are at their highest, their cover is as well. And as their needs reduce, the cover reduces. This delivers significant premium savings, and sustainable, cost-efficient financial protection, which I believe will be more in demand than ever.

LESSON 5: STRIVE TO ADVANCE AND EVOLVE YOUR OFFERINGS

Insurers will need to continuously look for ways to provide even more certainty to clients, especially when their needs change. This requires a willingness to grow, innovate and learn. In BrightRock's case, this has meant a commitment to being responsive and to taking feedback from clients and their financial advisers, from business partners and from investors which has helped to guide us in terms of our strategies.

BrightRock's philosophy is to #LoveChange and I believe what will determine our future success, as we move from disrupter to established incumbent, is our ability to stay true to that commitment, which requires us to continually keep growing, innovating, and learning from these stakeholders.

ADVICE IMPERATIVES AND THE LINGERING

IMPACT OF COVID



**ASHONA
SINGH**

*Risk Specialist at Sanlam
Individual LifeThe financial*

The financial 'hangover' linked to the Covid 19 pandemic is far from over and without intermediary intervention, people who have been hard hit by the economic fallout thereof, may be at risk.

If you suspect your clients may be suffering the aftereffects of Covid, now's the time to sensitively pick up the conversation and help them put a solid foundation back in place to secure their financial confidence.

According to the BankservAfrica Take Home Pay Index (BTPI), negative year-on-year growth for nominal wages remain a reality. Intermediaries know that tough financial times often prompt people to shed insurance products first, and therefore need to remind their clients of the reasons they purchased the cover in the first place typically, to take care of their family in the event of death or disability.

Practically, this may be an opportune time to help people review their budget, reprioritise expenses and direct funds to policies that add real value and peace of mind.

COVER

Many people don't realise the underwriting impact of cancelling risk products and reapplying. The price of risk cover increases as people age, and, with deteriorating health, some may face exclusions, health loadings or cover being declined. There are smart ways to leverage risk premiums by linking cover with money back options such as Sanlam's Cashback and Wealth bonus® solutions to complement retirement savings.

Intermediaries can help clients explore these options, giving them the flexibility to access cash at certain intervals during the course of the cover or choose to keep the funds until later, providing them with the best chance of a comfortable retirement. Forward thinking always beats wishful thinking and goals don't materialise without a proper plan in place.

(RE)FRAMING THE CONVERSATION

People who face money scarcity and are contemplating the cancellation of a policy, may have impaired rational decision-making and can benefit from help to invest more time and energy in their decision-making, says **Nick Clifton, Customer Experience Manager at Swiss Re Europe and SA.**

He suggests reframing conversations to centre on 'loss of protection' rather than 'cancelling a policy'. "Ask people what their plan B is, should the worst happen. For example, they're experiencing a financial squeeze now, but what if they lost their job? How would they readjust their income? This way, you change the dynamic to get the client to consider the consequences and 'self-advise' to a degree.

He suggests employing the key bias of loss aversion the fact that we hate losing something we already have. "Risk cover is quite intangible, so the idea is to find ways to make it mean something now. Finally, appeal to the ego, 'You made the smart choice to take out cover', and then to the loss of ease of process, 'Should you cancel your cover now, you might need it in the future, and it may not be available to you or could be a lot more expensive'.

Most importantly, Clifton says it's important that clients believe their intermediaries are committed to optimising their present and future financial well-being. "Make it explicit you have someone's best interests at heart."

CONVERSATIONS AROUND CANCELLING COVER

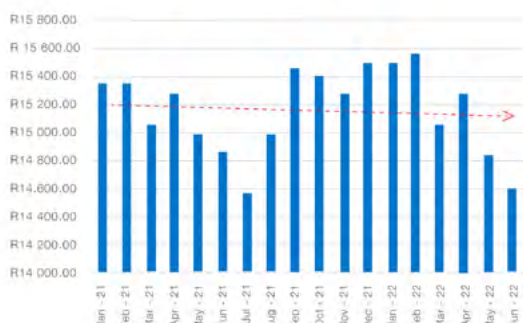
Many people perceive cover as too expensive. Sanlam research suggests that just 18% of participants have income protection, with most of those without it citing affordability as the barrier. Income protection plays a vital role to protect people's income in the event of illness or injury.


Intermediaries can try painting relatable scenarios for their clients, for example imagining the impact of losing their only source of income for even a short period of time, and the knock-on effect for the person and their family. In terms of affordability, different income protection solutions are available to structure a more affordable package of benefits, to allow for an essential level of cover.

If a client must cancel some financial products, I suggests looking at benefits that won't have an immediate future impact, such as savings products where 12-month payment holidays may apply. If there's no choice but to cancel cover, it's crucial to ensure that the client understands the risks. While it's never too late to start again, there's no guarantee they'll receive the same cover amounts at the same price, without health loadings.



Nominal average take-home pay



A portrait of Joon Chong, a woman with long dark hair, smiling. The background is white with decorative teal and orange circles. An orange box is overlaid on the bottom left of the image.

TEN TOP TIPS ON THE PLANNED TWO-POT SYSTEM FOR RETIREMENT SAVINGS

Draft amendments have been published to introduce the proposed two-pot system for retirement savings. Here is a summary of the main features. On 29 July 2022, National Treasury released the 2022 Draft Revenue Laws Amendment Bill for public comment until 29 August 2022 to introduce the "two-pot" system for retirement savings that was flagged in the National Budget.

**JOON
CHONG**

Partner from Webber Wentzel



The two-pot system would allow members of retirement funds to access one-third of their pension savings once a year, in the event of an emergency, while preserving the other two-thirds for retirement. This is regarded as a better alternative to people resigning their jobs to access their pensions or provident funds. The planned implementation date is 1 March 2023, although Treasury said it was probably optimistic, given the necessary changes to fund rules and systems and education of members.

Below we list the "top ten" aspects of how the two-pot system is envisaged, according to the draft legislation. In practice, members of longer standing in retirement funds will have three pots: the vested pot (amounts accumulated before the implementation date), the savings pot (the one-third that is accessible) and the retirement pot (the two-thirds of contributions after 1 March 2023 that have to be preserved until retirement date).

1. Existing members of funds do not have to re-enrol to access the two-pot system, as existing funds will be adapted to accommodate it. Each fund will have to review its rules to do so.
2. Contributions will remain deductible up to the specified caps, but any contributions that are more than 27.5% of taxable income or R350 000 a year can only flow into the "retirement pot".
3. All contributions and growth that are accumulated before 1 March 2023 (the "vested pot") will have to be valued at the date immediately prior to implementation, to enable vesting of rights. The conditions that were attached to those contributions will remain in place.
4. The "savings pot" will start to be accumulated from 1 March 2023, together with the "retirement pot".
5. Any amounts withdrawn from the savings pot will be included in the member's taxable income for that tax year and taxed at the relevant marginal rate.
6. Only one withdrawal from the savings pot can be made a year, at a minimum of ZAR2 000. All, or part of the amount accumulated in the savings pot up to the allowable withdrawal date each year can be taken out.
7. On reaching retirement age, the member can add the savings pot to the retirement pot to purchase an annuity or can withdraw the full amount in the savings pot as cash, which will be taxed according to the retirement lump sum tables. The lump sum tables have more favourable tax rates (maximum of 36%) relative to the marginal rate tables that apply to annual withdrawals pre-retirement from the savings pot (maximum of 45%).
8. On retirement, the total amount in the retirement pot must be used to purchase an annuity. The minimum amount that can be used to purchase an annuity is ZAR165 000, amounts less than ZAR 165 000 in the retirement pot can be withdrawn as a lump sum.
9. Before retirement, it is still possible for a member to withdraw funds from the vested pot, and, as before, this withdrawal will be taxed according to the retirement lump sum tables.
10. Although no amounts can be transferred out of the retirement pot, transfers can be made into it from other pots (vesting, savings or retirement). No transfers can be made into the savings pot, unless from other savings pots. The retirement pot and the savings pot must be held in the same retirement fund (e.g., you cannot hold the savings pot in your old employer's fund and the retirement pot in your new employer's fund).



NETCARE
plus

GapCare Offers More Healthcare Options

Expect the unexpected - illness or accidents will occur at some point in our lives or those we love. Moreover, circumstances that require the use of medical aid are rarely pleasant. These situations can be stressful and even traumatic, depending on the severity of the condition and the treatment required. Compound this with unexpected costs that are not covered by medical aid, and an already challenging situation takes a turn for the worse.

[NetcarePlus GapCare](#) from Netcare acts as a shock absorber for costs not covered by medical aid and unexpected co-payments by softening the blow of an already trying event in someone's life. With the right solution, financial constraints don't need to compromise the quality of healthcare. GapCare also offers a greater selection of affordable healthcare options creating access to Netcare's world-class facilities. "Life can be unpredictable, but healthcare costs don't have to be," says Teshlin Akaloo, managing director of NetcarePlus. "Given the current climate of uncertainty and unemployment, there has never been a greater need for new, affordable ways to access private healthcare to ensure that taking care of medical needs does not impact household budgets with unexpected out-of-pocket expenses."

Change is urgently required to address the affordability challenges that employed people and their families face in accessing private healthcare. When a provision of care can be integrated with funding, this is possible without breaking family budgets and patients having to endure the tedious and often stressful tug-of-war between health funders (medical aids) and providers (hospitals etc). "As Netcare, through NetcarePlus's products, we have a unique opportunity to provide a solution and creative options are needed now more than ever to answer to the complexities of the South African health environment for the benefit of more South Africans," explains Akaloo,

SA Needs Affordable Quality Healthcare with More Options Now

What sets NetcarePlus GapCare apart is that it widens access to quality healthcare beyond medical scheme limitations by providing shortfall cover for both in and out-of-hospital specialists. Plus, it takes care of shortfalls for emergency department costs that are not limited to accidents, day-to-day expenses when medical scheme limits have been reached or savings have been depleted, costs for high-risk pregnancies, and other maternity-related benefits.

Many medical schemes have network restrictions, limiting access to certain hospitals or specialists and do not always provide cover for shortfall expenses, leading to households being out of pocket. Shortfalls covered by NetcarePlus GapCare are for any hospital and are not restricted to the use of Netcare hospitals only. NetcarePlus offers GapCare, GapCare300+ and GapCare500+, a comprehensive selection of gap cover for the shortfall in medical expenses to members on any medical scheme.

Minimising Financial Stress and Strain

Anyone requiring healthcare that is not fully covered by their medical aid might feel that the treatment options available to them are limited or even inaccessible if they do not have the finances to pay for these additional costs.

NetcarePlus GapCare underwritten by Hollard Insurance Company Limited addresses these medical scheme limitations and provides full access to world-class treatment from specialists and hospitals within the extensive Netcare network.

For a new, affordable way to access private healthcare beyond medical aid limits, visit our website [here](#).



NETCARE
plus

Tired of upfront payments on your medical aid? Choose NetcarePlus GapCare from R275pm.

Hollard.

Underwritten by The Hollard Insurance Co. Ltd, a Licensed Non-Life Insurer and Auth.FSP. NetcarePlus is an Auth.FSP. This is not a medical scheme and the cover is not the same as that of a medical scheme. This insurance product is not a substitute for medical scheme membership.



SHORT TERM INSURANCE

"Insurers know all too well criminals' penchant for certain types of vehicles which affects how much you pay for insurance on these vehicles."

- NETSTAR

MORE TO VEHICLE INSURANCE THAN

WHAT YOU DRIVE AND WHERE YOU LIVE



Does where you live make a difference when it comes to the price of your vehicle insurance? Of course it does, but soon there will be much more to it than mere location.

Carjackings increased 13% in 2021 and truck hijackings went up 45%. According to the same data set by the South African Police Service (SAPS), contact crime increased 60% compared to the same period last year.

