



SAIA – ☎ (011) 726 5381

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1 LATEST NEWS

Special report on the results of the short-term insurance industry (published by the FSB)

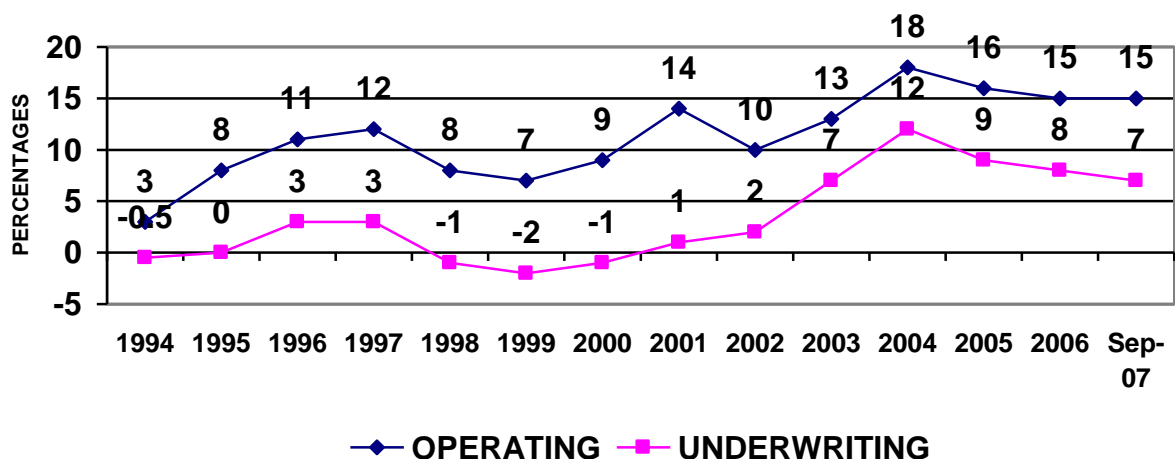
Industry results - Typical insurers (typical insurers, for the purpose of this report, are those insurers who offer most types of policies to, mostly, the general public).

The table below sets out combined unaudited statistics (net after reinsurance) for typical insurers for the calendar years 2002 to 2006 and for the first nine months of 2007 as well as comparative figures for the first nine months of 2006.

	2002	2003	2004	2005	2006	9 months ended September 2006	9 months ended September 2007
Net premiums R'm	16 860	19 774	24 211	26 828	31 093	21 996	25 233
Underwriting profit/(loss) R'm	377	1 381	2 932	2 542	2 482	1 593	1 891
Underwriting and investment income R'm	1 714	2 554	4 303	4 304	4 588	3 208	3 682
Claims (as % of earned premiums)	71	67	59	63	65	66	65
As % of net written premiums:							
Management Expenses and Commission	26	26	26	26	25	25	26
Underwriting profit/(loss)	2	7	12	9	8	7	7
Underwriting and investment income	10	13	18	16	15	15	15
Net premium increase (year to year)	16	17	22	11	16	10	15
Surplus asset ratio (median)	43	45	37	40	42	41	46

The following graph indicates how underwriting and operating (including investment income) results of the typical insurers have fluctuated over the past thirteen years and the first nine months of 2007.

RESULTS AS PERCENTAGES OF NET PREMIUMS



Six of the twenty-three insurance companies classified as typical insurers reported an underwriting loss for the nine months ended September 2007 compared with four (of twenty-three) who reported an underwriting loss for the six months ended June 2007.

Five of the twenty-three insurance companies reported an operating loss for the nine months ended September 2007 compared with four (of twenty-three) for the six months ended June 2007.

Statutory surplus asset ratios

The following table indicates the spread of the statutory solvency percentages of the typical insurance companies.