It's no secret that where you live impacts your exposure to crime. Johannesburg residents are more likely to be the victims of hijackings than those living in Cape Town, for example. But insurers know all too well criminals' penchant for certain types of vehicles – which affects how much you pay for insurance on these vehicles.

Telematics data will play an increasingly integral part in mitigating these risks. Using data from vehicle tracking technology, provided by tracking and recovery companies, insurers can adapt and tailor premiums according to a client's driving behaviour. This is aside from the obvious vehicle tracking and recovery services that kick into gear if criminals make off with your vehicle.

Geography (where you live) is an important consideration when it comes to pricing vehicle insurance premiums and, ultimately, will be a motivating factor when deciding whether to have a tracker installed in a vehicle.

The bottom line is that your risk levels affect your premium. It's critical for clients to be 100% honest upfront about their particular risks, so that they can be covered for their personal circumstances," explains Wynand van Vuuren, client experience partner at King Price Insurance.

Brokers must guide their clients when it comes to vehicle insurance and telematics options available to them, says Van Vuuren. "A broker will make it their business to determine exactly which types of risks they're dealing with," he says. Every detail should be accounted for: from the make and model of the car, the age of the driver, how and where the vehicle is used, where it is parked, and which security measures are in place, Van Vuuren explains.

"Even the colour of the vehicle could make a difference when building a risk profile," he says. This information will form the framework for negotiating a rate with an insurer that works for all parties.

HIGH RISK

Just by knowing your location, insurers can ascertain the level of risk in an area by looking at the number of vehicles stolen, cases of vandalism, and the number of claims, including fraudulent claims, among other factors, says Peter Olyott, CEO of Indwe Risk Services. Insurers even check weather patterns for hail and other weather-related risks. "All of this helps them discern the risks associated with insuring you and your vehicle in that geographical area," he says.



Business ~~or~~ and pleasure

Get industry-leading business cover and legendary royal service from King Price. Our business insurance team is ready to tailor affordable cover for your clients' unique challenges, risks and threats. You name it, we'll cover it.

Let's talk business

kingprice.co.za

*King
Price*™

INSURANCE

Licensed insurer | FSP no. 43862



According to 2019 data released by the South African Cities Network (SACN), the following areas, in order of high to low, are high-risk for hijacking in South Africa.

- Johannesburg
- eThekweni
- Ekurhuleni
- Nelson Mandela Bay
- Cape Town
- Tshwane
- Msunduzi
- Mangaung
- Buffalo City

According to an article published in BusinessTech, who used SAPS data for their conclusions, most carjacking over Q1 2021/2022 were reported in Gauteng (2,704), followed by KZN (820) and the Western Cape (589). Olyott says the make of a vehicle can lead to higher premiums but not just because of its popularity with criminals.

If an insurer's data notes that drivers who own a specific vehicle are more likely to be involved in accidents or have high claim histories, it can also result in higher premiums. Conversely, cars with extra safety features such as collision warning systems will result in lower insurance premiums. Additional factors such as vehicle purchase price, theft rate, cost of repairs, accident rate, and its safety test history, all determine the insurance rate.

TELEMATICS AND DATA

"Information collected from connected vehicles and telematics sensors provides rich data to insurers, which can be useful for a variety of reasons," says Tarina Vlok, General Manager at Elite Risk Acceptances, a subsidiary of Old Mutual Insure. "This includes predictive and more accurate premiums; improved driving behaviour; reduction, even prevention, of avoidable accidents; and an improved claims and assistance services process,"

Justus van Pletzen, Insurance Markets Consultant for vehicle tracking and telematics provider, Netstar, a subsidiary of Altron, explains that a service provider such as Netstar provides insights to its partners using its huge trove of aggregate data. This data highlights everyday driving patterns, along with criminal behaviour, such as where vehicles are more likely to be stolen.

In today's world of big data, this information is extremely valuable in terms of understanding risk but also in preventing these risk events. It's the holy grail of insurance, says Van

Pletzen, "where you're not just dealing with the risk side of things but also the prevention of risk." This data can also benefit individuals by giving them access to more dynamic insurance models, which rewards policyholders who drive safely and park their vehicles in a garage at night.

Vehicle underwriting and rating will increasingly become data-enriched and be based on aggregated data such as distance travelled, the time of use, hard braking, and quick acceleration, explains Vlok. "This information feeds directly into premiums and the core insurance principle of paying in accordance with the risk introduced to the pool," she says.

Traditional premium rating methodologies consider various factors based on the information given by the client at the commencement of the contract," she says, and this includes the area where a vehicle is used and kept, the make and model of vehicle, and age of the regular driver. Telematics enables insurers to ensure that the supplied information is correct, that the driver does indeed park the car where they indicated in their contract. But telematics devices also provide a whole subset of information which enables insurers to further fine tune premiums.

KEY TAKEAWAYS FOR BROKERS

Vlok shares the following advice for brokers:

- The world is moving to a user-based insurance (UBI) solution; discuss the options available to your clients based on their insurance provider.
- Embrace new technology and consider installation of telematics devices. It may lead to lower premiums or premium refunds on your client's car insurance.
- Remind your client to read their contract carefully to establish if a form of telemetry is required on their vehicle. If, for example, the insurer requires that a tracking device is installed and your client does not, they may not pay a claim for theft or hijacking.
- Recommend your client to install integrated telematics systems in vehicles driven by their children. Not only will your client be able to ensure their child remains safe with the geo-tracking capability, they can also ensure that the children drive safely and save money on insurance if they do.
- If your client has a telematics device, they should try and avoid braking or accelerating suddenly, and driving at night.
- If your client works from home and rarely uses their vehicle, they should speak to you about pricing solutions that will better suit their budget.

When and where you drive your vehicle, along with the make of the vehicle, decide the level of insurance and price of insurance, but the increased use of telematics in everyday insurance levels the field in rewarding drivers that make use of these technologies to improve safety and proactively reduce risk.

COVER

TECH TRENDS BRING NEW RISKS FOR INSURERS

Technological development, though rapidly accelerated by the COVID-19 pandemic, has been changing the insurance landscape for some time already.

The agriculture sector is a prime example of an industry that has undergone significant transformation, driven by the development of new tech-enabled machinery and data-driven management systems such as precision farming. Technological trends such as this, combined with the impact of inflationary forces is changing the face of the South African insurance industry and the prevailing risk landscape, both locally and abroad.

Nowhere have the effects of digitalisation been felt more acutely than in the agricultural sector, where technological innovation has propelled a large degree of change over the last decade.

Artificial intelligence and automation are behind the emergence of precision farming a method that employs several strategies and tools to optimise soil quality, crop yields, and increase overall productivity. These paradigm-shifting technologies have given rise to countless opportunities but in doing so, has introduced new risks.

Jan-Hendrik Botha, Head of Underwriting at Western



TECHNOLOGICAL TRENDS BEHIND THE ADVANCEMENT OF THE AGRICULTURAL INDUSTRY

Process automation and new farming techniques that harness the power of data are effective means by which to increase efficiency. But smart equipment and systems require sizeable capital outlay and introduce new risks and exposures that must be mitigated by insurance products that are tailored to this evolving landscape.

Along with the en masse adoption of electric utility vehicles and the cost and risk implications thereof, today's agricultural implements rely on a complex network of electrical components. For example, a diesel-fueled harvester operates by means of an intricate electronic system that includes GPS navigation, computer systems and cameras. According to one study, in one series of combine harvesters, the number of electronic controllers involved in the operation of the implement has increased fivefold within just 15 years.

The high value of the electronic and computer systems that power today's harvesters has seen the cost of these kinds of implements increase dramatically over the last few years, with the sum total of these components reaching over R1 million. In South Africa, where lack of capital has served as a barrier to entry, adoption of these kinds of innovations has been relatively slow but is steadily increasing. These developments have led to the risk landscape in agriculture becoming more nuanced, to allow for specialist areas and types of risk.

HOW THIS TREND HAS INFLUENCED PRODUCT DEVELOPMENT IN THE INSURANCE INDUSTRY

Previously, insurance for an agricultural vehicle required a straight-forward motor policy, but with the advent of electronically powered machinery, policies have been adapted to require cover for a mix of motor and electronic equipment to cover new risk exposures. This additional cover has resulted in higher insurance premiums.

Rating structures have remained fairly consistent, or even decreased, due to the competitive nature of the industry. While the advanced technology being introduced into essential implements has boosted capabilities, these components are more susceptible to risks like lightning strikes and fires. Exposures have therefore shifted from traditional driving accidents to the potential for electrical damage caused by harsh climatory forces, power surges and equipment failures. Furthermore, in the case of artificial intelligence, in particular, the loss of data poses a significant threat to the farmers' bottom-line.

These tech-driven trends have led insurers to structure policies to account for new, emerging risks under separate sections that apply exclusively to cover for electronic equipment and specific eventualities that might occur.

Drones are another prime example of how technology is being harnessed by the agriculture sector to improve efficiency, reduce the cost of labour and introduce more sustainable farming methods. Currently, drones can be flown without insurance, but must be operated in accordance with the South African Civil Aviation Authority's legislations. High-performance drones can cost in excess of R350 000 and introduce a new level of risk that requires specialist cover.

“Adaptability is one of the cornerstones of futureproof insurance companies, not only because of the indelible change that the risk landscape is undergoing but because of South Africa's unique economic standing post-pandemic.”

Standard insurance products provide static coverage for drones (does not apply when in operation) and does not include liability coverage. Specialist products provide more extensive cover, which includes third-party liability and is subject to specific terms and conditions. Technological trends are playing a key role in revolutionising the insurance sector through the development of new insurance solutions. Another emerging trend that is influenced by several macroeconomic factors, coupled with high inflation and its impact on supply and demand, is the increasing value of second-hand vehicles. The value of many of these vehicles, in some cases, exceed their true retail value due to a shortage of cars as well as parts and components. It has now become commonplace for consumers to purchase used vehicles at a cost that exceeds their retail value. But this has a knock-on effect on what consumers expect from insurers and the potential implications for higher levels of underinsurance among South Africans is concerning.

Insurers are currently accommodating client requests to insure above retail value, up to agreed percentages, subject to the increased market value being confirmed at claim stage. Companies like TransUnion, for example, have already established tools such as their Vehicle Price Index. The VPI evaluates the link between new and used vehicle pricing increases from a basket of passenger vehicles that includes 15 of the most popular manufacturers. The index is created using vehicle sales data from throughout the industry, and if market pricing anomalies persist, this might become a worthwhile price index for insurers to consider.



THINK BACK. THINK AHEAD. Now rethink insurance.

For all insurance solutions related to the commercial, agricultural, engineering or sectional title sectors contact your broker or call Western: **Western Cape** 021 914 0290, **Eastern Cape** 044 011 0049, **Gauteng** 012 523 0900 or visit www.westnat.com

Western National Insurance Company Ltd, affiliates of the PSG Konsult Group, a licensed controlling company, are authorised financial services providers. (FAIS: Juristic Reps under FSP 9465)

western
Rethink Insurance

HOW TO MITIGATE CLIMATE-CHANGE RELATED RISKS?



Just a few years ago, climate change was a far-off reality, but a marked increase in natural disasters and weather-related catastrophes points to the reality that it may be closer to home than we realise.

Disasters such as the Knysna fires of 2017 and the more recent floods and landslides in KwaZulu-Natal had a profound effect on local residents and businesses, many of whom experienced extensive damage to their buildings, belongings and property.

Within this changing risk landscape, adequate insurance will provide the relief needed to mitigate against the effects of climate change-induced extreme weather events. In 2017, the Knysna fires blazed a path of devastation that led to the destruction of the largest number of buildings by fire in South African history. In tandem with the effects of storms in the Western Cape, during the same period, the insurance industry equated the total damage to between R3 billion and R4 billion, without taking into account damage to uninsured property.

Similarly, the recent floods in parts of KwaZulu-Natal wreaked havoc to hundreds of businesses in the area. Local businesses are particularly vulnerable to the impact of climate change, by way of example, KwaZulu-Natal's central role in South Africa's supply chain meant that the recent floods had a ripple effect on logistical companies, their suppliers and ultimately, their ability to deliver goods efficiently to businesses around the country. Considering just one instance of what this meant for fresh food businesses, it's not difficult to comprehend the knock-on effect that natural disasters and extreme weather events can have on businesses and the economy.

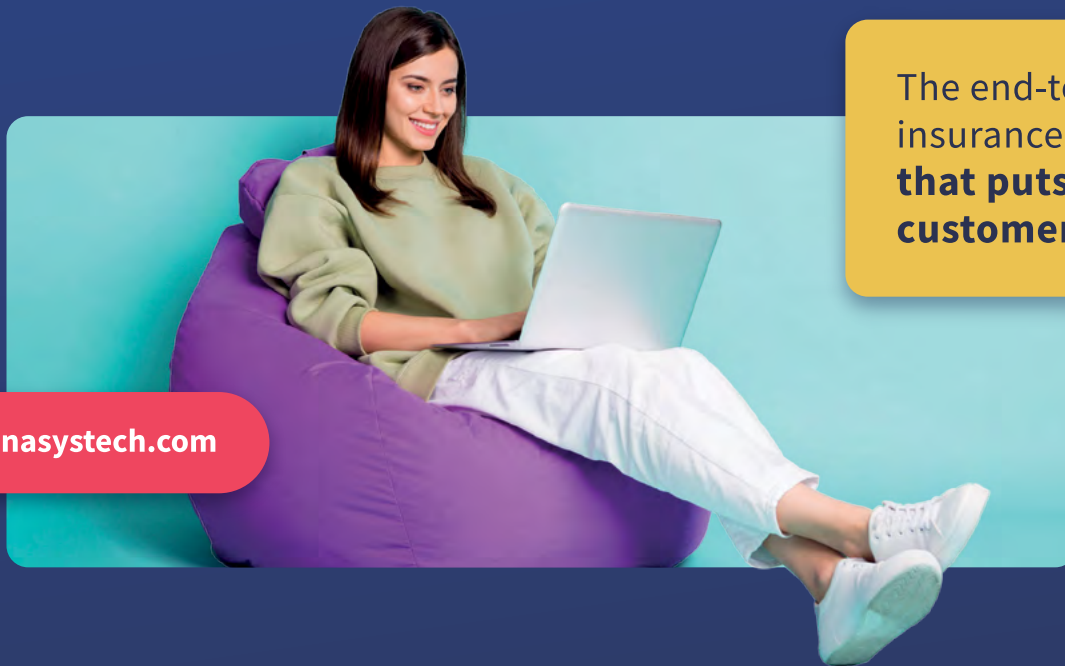
These examples are by no means isolated or divorced from similar occurrences on a global scale, with weather-related disasters in South Africa increasing significantly over the past two decades. Despite this, South Africans remain ill-prepared for what is still to come in terms of weather-related catastrophes and the long-term effect thereof.

Everyone should therefore reassess their policies through the lens of climate change and gain a better understanding of what it means for their personal and commercial needs. Adapting to the changing risk landscape may involve obtaining more tailored cover or adding additional cover due to the multiple considerations that now need to be taken into account.

For example, weather-related incidents can cause physical damage to residential property, a business' premises or fleet of vehicles. Beyond structural damage, there is also the risk of business interruption. Depending on your policy, this type of cover will ensure that operating expenses are covered while your business cannot operate – aspects such as gross profit, revenue and rental income fall into this category. This will also cover aspects such as the cost of moving to a temporary location if necessary.

As certain geographical regions will become more prone to natural disasters in future, based on their location, as well as the scope of the potential damage, there is no single or one-fits-all insurance solution. This is where it becomes crucial for clients to work alongside their advisers to identify new, emerging risks that pertain to their exact risk profile.

Insurance technology with a difference



The end-to-end insurance platform **that puts your customers first**

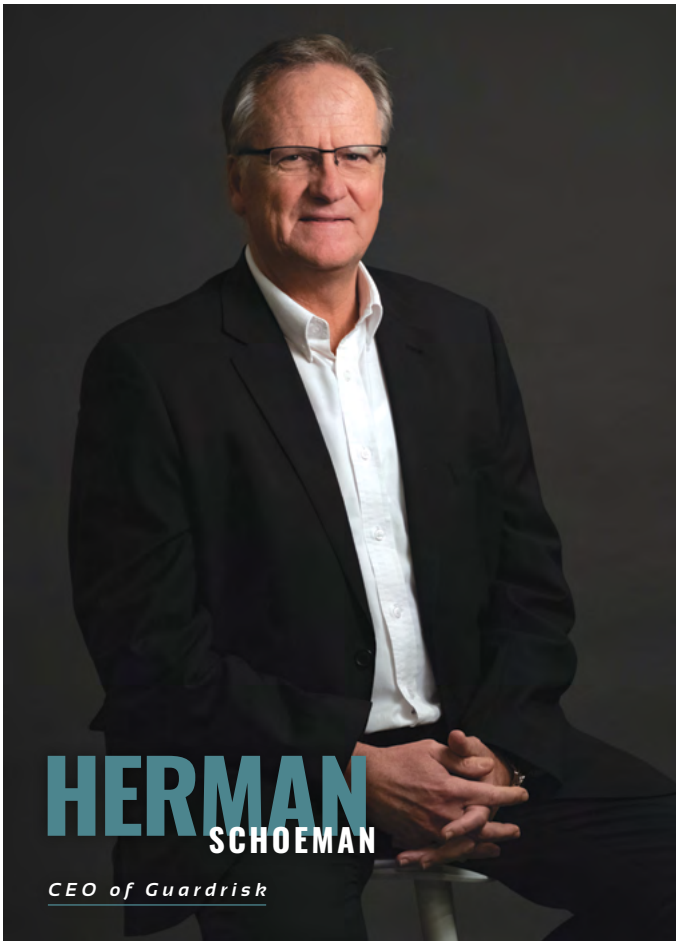
genasystech.com

Say goodbye to complex legacy technology, and hello to a different kind of software solution. Improve your efficiency, speed up your time to market and future-proof your business with the modular insurance platform built to grow with you.

Speak to our team to find out more:



BRINGING INNOVATION TO LIFE WITH LAUNCHPAD



Part two of a conversation with Herman Schoeman, CEO of Guardrisk and Xolani Nxanga, Insurtech Lead, LAUNCHPAD. In this episode we talk about entrepreneurship and enabling entrepreneurs in the insurtech environment.

Tony: Please tell us what LAUNCHPAD is all about and how you intend to assist entrepreneurs.

Xolani: The answer is in the name itself, LAUNCHPAD. What we wanted to create is an enabling ecosystem for entrepreneurs so that they can launch their businesses. This way we can make sure that we contribute to the success of those businesses, nurturing great ideas, and giving them a chance to succeed using our expertise and our networks, because if you come from outside the industry, you also need this kind of social capital.

There are a lot of key stakeholders who's thinking you need to understand and that you want get on board. One of which, for example is the regulator, you have to understand how regulations impact your innovation. We wanted to create an environment where entrepreneurs can feel that they have a partner who can help them navigate this complex environment, not only of entrepreneurship, but of insurance.

Secondly, from a Guardrisk perspective, LAUNCHPAD really is an agile way to drive innovation. We want to remain relevant; we want to shape the trends that relate to customer engagement, we want to shape the trends that relate to new product design and innovation and tap into new emerging business models through LAUNCHPAD.

Tony: I love the concept of an enabling ecosystem. What would you include in that ecosystem when you say enabling ecosystem?

Xolani: It is interesting that we talk about access to funding being the challenge. One of Harvard's Business School professors, Tom Eisenmann, picked up that there were two other important things that have led to business failure. He said that "bedfellows" are one and the other one is just "a false start", when the business fails before it has gotten off the ground.

"LAUNCHPAD is designed for start-ups and scale up businesses that have significant growth prospects."

So, to address the first challenge, we want to create an ecosystem where we become a strategic partner, as well as a client network, to be good bedfellows to the new venture. We do that by giving them access to our insurance expertise, because it would take years for an entrepreneur to accumulate the experience that Guardrisk and its clients have.

Secondly, we want to provide the entrepreneurs with a controlled environment where they can test ideas and test their business models. This is where Tom Eisenmann's point rings true, you must speak to customers, you must speak to intermediaries to test your concept.

For example, we have recently had meetings with intermediaries testing a concept and it was quite a revelation where the intermediaries said to us you are addressing the wrong problem, and pointed us a different direction, and not what we had originally thought was the issue.

It is also encouraging to see that the regulator has created a sandbox, which then also helps with the testing of ideas. The provision of access to our ecosystem is really meant to give that new business a soft landing during the start-up phase, the riskiest time of any business.

Tony: What is the benefit of having such a comprehensive offering rather than just saying I have a cell captive that you can use? Why get more involved?

Herman: It goes back to the benefit specifically for the entrepreneur, as Xolani said, it is access to an ecosystem. Normally the entrepreneur would have had to knock on tons of doors in different environments, in different industries and so forth where now they can knock on one door, and remember we are talking insurtech, they can knock on one door, and we are the gateway. We provide access for such key elements that they require to make their business a success.

The biggest one for me is access to a truly diverse client base. Guardrisk is probably the most representative insurer from a cell captive point of view when it comes to different industries, such as general manufacturing, mining, motor manufacturing and retail industries. As you can imagine, for an entrepreneur to have access to all those industries, is a lifeline. We can sit with them, go to one of our clients or an industry that we represent and work with the entrepreneur to solve a pain point, for the client. That is the ecosystem, as Xolani has mentioned, that is really the big benefit, like a One Stop Shop, to use that cliché.

Tony: Xolani, do you have a specific target market in mind? Are you going to approach people, are people approaching you, how does this work?

Xolani: It is going to be both. There is the reactive part of it, where entrepreneurs approach us. As I mentioned earlier on, we get approaches all the time. We have a dedicated team that is going to look at these ideas and see how they fit in with our drive for innovation. On the other hand, we are also going to be very proactive in looking at specific insurance ideas, which we believe can add value to the Guardrisk cell owners in the Guardrisk ecosystem.

LAUNCHPAD is designed for start-ups and scale up businesses that have significant growth prospects. That is what we are looking for, because we want these businesses to be forces to be reckoned with, within insurtech. The insurtech space is really buzzing now, opportunities are endless, and we want to be part of that success.

We will only target businesses that add value, businesses where Guardrisk can also add value, as we want to create successful insurtech businesses. Guardrisk is open for business.

Herman: We will be creating awareness and we will be creating a position for Guardrisk, under the LAUNCHPAD initiative, in those markets and in those sub-segments of markets where entrepreneurs are, where funders are, and where venture capital funding is. That is an area where, specifically via social media and very targeted forums and events, we will make sure that the Guardrisk LAUNCHPAD name is heard and taken note of.



MANAGING SHORT-TERM INSURANCE ADVERSE TRENDS



WILMA
VAN DER WALT

Executive for Customer Experience and Operations at PPS Short-Term Insurance

“While the industry has implemented measures to cope with rising inflation, the consequence may be an unavoidable increase in premiums.”

The impact of COVID-19 and cyber security attacks were expected to be among major concerns for the short-term insurance industry in 2022.

However, the shortage of professional adjustors for commercial properties, the rapid adverse developments over the past six months – such as the war in Eastern Europe – the twin problem of rising inflation and interest rates, and the heightened effects of climate change are some of the key trends expected to shape the short-term insurance industry in the months ahead.