	Number of insurers					
	December 2002	December 2003	December 2004	December 2005	December 2006	September 2007
Below 15%	0	1	1	0	0	0
Between 15% & 20%	2	0	0	1	0	1
Between 20% & 25%	1	2	0	1	3	0
Between 25% & 30%	2	3	3	3	3	3
Between 30% & 40%	3	4	8	5	4	5
Between 40% & 50%	5	2	1	2	4	6
Between 50% & 100%	4	7	5	6	4	5
Above 100%	5	3	1	1	3	3

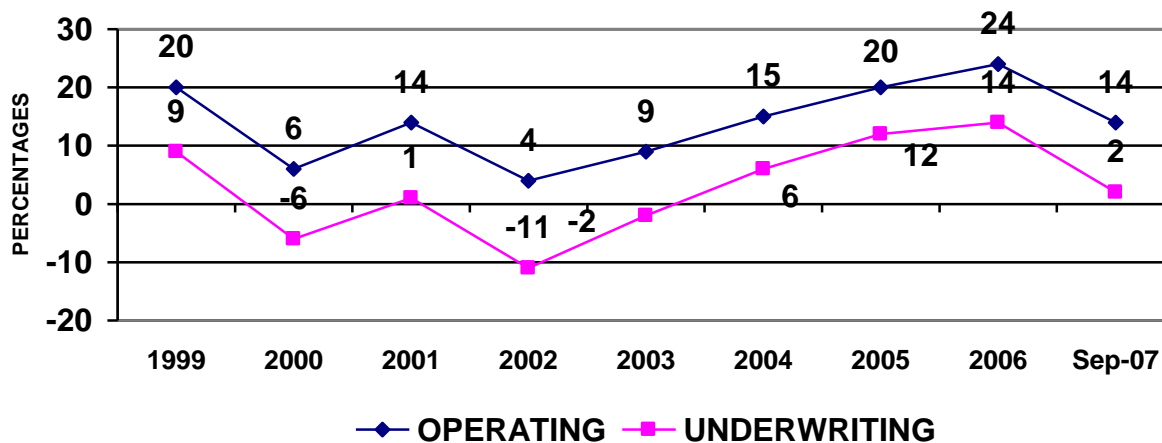
Industry results - Cell captive insurers (cell captive insurers, for the purpose of this report, are those insurers who offer insurance structures on a cell ownership basis for first party and third party cell owners).

The table below sets out combined statistics (net after reinsurance) for cell captive insurers for the calendar years 2002 to 2006 and for the first nine months of 2007 as well as comparative figures for the first nine months of 2006. The figures are unaudited.

	2002	2003	2004	2005	2006	9 months ended September 2006	9 months ended September 2007
Net premiums R'm	1 868	2 773	3 486	4 239	4 144	3 019	3 360
Underwriting profit/(loss) R'm	(207)	(65)	220	529	568	323	75
Underwriting and investment income R'm	77	240	506	857	980	621	482
Claims (as % of earned premiums)	75	57	56	52	52	53	63
As % of net written premiums:							
Management Expenses and Commission	35	39	34	28	31	29	34
Underwriting profit/(loss)	(11)	(2)	6	12	14	11	2
Underwriting and investment income	4	9	15	20	24	21	14
Surplus asset ratio (median)	73	47	46	56	59	51	62

The following graph indicates how underwriting and operating (including investment income) results of the cell captive insurers have fluctuated over the past eight years and the first nine months of 2007.

RESULTS AS PERCENTAGES OF NET PREMIUMS



Of the ten operational cell captive insurers, four have reported an underwriting loss and two operating losses for the nine months ended September 2007 compared with four of ten who reported an underwriting loss and two an operating loss for the six months ended June 2007.

The following table indicates the spread of the statutory solvency percentages of the cell captive insurance companies.

	Number of insurers					
	December 2002	December 2003	December 2004	December 2005	December 2006	September 2007
Below 15%	0	1	0	0	0	0

Between 15% & 20%	0	0	0	0	0	0
Between 20% & 25%	2	0	0	1	0	0
Between 25% & 30%	0	0	3	0	1	1
Between 30% & 40%	0	0	0	2	1	1
Between 40% & 50%	3	5	4	0	1	2
Between 50% & 100%	1	1	1	6	4	3
Above 100%	4	1	1	0	2	3