Undoubtedly, insurance companies and individual policyholders are likely to bear the brunt of these adverse factors.

INFLATIONARY PRESSURE

Consumer inflation the measure of the pricing of goods and services for May raced to 6.5%, becoming the highest level in five years. According to the International Monetary Fund, South Africa's inflationary pressure is expected to continue through to 2024.

This will impact the replacement of insured items such as vehicle parts and construction material for buildings. While the industry has implemented measures to cope with rising inflation, the consequence may be an unavoidable increase in premiums. Inflation adds pressure to the tight profit margins of most insurers as they do not want to price themselves out of the market.

CUSTOMER-CENTRIC APPROACH

With the ever-changing technological advancements, clients are rightfully expecting insurers to continually improve their service levels. Clients want their claims to be settled speedily, transparently and to be kept in the loop about the progress of their claim. Also, because of various tech improvements, the digitisation of services means that new smaller insurers can enter the market due to lower barriers to entry.

We can, therefore, expect that in the coming months – as clients feel the squeeze of the ever-rising cost of living – insurers will come under pressure to secure new clients. It is, therefore, important for insurers to be agile and flexible in their offering. A priority should be to continually innovate according to the evolving clients' needs by developing user-friendly, efficient and customer-centric offerings that enhance their time-intensive lives.

CLIMATE CHANGE

The recent heavy rains across the country and the flooding in KwaZulu-Natal confirm that climate change will play an increasingly prominent role in weather-related damages in the insurance industry. This is especially true for property owners. Property buyers and insurers must consider the varying exposure perils of insurance. Historical weather patterns for a specific area come into consideration, along with property size and age classification. Other elements to be considered include distance measures from rivers, lakes, sea, forests and farms, regular breakaway wildfires and seismic activity. It, therefore, goes without saying that everyone should actively seek to mitigate the risk that global warming poses to the quantum and severity of short-term insurance claims. Failure to do our part will cause recurring increases in insurance premiums.

SHORTAGE OF PROFESSIONAL ADJUSTERS

In addition, commercial property insurers are facing a severe shortage of professional adjusters. When dealing with commercial property, there are loss adjusters and damage adjusters. Loss adjusters are responsible for quantifying the loss and applying the policy terms and conditions to determine if there is cover or not, while damage adjusters inspect property damage to determine how much the insurance company should pay for the repairs or replacement. Industry experts within the commercial property insurance sector predict a severe global shortage of professional adjusters in the future, as many have retired or are about to retire. Most adjustment professionals are older than 55, and insurers have struggled to recruit millennials, leaving a considerable experience gap within the commercial property insurance industry.

In conclusion, the next 18 to 24 months will prove challenging for consumers. There is no end in sight for the Russian-Ukraine war, increasing the risk of higher fuel and food prices. It is a risk that requires careful consideration by insurers and policyholders as they traverse the period of elevated uncertainty.

THE ROLE OF LOSS ADJUSTERS

IN AN EVER-EVOLVING LANDSCAPE



The coverage offered by insurance companies has become more widespread and increased in complexity. This has led to the need for more specialised loss adjusters in the industry.

The loss adjusting industry now provides a pool of experts with a wide range of knowledge and experience across a variety of industries such as engineering, marine, agriculture, aviation, cyber, to name a few. To provide a transparent claims handling process and to ensure that customers are treated fairly, insurers require the technically sound and objective input of qualified, experienced loss adjusters.

Beyond investigating the claim to determine the extent of the insurer's liability; loss adjusters also assist the insured to navigate through the claims process; and play a crucial role in ensuring that all parties involved are treated fairly and reasonably throughout the process.

LOSS ADJUSTERS ADD VALUE TO THE POLICYHOLDER EXPERIENCE

A high level of customer service together with fairness is key in policyholder retention and policyholder satisfaction; and it is important to acknowledge the role that loss adjuster's play in this. The policyholder pays a premium for customer service and claims assistance. The loss adjuster is a major player in the claims process and should seek the same outcome as what the insurer and broker would like in each claim - for it to be resolved in a fair and transparent manner so that it is ultimately a positive policyholder experience. Despite being appointed by the insurer, it is of vital importance that loss adjusters remain impartial to ensure that their core responsibilities, for example verifying quantum, is always independent, not to reduce the amount of the claim as is the common perception but to ultimately lead to the claim being finalised in a fair and accurate manner for all parties involved.

CHANGES IN THE RISK LANDSCAPE

The Covid-19 pandemic disrupted the global economy and inevitably changed the way claims are handled. This, in turn, forced the loss adjusting industry to adapt and make changes to how claims are assessed. Loss adjusters have since been able to use innovative ways to manage major and complex claims, mainly with the use of technology. Major and complex claims have become a frequent occurrence in the insurance industry; and we can expect the frequency to increase in light of the current global supply chain issues, inflationary pressures, war in Ukraine and the ongoing pandemic. I think that it is safe to say, though, that the complexity of handling such losses; the difficulty in accessing sites and the many other challenges that arise from such losses will not phase the loss adjusting industry due to technology continuing to be pivotal to facilitating and transforming the handling of such losses.

Earlier in the year, the insurance industry was inundated with claims arising from natural catastrophic related damage as a result of climate change, namely the floods experienced in Kwa-Zulu Natal. This was a dismal reminder of the changing weather patterns and the role of the loss adjuster should be changing too. The claims received in the wake of these floods are an indication of the significant impact this has had on the insurance industry and it highlights the need for loss adjusters to play a crucial role in the fair assessment and settlement of such claims.

FAIRBAIRN CONSULT

WEALTH CREATION AND PROTECTION

YOUR BUSINESS IS ABOUT CREATING AND PROTECTING WEALTH FOR YOUR CLIENTS, OURS IS ABOUT HELPING YOU DO THE SAME FOR YOURSELF AND YOUR PRACTICE.

Setting up a thriving financial advisory practice takes money, grit, time and perseverance.

Fairbairn Consult's **Certain Succession Plan** gives you certainty about what will happen if you exit the industry through retirement, ill-health, disability or death.

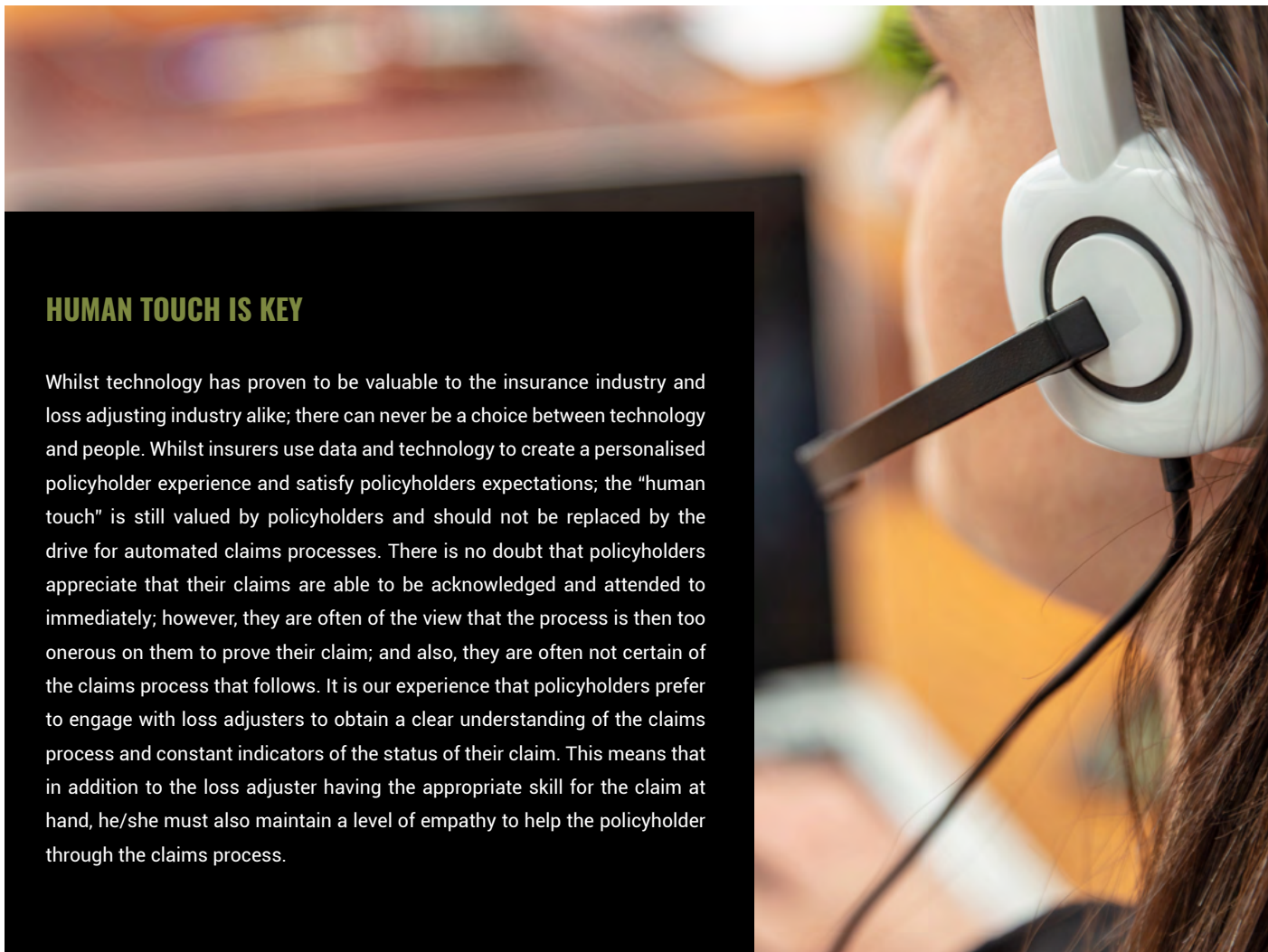
In terms of the **Certain Succession Plan**, you, or your beneficiaries, will receive 20% of future income from your clients for 10 years. We also ensure that your clients are well taken care of.

- ☑ **FUTURE INCOME**
- ☑ **PROTECTED CLIENTS**
- ☑ **TREATING ADVISERS FAIRLY**

To find out more, visit www.fairbairnconsult.co.za or scan these QR codes.



ombis 08.2022 66261



HUMAN TOUCH IS KEY

Whilst technology has proven to be valuable to the insurance industry and loss adjusting industry alike; there can never be a choice between technology and people. Whilst insurers use data and technology to create a personalised policyholder experience and satisfy policyholders expectations; the “human touch” is still valued by policyholders and should not be replaced by the drive for automated claims processes. There is no doubt that policyholders appreciate that their claims are able to be acknowledged and attended to immediately; however, they are often of the view that the process is then too onerous on them to prove their claim; and also, they are often not certain of the claims process that follows. It is our experience that policyholders prefer to engage with loss adjusters to obtain a clear understanding of the claims process and constant indicators of the status of their claim. This means that in addition to the loss adjuster having the appropriate skill for the claim at hand, he/she must also maintain a level of empathy to help the policyholder through the claims process.



Are you an underwriting manager or broker?
 Looking for an Insurance Management Software Suite?
 Want insight into your policy & claims administration,
 including underwriting?
 One that also boosts automated data sharing
 capabilities in terms of binder regulations and IFRS 17?



We Also Offer:

- Business Intelligence that provides detailed information related to your Claim Ratios, New Business & Insurance Value Bands
- Hosting on your server or on ours
- Cutting-edge technology to grow & adapt with you & your business

PROFIDA will meet your needs, both now & on our journey together into the future!



www.profida.co.za



(021) 975 0215

BUILDING OUR FUTURE THROUGH EDUCATION



Bonny Loureiro, GM of RITE, chats to us about Renasa's passion for primary education.

Tony: Let's start with an overview of RITE, what it stands for, its founding, and affiliation with Renasa?

Bonny: RITE stands for Renasa Insurance Training and Education, and we started in 2006.

With a fellow teacher and friend, we had developed this program that taught the alphabet to grade one and R learners. We were selling it to schools that could afford the program, which was great because we could make some money, but the need was so great in schools that could not afford the program that I decided to give it to those schools, which brought us the most pleasure. But we could not do this on our own and we needed Renasa to back us.

The fundraising that goes on through Renasa's colleagues, brokers, and various other business partners, allows us to print the books that we donate to the schools. I am passionate about teaching children or facilitating learning. Most teachers do so much with so little as they just do not have the resources. You can imagine five- and six-year-olds just wanting what they need as young children, to learn and to be happy and secure in a safe environment. So, working with these teachers has been very humbling and very inspiring because I feel

like I can help them a bit. It is a drop in the ocean, but it is something. We can give them the books that we have written and printed through Renasa and they go away so happy that they have a pack of 50 or so books that they can use in their classrooms the next day. So, it is a very worthwhile cause.

We also try to inspire the teachers, giving them ideas on how to teach the alphabet, how to make it fun and exciting for the children. They are five or six years old, so it is all about games and playing. If they can learn while they are playing, then that is the best way to learn.

So, we give the teachers ideas on how to use products from the home, recyclable milk bottles, bottle tops, egg boxes, yogurt containers, jam tins, and using all these things to make games, to teach the alphabet. For example, they would collect plastic bottles, put the letter that they are teaching on the front of the bottle and then line them up to make skittles. The child must then throw a ball, knock the skittle over and then go

and look to see which letter they knocked over. The teacher will then ask them questions about that letter. In that way they are incorporating learning and fun and games to the classroom. It makes a difference because the teachers always need fresh ideas on how to teach numeracy and literacy.

Tony: Where does RITE get its funds from and when you raise the funds, how do they get used?

Bonny: Jonathan Rosenberg, Renasa CEO, has been so supportive of RITE. He has felt that it is a part of our responsibility to give back to the communities and help where we can. I am employed by Renasa and all the money we raise goes straight to the printing of the books.

We managed to raise some money by hosting a family fun run on Mandela day. Everyone paid R67 to run, walk, hike, jog or whatever for 67 minutes. We managed to raise R20 000 just from that day, which was amazing, because we could not do our golf day. We have an annual charity golf day in October, which is coming up, and that is our main fundraiser. We must try and raise about R100 000 per annum to cover the cost of the printing. We print about 50,000 books a year, which we donate, throughout the year.

Tony: What successes have you seen with RITE?

Bonny: It is great for the insurance industry to see that Renasa is a company that thinks of others and gives back, it is not all about making money. It is also about helping those less fortunate than ourselves and the previously disadvantaged. The golf day that we host builds awareness for what we do at RITE. People love to see positive things happening and people doing things to help others without much thought for themselves and that is what Renasa does with RITE.

Tony: Why do you think, RITE specifically, is so important to Renasa when there are so many things to focus on?

Bonny: Reading and writing is key to the future of this country, and many children get to grade five or six and they do not know how to read and write. They somehow slip through the cracks, which is incredibly sad. When we first met with the teachers to give them our Alphabet Program, they told us that they did not have enough books to read with the children. So then, Jonathan said we should write some books. I can now say I am a proud author of 15 books which the children use in grade R and in grade one. They are all in English as they must learn to speak English at that level, even though their mother tongue is very important. The teachers can then translate it for them into their mother tongue. because they are very simple one liners with eight lines per book. They love them, they are full of colour, and they are very interactive. There are enough books for everyone to hold and turn the pages. It has been a wonderful journey.

Tony: I have spoken to quite a few people who have education initiatives and a lot of them focus on that foundation stage. It is the future of our country.

Bonny: We love talking to our colleagues in insurance, we love to hear what other people do. There are so many people doing so much, which is so positive, and heart-warming and we love to collaborate with them. If they have schools that they support, whether they paint them or pay for the teacher, we can come in with our books and donate to those schools. We are always looking for people and schools that are in need and under-resourced, so that we can donate to them. We do not want to give to people that can afford it, we want to find those that really need it.

Tony: Please tell me about your golf day coming up?

Bonny: It is taking place on the 4th of October. If any of the insurance people out there are keen to play, I have been sending out invitations, but if they have not received one, we would love to hear from them and we will happily invite them to this very insurance related golf day.





TECHNOLOGY

" You can't connect the dots looking forward; you can only connect them looking backwards. So you have to trust that the dots will somehow connect in your future. "

- WIMPIE VAN DER MERWE, CEO AT GLOBAL CHOICES



REIMAGINING FINANCIAL ADVICE IN A DATA RICH WORLD

The data explosion anticipated over the next three years, the hyper personalisation of products and services, as well as the ongoing imperative to target people as individuals are prompting intermediaries to reimagine their role and how they advise clients. And rightly, so.

JACQUES
COETZER

*General Manager of Strategy &
Transformation at SanlamConnect*

#whyCIB?



Understanding your world, we offer insurance done properly, in a personalised way.

Who we are

- One of the **largest Underwriting Managers** in South Africa
- Focused on **short-term insurance**, across Personal, Commercial and Niche classes
- **Entrepreneurial** mindset
- One of the **lowest claims rejection rates** in the industry
- We partner with **like-minded brokers**
- **200%** growth rate in the last 10 years
- Over **R1.6 Billion annualised premium** income
- Premium increases **below inflation** every year for the last 5 years
- Guardrisk, our license carrier is a **level 1 B-BBEE contributor**

Broker benefits

- A wide **product range and competitive pricing**
- **Tailored solutions** to suit broker and clients' needs
- **Country-wide** footprint
- Personal attention through **dedicated Portfolio Managers**
- Focus on **risk management**
- Ease of access to a **state of the art IT platform** for policy and client administration
- Easy access to decision makers and speed of decisions

Quality

Service Excellence

Personalisation

What makes us different?

- Our suppliers adhere to our standards of excellence and share in our vision
- Exceptional turn around times with consistent and efficient claims processes
- Comprehensive underwriting processes upfront to ensure peace of mind and no underwriting at claims stage
- Our diverse product range with regular product updates, keeps us relevant and abreast of the competition
- Ensuring we provide diverse expertise and technical skills throughout CIB, resulting in the best possible service to brokers and clients alike

Broker testimonials

- "We are extremely proud to be associated with such a company!"
- **Riana Wiese, PSG Meesterplan**
- "CIB makes it very hard not to do business with them"
- **Greg Brits, Jurgens Group**
- "CIB is committed to establishing long term relationships and continue to raise their level of service to brokers. Their open communication policy makes it easy to do business, engage in high level discussions and find solutions for all parties involved."
- **Wickus van der Walt, FNB Insurance Brokers**
- We would like to express our appreciation to the CIB directors and all their staff for their high standard of service and support. Always going the extra mile and taking the time to listen to our needs.
- **Féthon Zapheriu, Insurisk**

We understand the broker's world, ensuring long-standing relationships.



Personal



Commercial



Specialised Buildings



Agriculture



Franchise



Marine



Engineering



Motor Fleet

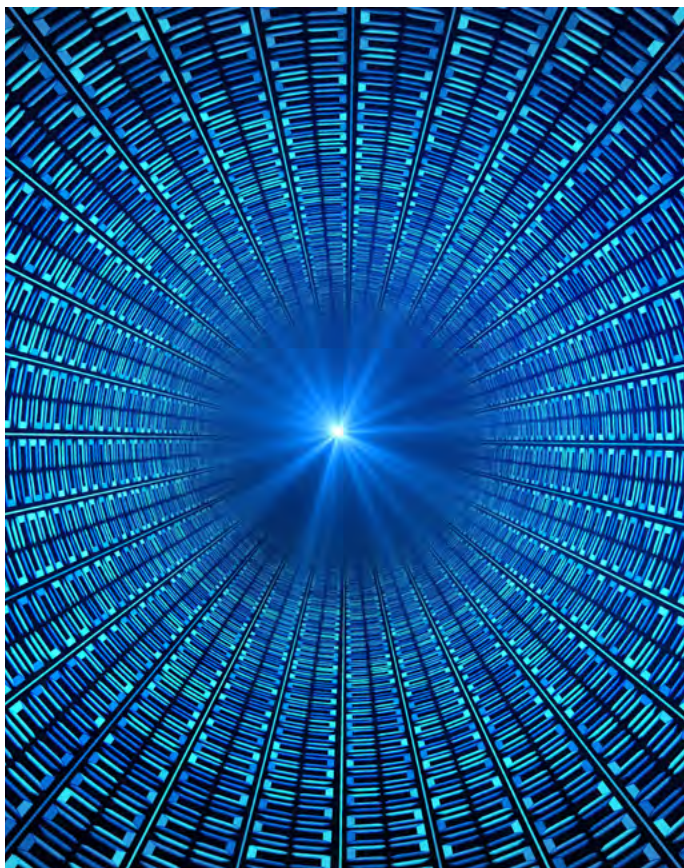


Culinary

www.cib.co.za

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





THE WINDS OF CHANGE

Until recently, a major portion of financial advice and planning was product centric and prior to the mid-90s much time went into trying to tailor the client to the product. Then, as the late 90s and early 2000s rolled around, a raft of new regulations pushed many intermediaries into viewing clients as numbers on a chart and graph and the world began to change. About 7 years ago, a progressive shift happened, not just in financial services but everywhere.

Organisations began accumulating in-depth behavioural data and used it to better understand their clients. We found that you could not only use technology to improve processes, but also to engage people and provide more bespoke services. This has had profound effects on financial planning, shifting relationships from being purely transactional to becoming a trusted partner in a client's financial journey.

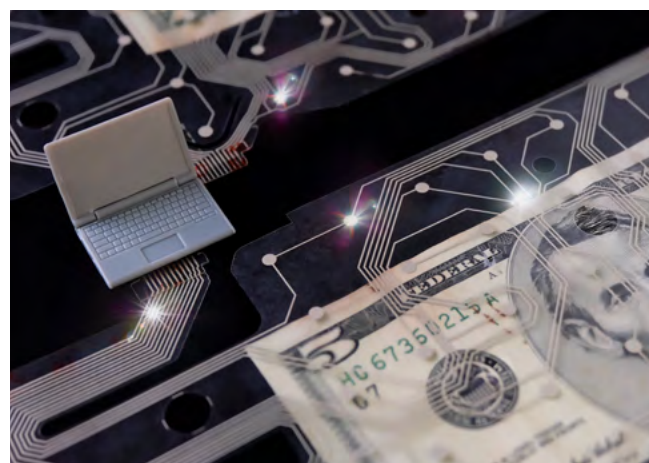
HOLISTIC FINANCIAL PLANNING AND HYPER-PERSONALISATION

Current research supports the assertion that the pandemic made many people rethink what is important to them. What emerged was a clear view of clients asserting themselves and their desire to be viewed as individuals with unique needs rather than members of a segment. This hyper-personalisation is the driving force behind holistic financial planning. Today's financial plans are client-centric and must be shaped around each client's household structure and unique needs. In other words, there is no one-size-fits-all approach.