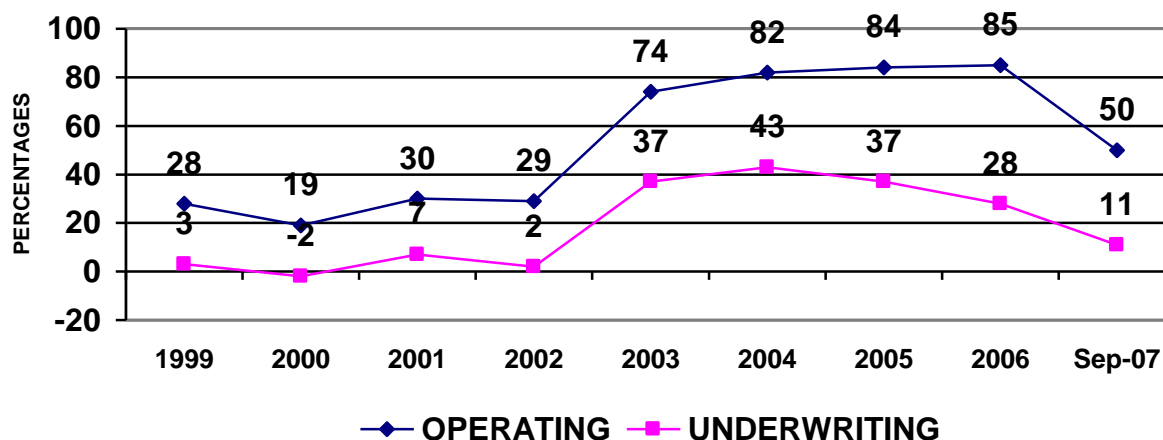
Industry results - Captive insurers (captive insurers, for the purpose of this report, are those insurers who offer cover of the risks of the owners' company or companies only).

The table below sets out combined statistics (net after reinsurance) for captive insurers for the calendar years 2002 to 2006 and for the first nine months of 2007 as well as comparative figures for the first nine months of 2006. The figures are unaudited.

	2002	2003	2004	2005	2006	9 months ended September 2006	9 months ended September 2007
Net premiums R'm	698	308	214	165	144	164	176
Underwriting profit/(loss) R'm	14	114	92	61	40	46	20
Underwriting and investment income R'm	204	227	176	138	122	121	88
Claims (as % of earned premiums)	86	47	52	74	63	55	84
As % of net written premiums:							
Management Expenses and Commission	12	16	7	-11	11	10	1
Underwriting profit/(loss)	2	37	43	37	28	28	11
Underwriting and investment income	29	74	82	84	85	74	50
Surplus asset ratio (median)	152	214	318	329	437	418	436

The following graph indicates how underwriting and operating (including investment income) results of the captive insurers have fluctuated over the past eight years and the first nine months of 2007.

RESULTS AS PERCENTAGES OF NET PREMIUMS



Three of the ten captive insurers have reported underwriting losses and two operating losses for the nine months ended September 2007 compared with three of the ten captive insurers who reported underwriting losses and three operating losses for the six months ended June 2007.

The following table indicates the spread of the statutory solvency percentages of the captive insurance companies.

	Number of insurers					
	December 2002	December 2003	December 2004	December 2005	December 2006	September 2007
Below 15%	0	0	0	0	0	0
Between 15% & 20%	0	0	0	0	0	0
Between 20% & 25%	0	0	0	0	0	0
Between 25% & 30%	0	0	0	0	0	0
Between 30% & 40%	0	0	0	0	0	0
Between 40% & 50%	0	0	0	0	0	0
Between 50% & 100%	5	2	0	1	1	0
Above 100%	10	12	12	11	9	10

Industry results - Niche insurers (niche insurers, for the purpose of this report, are those insurers who offer, mostly, specialised cover only, in certain niche markets).

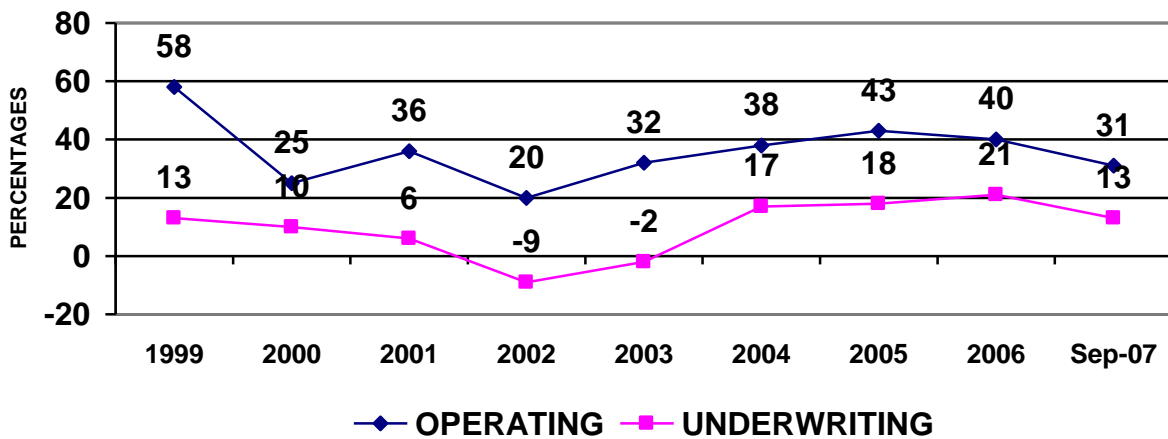
The table below sets out combined statistics (net after reinsurance) for niche insurers for the calendar years 2002 to 2006 and for the first nine months of 2007 as well as comparative figures for the first nine months of 2006. The figures are unaudited.