THE BENEFITS OF HOLISTIC FINANCIAL PLANNING FOR CLIENTS

Holistic planning views clients as a complete picture, considering current and future goals, health, family, and any other variables that may be unique to a particular person. At Sanlam we know that holistic financial planning cannot be controlled by a checklist. Instead, it acknowledges that an individual's life and money are intrinsically intertwined. Intermediaries looking to embrace this kind of approach and become a lifetime partner to their clients need to keep the following in mind:

- **Relationship building:** Holistic financial planning requires deep relationships. Intermediaries should fully understand a client's current situation, future opportunities and potential risks, motivations, and concerns. Most of all, they should have a sense of the client's overall relationship with money. It is not possible to build and maintain a relationship without trust. Trust is undoubtedly the most powerful driving force behind clients' decisions to engage with and support you.
- **Clear and living goals:** Through in-depth conversations, extensive research, and ongoing analysis, your relationship with your clients should centre around their goals for the present and future.
- **Flexibility:** Life is not static, and change is inevitable. Your client's holistic financial plan should not be rigid and should consider the ways in which life can and does change. A holistic approach to finances and investments means that decisions are made with a client's priorities and timelines in mind.
- **Personal:** Holistic financial plans are not about a product; they are about the person. As such, they should consider everything about the client's personal and financial life; this includes their relationship with money, financial background, personal values, and wealth accumulation goals. Getting to know hundreds of clients this intimately may not be plausible, this is where technology comes in, to lighten the load.



THE BENEFITS OF HOLISTIC FINANCIAL PLANNING FOR ADVISERS

The benefits of holistic financial planning for intermediaries can be immense. While it may require a little extra work, it results in a far more engaged clientele that remains on the books for life. An intermediary taking a holistic approach should remember:

- **Clarity:** Building a good relationship with your clients, meeting regularly and clearly explaining each part of your financial plan, investment selection and how you are tracking towards their goals, is a must. Through transparency you can prove to the client that they can trust you. Essentially, trust is the intersection at which experiences meet expectations.
- **Scale:** An extensive list of clients means it is simply not possible to maintain close interpersonal relationships with everyone. This is where it becomes important to lean on technology. Thanks to data analytics and software, it is possible to build client interactions into your business. Furthermore, technology now empowers clients to access some information themselves.

LOOKING TO THE FUTURE

In order to do justice to your client base, aside from ensuring trusted advice remains front and centre, you will also need to use digital tools as a force multiplier to support you in reaching and managing your clients. We may still be in the teething phases but the value that technology and the hyper-personalisation of data will bring to this industry will be immense. Holistic financial planning is just one way in which access to deep and comprehensive data allows us to create market leading value propositions that can bring meaningful change to our clientele. As we continue to improve our offering we must stay on top of the trends and forces that push our industry forward and remember that, regardless of whatever change may come, there will always be a need for the human touch.



Is your finely crafted financial plan a grand masterpiece?

Or will it be let down by traditional life insurance products that don't match your clients' needs?



Inspired by Van Gogh's Self Portrait with Bandaged Ear

As a highly skilled financial adviser, you know that every financial plan is carefully designed to meet your client's needs today, and as their life changes. BrightRock's needs-matched life insurance lets you create a product solution that precisely matches the financial plan you've crafted for your client.

For example, we can offer your qualifying clients two benefits in one, thanks to our cover conversion facility.

They'll be able to increase one benefit and reduce another as their needs change. So, later in life, they could use their disability premiums to buy more cover for another need – without medical underwriting, even if their health has changed*.

Only with needs-matched life insurance do you have unrivalled flexibility and efficiency, so that your finely crafted financial plan becomes an enduring masterpiece in your client's hands.

Get the first ever needs-matched life insurance that changes as your life changes.



BRIGHTROCK

brightrock.co.za



*Terms and conditions apply

BrightRock Life Ltd is a licensed financial services provider and life insurer. Company registration no: 1996/014618/06, FSP 11643. Terms and conditions apply.

THRIVING IN THE DIGITAL AGE OF INSURANCE



It takes a different mindset to compete in today's rapidly evolving insurance industry. A next generation of insurers has emerged, disrupting traditional business models and shedding the constraints of legacy systems.

This new generation of insurers has a different approach to business. Instead of looking in the rear-view mirror to see how things have been done in the past, they look to the future - breaking down core elements of insurance and reinventing them.

Shedding the constraints of legacy systems that inhibit the real innovation, these challenger brands are building future-proofed business systems that will adapt to changing industry dynamics. The biggest innovation they are displaying is the ability to identify, and supply, products and services that resonate with today's digital consumer.

These innovators have learned the importance of customer experience and taken note of the speed of service consumers receive from their tech suppliers; now, those consumers are expecting the same from insurers. Today's tech-savvy customers have the power of choice, and they wield it in the knowledge that the application of technology and information can define success or failure in today's digital world. Traditional insurers need to adapt to this disruption or risk being completely displaced from the marketplace.

However, this shift can be easier said than done and traditional insurers face legacy roadblocks to next-generation success. These systems were designed for success in an earlier era, but now hinder their ability to adapt to the digital age.

Adapting should include a mindset reset, and consideration of 'first principles' rather than legacy thinking. When traditional insurers create insurance solutions, they take something that was historically designed and add to it year after year or even generations later. The end result may do the job but is often inefficient and expensive to maintain. When insurers build solutions using analogies, iteration is often confused with innovation.

"Shedding the constraints of legacy systems that inhibit the real innovation, these challenger brands are building future-proofed business systems that will adapt to changing industry dynamics."

However, a 'first principles' approach reworks the problem from the ground up, resulting in the development of new products and solutions unencumbered by what was built in the past. For insurers, this approach starts by asking questions such as, "What business problem am I trying to solve?" or, "Why are we still performing underwriting and claims processing in the same way?" Reinventing a highly regulated industry is a monumental task that is unlikely to occur any time soon. Still, some companies are disrupting certain components of the industry by throwing out the old rule book. Traditional insurers need to prioritise the [following strategies](#) if they are to compete with today's disruptive innovators.

PREPARE FOR THE HYPER-CONNECTED CUSTOMER.

Today's insurance customer is hyper-connected and engaged in an omnichannel, always-online experience via mobile phones, desktops/laptops, wearable devices, connected cars, cloud-based voice services and social media. They expect, and get, immediate gratification. Many insurers mistakenly believe that simply delivering a mobile app will address this need for innovation. But placing a new veneer on top of an antiquated set of business applications is not going to meet the demands of today's digital customer.



EXTEND THE VALUE PROPOSITION.

Insurance customers are no longer satisfied with the organic products and services delivered by their suppliers. Today's customers are asking "yes, you insure my home and car, but what else are you doing for me?" They demand more value and a diverse one-stop shop of offerings, many of which are not core competencies for insurers. Insurance customers want additional products and services that run adjacent to their insurance needs and augment their personal lives. They want guidance, advice and access to products and services that enhance their overall financial well-being with offerings shifting as their life goals evolve over time.

Next-generation insurers are modernising their infrastructure with platforms that quickly integrate with third-party programming interfaces. This is the only way insurers can deliver the digital agility required to adapt to the needs of the customer and respond to competitive pressures. If pricing and products are virtually the same across the industry, how can insurers compete for market share and wallet share? This is an easy one exceptional customer experiences, at the speed of digital and to a global standard.

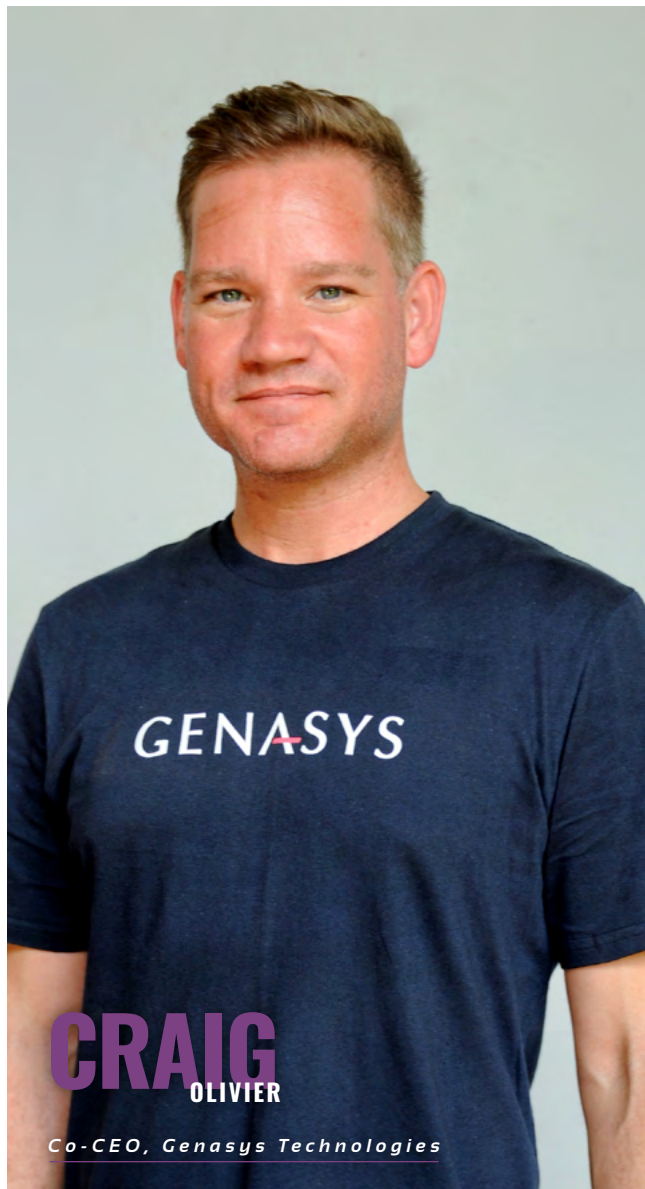
DATA PROLIFERATION.

Next-generation insurers deal with the inevitable proliferation of content and data repositories across organisations. They embrace the disparity of data and content across their businesses and have learned to leverage information where it lives.

FUTURE-PROOFING.

Insurance companies struggle to keep their core systems relevant and as such are unable to respond to pressures from a changing industry. Many core systems are well over 20 years old and were never designed to be flexible. However, next-generation insurers leverage systems assembled from individual functional services. This Lego-like approach provides them with an expedited way of modifying existing applications, as well as quickly assembling new ones as and when needed. Applications built on services exposed through standardised programming interfaces allow innovative insurers to effectively 'future-proof' their business applications by replacing obsolete services with minimal impact to the overall system, and far less disruption to the business.





CRAIG
OLIVIER

Co-CEO, Genasys Technologies

DON'T LET YOUR CUSTOMERS PAY FOR YOUR BAD TECH

It's an open secret that the insurance industry is rife with inefficiencies. There's a cost incurred any time a policy is touched, however lightly.

From AI to automation, technology holds major promise for businesses looking to reduce the reliance on expensive manual processes and create better experiences for the consumer. But get the technology wrong, in combination with an ill-conceived digital-evolution strategy, and your end-customers are paying for your mistakes.

TECH SAVES THE DAY?

Well... not quite, as it turns out, because many insurance businesses aren't exactly digital deserts to begin with. More often than not, tech has already been introduced in various forms but because functionality and user experience have not been given enough consideration, it fails. The result is an accumulation of technical debt that negatively impacts the teams working within the organisation, the supply chain and the end-customer.

Researchers at University of the Western Cape recently affirmed that "technology on its own is not the silver bullet when it comes to digitally transforming the business". Across the industry, we're seeing the pervasive belief that tech is the tool that can fix anything without little regard for the wider business need, how the consumer benefits, or what this means for the organisation's culture.

CONSUMERS WON'T PAY FOR YOUR BAD TECH FOREVER

When the shine wears off your new tech, it's your end-customers that pay for it not once but twice. Initially by paying for your mistakes literally, through inflated prices and then through the second cost of a dismal customer experience. When implemented and used well, technology drives and future-proofs the innovation that delivers fair value for end-customers while enabling market competition. But when your objective isn't clearly defined, technology does the reverse and then some. We've all been on the other side of poorly implemented, user-hostile tech so we can all appreciate that where frustration accompanies every interaction, it inevitably chips away at goodwill and trust.

For insurance providers, that consumer frustration is only the start of it. The pandemic and now the cost-of-living crisis have made it plain that we're living in incredibly unpredictable times, so it's important that you're flexible in your approach to keep hold of your end-customers. Especially when you consider that acquiring a new customer can cost as much as nine times more as retaining one. With one in six UK households in "serious financial difficulties" as of July 2022, more than a quarter of those have cancelled or allowed personal insurance policies to lapse. Commercial lines aren't safe either. And this is just the UK. I think it's fair to say that in the face of growing consumer economic hardship, insurers are bracing themselves to justify their existence, let alone their value.

SIX TIPS FOR TECH CUT-THROUGH

So how can you stay flexible in the face of such unpredictable change? What do you need to consider if you're about to take the plunge and start the potentially daunting task of reviewing your digital estate and clearing your technical debt?

1.As defined by ISO standards, innovation hinges on "realizing or redistributing value" note the emphasis on value. Digital innovation is often conflated with technology change. They're not mutually exclusive concepts, but they also aren't synonymous. There is incredible technology out there, but rather than pursuing it because you think you should, the key is to interrogate and define how it can add real value. A simple lift and shift of what you had before but with a new wrapper and ribbon bow just won't cut it.

2.Even more vital is that it's adding value to the right people. Your digital evolution should be about delivering the very best experience for the end-customer while freeing your teams from the pain of legacy systems. Your tech partner should never be incentivised to set you down a path you can't come back from, or to put all your eggs into one technological basket. Which leads me on to...

3.A partner that is motivated by upselling tech or consultancy for the sake of it can impede true innovation by tying you to a rigid plan. In contrast, an agile approach recognises that what the end-customer wants now might not be what they want in a year's time and offers the flexibility to meet these evolving needs.

4.Whatever solutions your partner implements, they should enable you to start small, reassess after a couple of months, and pivot if the project isn't heading in the right direction for your business not theirs.

5.Values (plural) are just as important as value (singular). When your values are strongly aligned with your tech partner's then this is when the end-customer really benefits a strong working relationship and governance create the foundation to realise amazing outcomes. That doesn't mean you should be seeking a yes-man or a hive mind. A good partner should challenge your thinking at every stage, pushing back if they believe aspects of the project aren't in your best interest, or that of your end-customer.

6.And finally, let's be honest, every digital project will throw up some unexpected issues even with the most robust scoping and planning. The right partner however, will have the mindset of trying to solve the problem so that it actually becomes an opportunity to discover some amazing elements or applications you weren't expecting cut-throughs, not cul-de-sacs. Tough love combined with the ethos of flexibility is what will help you to stop paying for tech you don't use and keep you from paying for tech you don't need. Get this right and your end-customers won't end up paying more for your mistakes.So stop paying for bad tech. Your people and your customers will thank you.

THE NEED FOR EMPATHETIC

CUSTOMER EXPERIENCE



"You can't connect the dots looking forward; you can only connect them looking backwards. So you have to trust that the dots will somehow connect in your future." - Steve Jobs

As I interpret this quote, it can be hard to trust the process when you can't see the bigger picture. But you never know what might be around the corner, so you must keep moving forward. You may recognise that some of the difficult things you've been through or the tough choices you have made were also the best things that you may ever experience.

The fundamentals of human nature haven't changed over time. This means the central dispositions and characteristics of our ways of thinking, feeling, acting, and showing empathy have remained the same. We are all searching for the meaning of life, for purpose, and we all mark and measure our life according to our experiences.

Over our lifetime we record and document these experiences as stories, the same as our ancient ancestors did on cave walls; only now we're doing it in a more advanced way on virtual social media walls.

THE EFFECTS OF TECHNOLOGY

Technology is transforming our world rapidly. It is revolutionising our working environments and creating new and exciting opportunities for companies and society as our physical, digital, and biological worlds merge. These ever-evolving changes cause the blurred lines between humans and technology, which are causing new underlying uncertainties, frustrations, anger, and stresses.

This complex transformation in society, technology and employment creates rising levels of anxiety, unhappiness, discontent, insecurity, and loneliness. We are entering an era of anger and frustration that is increasing daily as empathy levels decline. This unfamiliar environment of growing division and an angry population can

lead new risks arising war, populism, volatile electoral results and reduce the chances of solving multi-stakeholder global challenges such as global warming. If empathy levels continue to decline, the risks might grow even bigger. To help mitigate consequences of the behaviours created by technology, companies can take steps to improve and monitor mental health and wellbeing in the workplace. It is important for insurance industry leadership to recognise the importance of mental health and empathy internally so that it manifests in a healthy employee culture and, by extension, a healthy society.

THE IMPORTANCE OF THE HUMAN TOUCH AT THE CENTRE OF CUSTOMER EXPERIENCE

Customer-centricity starts at the top, with a clear empathetic purpose that permeates through every employee level and motivates individuals. This purpose translates into the right structures, products, and services to enable technology. Your employees are the first people to interact with customers.

They are the ones who initially observe customers' concerns, or what delights them, before the sum of all their observations becomes a data pattern on a company system. A healthy employee environment thus directly affects customer experience. Insurers that lag in customer experience share a common mistake failing to put the employee at the centre of the equation. They usually depend on the structures of a customer service systems, metrics, and feedback systems to provide the guidance that people need.

“Customer-centricity starts at the top, with a clear empathetic purpose that permeates through every employee level and motivates individuals.”

Without employees who are inspired and equipped to put the customer first, these structures become more of a hindrance than a help. Empathy is essential to ensure awareness of people's feelings. This awareness can then be channelled into developing strong inter-personal connections. Empathetic employees, without exception, are experts at being intuitive about customers' discomfort and acting on it.

Most successful employees are intuitive. They see what customers need before customers themselves do. These empathetic employees are continuously aware; they ask questions around how to solve or improve the customer experience. Empathy is a two-way street built on mutual understanding. It is an exchange of our most important beliefs and experiences.

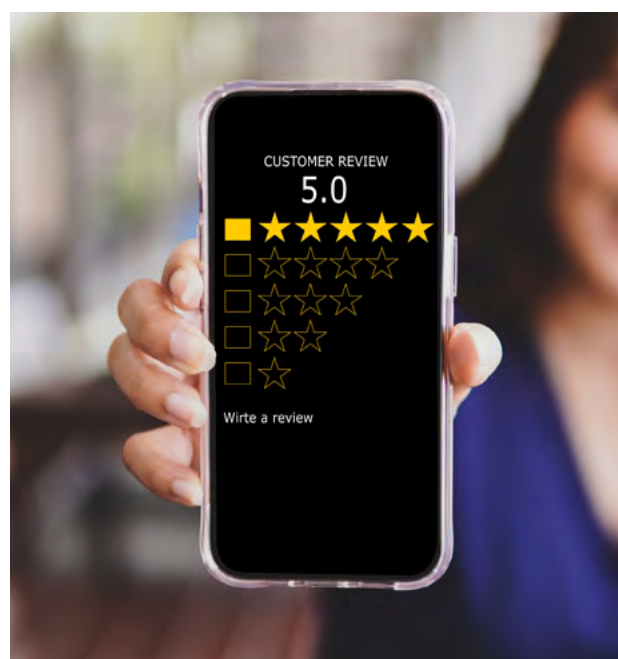
Now more than ever, customer experience depends on the human factor as we experience a global decline in empathy levels.

EMPATHY DRIVES YOUR CUSTOMER EXPERIENCE SUCCESS

Successful customer experience is the design practice that's used to make sure that your customers' interactions exceed their expectations. This leads to greater customer satisfaction and loyalty. When insurers show that they understand what their customers are going through, their customers are more likely to feel a stronger emotional connection with them. Delivering an empathetic customer experience will have a huge impact on attracting and retaining policyholders in the future. Empathy might be the most underappreciated competence in business.

One big problem with corporate innovation is that it is increasingly data-led rather than human-led. Companies are too quick to reduce customers to Excel spread sheets, statistical segments or ciphers of data. We lose touch with the people for whom we're innovating, and we stop caring. And when we stop caring, the domino effect leads to a decline in sales and growth.

To offset this, we need an injection of humanity and caring. This means becoming an empathetic organisation that uses technology as part of a total experience strategy to delight clients, simplify touch points, humanise data and streamline engagements with our customers.





COVER

SPEED TO MARKET IN THE INSURANCE INDUSTRY

Speed To Market refers to the business priority of accelerating the opening of new growth channels new products, markets, ways to access those markets and reducing the red tape to unleash this growth.

WAYNE
TOMS

CEO, Ghostdraft

PARTNERSHIP

THERE ARE ELEMENTS OF RISK IN EVERYTHING

Protecting your business against risk takes strategic insight. It takes innovation and tailored solutions. It takes the pioneering approach of cell captive insurance. Guardrisk offers cover for corporates, small enterprises and municipalities, as well as cover for a variety of industries including marine, construction, motor and many more. The option of a third-party insurance offering lets clients sell insurance cover to their customers, boosting their business' earning potential and building their brand.

Tel: +27 11 669 1000 • www.guardrisk.co.za

GUARDRISK 
TAILORED RISK SOLUTIONS

“At GhostDraft we have observed these trends in the South African market, but they are by no means unique to us, and we also see many of our international clients facing the same challenges”

WHY IS SPEED TO MARKET GETTING SO MUCH ATTENTION?

Specifically in insurance, Speed to Market has become very topical, because of several trends in the industry:

- Firstly, in tougher economic times, many customers are looking for affordable insurance options, and insurers have therefore been under pressure to find creative ways of reducing costs and fees.
- This has opened opportunities for disruptive competitors to enter the market – specifically, ones that offer stripped-down products, often directly to customers, unencumbered by legacy structures and systems. Insurtech competitors are also bringing insurance product innovation to market through advanced automation, straight-through processing, and AI.
- This cost-competitive innovation pressure is also a driver for the growth in new channels to customer, including direct – I have seen some research that suggests that currently more than half of new personal lines policies are being sold direct.
- But in parallel to these trends, we have seen the drive towards elevating customer experience. Modern consumers increasingly insist on interacting with services firms on their own terms, and are accustomed to simplicity, convenience, and ease of use – and they are 'digital first' they want to engage and conduct their business online

These trends are driving insurance carriers to tailor or even in some cases, reinvent their product offerings, and there is thus a need to manage this process quickly, efficiently, and insightfully. The prize for those who get this right is quicker access to new premium revenues, and an opportunity for market share

At GhostDraft we have observed these trends in the South African market, but they are by no means unique to us, and we also see many of our international clients facing the same challenges

THE SPEED TO MARKET CHALLENGES FACED BY INSURERS TODAY

The reality is that insurance innovation necessarily requires the input, involvement, and approval of a wide group of roles marketing, actuarial / underwriting, compliance, IT, legal, sales, distribution, operations. This is made more complex by skills shortages facing both South African and international insurers, which means the risk of IP loss.

This IP then needs to be recaptured during the innovation process, which takes time. Another challenge for insurers is that many of them are also somewhat impeded by dependence on legacy IT systems – critical to their business, but frequently inflexible and difficult to stretch to meet the new requirements

Moreover, there is a growth in compliance requirements and the fiduciary responsibilities of FSPs means that the barrier to entry is becoming higher in some cases. And even, once a product is launched, it is inevitable that there will need to be a period of in-market testing and rapid refinement which further complicates the rate of innovation.

THE LEVERS TO IMPROVE SPEED TO MARKET

- Firstly, finding ways to bring together the full product innovation team and rethink how they collaborate – specifically to remove lag times in product decision-making and approval / rework cycles.

For example, the wording of a new policy document for a new insurance line usually needs to be reviewed iteratively by multiple parties. This is a significant opportunity to save time with a more focused method of collaboration.