	2002	2003	2004	2005	2006	9 months ended September 2006	9 months ended September 2007
Net premiums R'm	2 195	2 047	2 808	2 497	3 293	2 510	3 046
Underwriting profit/(loss) R'm	(198)	(48)	477	444	699	523	408

Underwriting and investment income R'm	438	652	1 067	1 081	1 308	1 015	946
Claims (as % of earned premiums)	84	70	55	51	48	50	52
As % of net written premiums:							
Management Expenses and Commission	24	33	25	29	28	26	30
Underwriting profit/(loss)	(9)	(2)	17	18	21	21	13
Underwriting and investment income	20	32	38	43	40	40	31
Surplus asset ratio (median)	107	121	163	117	120	131	92

The following graph indicates how underwriting and operating (including investment income) results of the niche insurers have fluctuated over the past eight years and the first nine months of 2007.

RESULTS AS PERCENTAGES OF NET PREMIUMS



Sixteen of the thirty-two operational niche insurers have reported underwriting losses for the nine months ended September 2007 and eight have reported operating losses compared with thirteen of thirty-two for the six months ended June 2007 reporting underwriting losses and nine operating losses.

The following table indicates the spread of the statutory solvency percentages of the niche insurance companies.

	Number of insurers					
	December 2002	December 2003	December 2004	December 2005	December 2006	September 2007
Below 15%	0	0	0	1	0	1
Between 15% & 20%	2	1	1	0	1	0
Between 20% & 25%	1	1	1	0	0	1
Between 25% & 30%	1	3	0	0	0	0
Between 30% & 40%	1	1	2	0	3	3
Between 40% & 50%	2	1	2	3	3	6
Between 50% & 100%	5	5	5	9	6	6
Above 100%	16	16	17	17	19	15

Industry results – Re-insurers (re-insurers, for the purpose of this report, are those insurers who offer specialised cover, only to primary insurers).

The table below sets out combined statistics (net after reinsurance) for re-insurers for the first nine months of 2007. The figures are unaudited.

							9 months ended September 2007
Net premiums R'm							1 324
Underwriting profit/(loss) R'm							151
Underwriting and investment income R'm							464
Claims (as % of earned premiums)							57
As % of net written premiums:							
Management Expenses and Commission							29
Underwriting profit/(loss)							11
Underwriting and investment income							35
Surplus asset ratio (median)							137

Three of the seven operational re-insurers have reported underwriting losses for the nine months ended September 2007 and one has reported an operating loss.

The following table indicates the spread of the statutory solvency percentages of the re-insurance companies.

	Number of insurers					
						September 2007
Below 15%						0
Between 15% & 20%						0
Between 20% & 25%						0
Between 25% & 30%						0
Between 30% & 40%						0
Between 40% & 50%						0
Between 50% & 100%						2
Above 100%						5

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Previous reference: Articles on short-term results have featured in the March 2000, September 2000, June 2001, September 2001, March 2002, August 2002, November 2002, December 2002, February 2003, August 2003, March 2004, May 2004, November 2004, February 2005, June 2005, August 2005, November 2005, February 2006, May 2006, August 2006, November 2006, February 2007, May 2007 and August 2007 issues of the Bulletin.

International Association of Insurance Supervisors Annual Conference

The annual conference of the International Association of Insurance Supervisors was held in Fort Lauderdale in October. The conference was attended by over 400 delegates from 140 countries.