- A second and especially important lever is willingness to adopt new useful technologies, even if it requires integration to a third-party solution. Many of our clients are considering making use of third parties for emerging insurance functions for example, customer screening or the readability scoring of communications and integrating these new services into their IT ecosystems for new products.
- A further critical lever is the development incrementally, if necessary of a digital platform for customer interaction and ensuring that this platform can talk to back-end systems. Then, using this platform as a key component of all new customer solutions to increase customer service levels while harvesting useful customer data.
- The next lever is flexibility to make refinements to products which are already in market – course corrections to product rules / contracts, rates / pricing, sales / marketing tactics, and even processing operations.
- And finally, ruthlessly rethinking models for processing new policies and claims, with the focus on reducing the operating cost per customer, per policy and per claim. The trend of Straight Through Processing, which aims to handle a customer transaction with one touch is getting a lot of focus.

MY RECOMMENDATIONS

At GhostDraft, in our interaction with large American insurance carriers, we have noted a couple of key secrets of success in our most innovative customers:

- Firstly, they are moving from a 'design by committee' model to a more asynchronous collaboration model, underpinned by robust business process logic. Where you define the process workflow, and then use systems to manage each party's interaction with product innovation as and when required. For us as tech providers, we also see how important it is that business users and not just IT teams have access to easy-to-use tech solutions as part of the innovation process.
- In addition, they partner with new providers of solution components. Building stuff internally may be safer, but it is almost always significantly slower. Partnering in a controlled manner with solution providers, whether they relate to IT systems or processing services, allows a faster route to insights, and therefore to a viable product. That of course also means finding tech which will allow such flexible integration with existing systems typically these are cloud providers these days.



- The successful innovators are also more willing to make mistakes as part of their new product journey – if those mistakes are caught quickly. This means being willing to trial new products and refine them quickly even after market launch, and they build in mechanisms to track progress quickly and allow them to do this.
- Particularly for more innovative insurance lines of business or channels – some have allowed for a special 'amnesty' on conventional business protocols. These new business areas have been given freedom to explore business processes and structures – as well as systems – which are not fettered by the constraints of the core business – if they adhere to compliance requirements. This gives them a fighting chance at the nimbleness of the disruptive new insurtech competitors

IN SUMMARY:

Speed to market is not easily possible with current processes, systems, and structures. There needs to be a give and take to open the business to trialling new ways of doing things to develop new institutional muscles. GhostDraft enables insurers to get new products to market faster through our leading suite of document creation, automation, and distribution tools, which are fully integrated into leading policy administration systems.

COVER



TAVIO
ROXO

CEO of OWLS Software

REENGINEERING THE CUSTOMERS JOURNEY TO IMPROVE THE INDUSTRY IMAGE, TRUST, AND CONFIDENCE

Part one of a talk by Tavio Roxo, CEO of Owls Software, at the 44th OESAI (Organisation of Eastern & Southern Africa Insurers) Conference in Zanzibar.

There are a multitude of reasons that might underpin why perhaps the insurance industry in the African continent requires improvement, and the many factors that ultimately contribute to that image. But my focus will be on the technology, and more specifically how the use thereof could be a catalyst for the improvement of our insurance industry's image with all stakeholders on the continent.

I believe 2007 was an inflection point in all our personal technology journey's. It was the year that the iPhone was launched for the first time and the year we started our company here in Africa. BlackBerry, Nokia, and Sony Ericsson were the dominant players and had set the gold standard for communication at the time. They were analogue phones and at their time they had revolutionised the communication world...in that if you had one of those devices in your pocket (not only did you look cool) but you were able to communicate with anyone on the planet via email or with a call.

It is strange that if we look at the cell phone landscape today, neither BlackBerry, Nokia nor Sony Ericson are relevant players in the market. All three were really big businesses at the time. Combined, they penetrated over 80% of the cell phone market at the time. They never believed they could be displaced. What ultimately led to their demise however was a failure to realize that there was a step change happening.

The step change in that industry at the time beginning the move from analogue or feature phones, to smart phones and ecosystems. What was apparent in the insurance industry at the same time, and what might still very much be the case today (albeit to a lesser extent), was that many stakeholders in the insurance value chain had a very clunky, manual and frictionful journey to execute on many of the administrative tasks in the insurance lifecycle.

This was mainly because of a structural limitation which I could call a 'fragmented technology landscape.' Not dissimilar to analogue phones. A pricing specialist in an insurance company would use a pricing tool built specific to their requirements while the underwriting an onboarding team uses another technology or various technologies. The policy servicing and claims departments in turn used yet a further set of technologies. This carried through to the finance and claims departments. All these systems worked well in their area of control but one of the issues of course was they would always have to defer to a financial system to operate.

To get an overall picture of the business, yet another system would have to be deployed across the entire organisation to do the reporting. Data lakes, data warehouses, data repositories... We all know the terms. The amalgamation of multiple data sets from multiple systems to get an overall view. So, to avoid all the above, and to get an overall picture of the entire business, we noticed that some companies would then simply bypass it all and use excel. Of course, all the above is not ideal technologically speaking and inefficiencies manifest into the environment.

Firstly, it creates a software world in your business where you have different resources in various parts of the organisation developing different skills sets to operate and service different systems and architectures. This is a costly and inefficient way to allocate resources and to operate. **Secondly**, this fragmented software environment does not allow you as an insurer, administrator, or broker to create any coherent digital journey within your organisation for a customer or stakeholder. **Thirdly and possibly the biggest problem of all**, is that there is misalignment of data.

You see, with misalignment of the data, i.e.. One system providing a record which deviates from the second system's record, it creates a world where a fair amount of time and effort is spent by expensive resources within your respective organisations trying to extract, transform and align data to provide something as simple as a report that accurately depicts the truth. The subtle (or not so subtle) effect of course, is that business loses faith in the data, and the systems, and with it, trust. If business cannot trust its data. How can external stakeholder?

In the book *Modern Monopolies*, authored by Nicolas Johnson, the author, sets out to explain some of the characteristics of the world's most successful platform businesses like Facebook, Airbnb, and Amazon. It is telling that all these organizations did not exist 15 years ago, and yet today are ubiquitous in our daily lives. Another example on how tech fundamentally changes the landscape with a step change into a modern technology mindset. In this case a platform business vs traditional business models at the time. The author goes on to explain how in the initial years (2003) Amazon struggled to gain traction they had started selling books then branched out into the creation of a platform for sellers to sell their product and buyers to buy their product. The Amazon we know today.

It was only when Amazon introduced ratings for both sellers and buyers, that the platform really took off. With the introduction of this seemingly benign rating functionality, it changed the game. Now, as a buyer you could have confidence that the seller was in fact going to deliver the items that you bought. A seller could only defraud one person as they would be called out. The author attributes the introduction of reviews as transparency to the seller and / or buyer and ultimate trust in the platform and we know people have a propensity to transact when there is trust.

How do WE build trust? - So, how do WE build trust in our organisations and by implication build trust with the various external stakeholders and importantly, the ultimate policy holder? A good start to building trust is transparency and inclusiveness. Technology is the ultimate tool for that. Dr. Baghayo Saqware mentioned earlier how inclusiveness is a pillar of sustainability for our continent. It is with technology that any customer can go down to the most granular detail and have comfort on a journey that is predictable, reliable, fast, and inclusive.

"Africa now accounts for 70% of the world's 1 trillion dollars' worth of mobile money value transactions. Very telling of course is that Africa's mobile money transactions moved up from 495 billion dollars in transactions in 2020 to USD 701 billion in 2021."

If the customer has multiple interactions with your organization and they are all predictable, reliable, and fast...that builds trust in your organization and us as an industry. How then do you build a technology that can create trust in your organisation. Well, you need to start with an end-vision in mind. The end vision for me here can be nothing less than taking a customer / client / stakeholder on a digital journey within your organisation. Quite like that of Amazon and Takealot. Buy. Service. Claim. An end-to-end journey.

It is only with an end-to-end journey that you as an insurer can you build scale. I say that this is what we all must strive for because if I look around at the youngsters today (and I am the oldest person in my business) they do everything online. When I spoke at the InsurTech 2022 Conference in JHB a few months ago, I made mention of my daughter who, at the age of 9 was meeting with her overseas friend in a digital world called Minecraft. They were meeting at a house that my daughter had built in one of the virtual worlds. In 10 years, my daughter and her entire generation will not transact the way you and I do.



So, we must start putting in place those building blocks that will allow us to do exactly what our vision requires to be relevant as businesses in the years to come. As we go on this IT journey, a recognition that Africa as a continent has a history of leapfrogging the world through using tech must alert all of us in this room that this shift to digital is happening already.

Africa now accounts for 70% of the world's 1 trillion dollars' worth of mobile money value transactions. Very telling of course is that Africa's mobile money transactions moved up from 495 billion dollars in transactions in 2020 to USD 701 billion in 2021. That is a jump of 39% year on year, one year ago. As a tech business we have learnt several lessons over the years in terms of technology and the building blocks that are needed to execute on that digital vision.

I would like to discuss 3 important technology attributes as you commence on your digital journey. Before I run you through these 3 items... let us pause for a second and contemplate what was said earlier...

The African continent has 1,4 billion people... with 60% being below 25, There currently exists a massive opportunity for simple, light touch life and non-life insurance products. That scale can only happen sustainably with the use of tech

Okay. So, what are the architectural attributes of a tech stack for this journey? In part two of this discussion, I will take you these attributes that allows industry players to create a tech stack for the future of insurance, now.

TRUST

In an uncertain financial climate, our client-centric approach of developing strong relationships with partners and clients, while boasting a deep understanding of their business, helps us to create unique solutions. With expertise in Alternative Risk Finance, UMA's and Alternative Distribution / Affinity Solutions, it's little wonder why so many companies are using us for their insurance solutions.

PARTNER WITH AN INSURER YOU CAN TRUST.





CPD FOR YOU. *Supporting personal & professional growth.*

Our Continuous Professional Development (CPD) Hub enables financial services providers to effortlessly fulfil their CPD requirements by completing online training courses in the specific applications of telematics and vehicle recovery.

The Netstar CPD Hub offers:

- A simple and efficient CPD attainment process
- Engaging, relevant and practical content via an optimised e-learning environment
- The opportunity to study at your own pace, whenever, wherever
- Immediate certification as well as instant access to CPD records and reports
- Training programmes at no cost

Visit www.cpd.netstar.co.za to register today!

cpd@netstar.co.za | www.netstar.co.za

NETSTAR

A SUBSIDIARY OF ALTRON



EVENTS TO LOOK FORWARD TO..

FPI PROFESSIONAL CONVENTION 2022 >

Join us at the 33rd Financial Planning Institute of Southern Africa (FPI) Professional's Convention which will be held on the 19th and 20th of October 2022 and hosted as a hybrid event this year. The event is regarded as the largest and most significant event in the calendar for financial professionals.

[Save the date!](#)



IRMSA RISK REPORT SOUTH AFRICA RISKS 2022

8TH EDITION

NOW AVAILABLE!



IRMSA ANNUAL CONFERENCE 2022 <

Join us on the 27 & 28th September for the 2022 IRMSA conference on Integrating Strategy, Risk and Resilience which outlines the value proposition, from a risk management perspective. [Register Here!](#)

INSURTECH 2022: TECH WHEN NEEDED HUMAN WHEN WANTED. >

We are excited to announce that the second installment of Insurtech2022 is scheduled for November 25 and 26 2022.

[Save the date!](#)





TAKE THE ROAD LESS HACKED.

Your business may face cyber threats. It takes a partner at the forefront of the cyber curve to help you prepare, respond and recover from the attacks.

AIG can guide you through this ever-evolving, 24/7 world. A world that never sleeps. So, we're always on.