Topics covered during the conference were:

- Promoting sound insurance markets: An economic perspective;
- International accounting standards;
- IAIS presentation of the education project for insurance supervisors;
- Emerging economies: Creating supervisory and regulatory capacity in emerging markets;
- Reinsurance: The avenue towards mutual recognition;
- Globalisation: Warming up to global regulatory convergence and a common structure for insurer solvency;
- Principle-based supervision;
- Global warming;
- Cross-sectoral risk transfer and securitisation; and
- Ageing society / Microinsurance: Balancing insurance needs of urban and rural populations.

Copies of some of the papers and presentations are available from the SAIA.

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2 FINANCIAL SECTOR CHARTER

Exemption from Empowerment Financing for 2007 reporting.

The short-term insurance industry is still struggling to fulfil its obligation under this pillar of the Financial Sector Charter (FSC) due to the lack of products or vehicles that can be used to score under the targetted investments.

The SAIA has approached the Charter Council regarding exemption from reporting on this pillar for 2007. Below is an excerpt of the letter to the Charter Council and we are still awaiting a response.

The Charter Council has set cumulative investment targets for the sector as a whole into the four targetted investment categories, transformational infrastructure, low-income housing, agricultural development and black SMEs. Individual institutions are required to contribute to meeting the combined 2008 investment target of R63,3 billion in direct proportion to their share of the total of designated investments held by the financial sector. For BEE transaction financing, the Charter Council has set a cumulative 2008 target of R50 billion.

Short-term insurance companies have been unable to meet their commitments in terms of empowerment financing due to the following reasons:

- Unavailability of appropriate products. When the Charter was negotiated the agreement was that the banks would make such products available to allow non-originating institutions to participate in this pillar of the Charter. This, however, has not happened.
- Unlike the banks and members of the LOA, short-term insurers do not invest clients' fiduciary funds.
- Furthermore, due to the cyclical nature of the short-term insurance business, the intrinsic portfolio requirements are flexibility and ease of realisation. That is, in difficult times, the companies need to be able to cash in the assets almost instantly in order to honour claims. Therefore, the potential for the SAIA membership to invest in medium to long-term initiatives is very limited.

We are also in the process of making our members aware of the fact that, should the Council grant the exemption applied for 2007, members will have only one year in which to fulfil their full obligations in terms of the Financial Sector Charter (FSC). The FSC has set a target date (31 December 2008) for the compliance of empowerment financing targets. By that time, we hope to have set standards for insurance based products and have them recognised.

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Previous reference: Articles on FSC has featured in the June – November 2006 and March – October 2007 issues of the Bulletin.
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Consumer education field trips – Cape Town

Two SAIA Financial Sector Charter (FSC) consumer education projects' field trips took place in Cape Town on 28 and 29 November 2007. The purpose of these two field trips were to give our Cape Town based members and partners the opportunity to experience first hand the projects they are contributing towards.

The SAIA, together with its partners, the Financial Services Board (FSB) and the Life Offices Association (LOA), has been involved in FSC consumer education projects promoting financial literacy since 2004. This year 5 projects have been approved, including teacher development, resource development, community workshops and commuter and community awareness projects.

The two field trips in Cape Town introduced attendees to our community workshop project which is funded jointly with the LOA and run through Inzala, and our commuter awareness project funded

jointly with the FSB and run by ComutaNet. The community workshop project field trip took place on 28 November 2007 from 10:00 to 13:00. The Comutanet project took place on 29 November 2007 from 6:00 am to 11:00 am.

These field trips gave attendees a unique insight into the important impact we are making in the lower income groups in South Africa with regards to financial literacy knowledge. A huge need exists for financial literacy training.

☞ **Further information : Melanie Pillay**
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Previous reference: Articles on Consumer Education have featured in the September 2000, November 2000, March 2001, June 2001, August-November 2001, February-December 2002, February 2003, April 2003, May 2003, July 2003, August 2003, September 2003, November 2003, January 2004, March-November 2004, February 2005, March 2005, June 2005, August 2005, September 2005, October 2005, November 2005, December 2005, March–October 2006, February 2007, April 2007, June 2007, July 2007, August 2007 and October 2007 issues of the Bulletin.

3 LEGISLATION

Regulatory Impact Assessment (RIA)

In 2005 Strategic Business Partnership (SBP) led a consortium commissioned by the Presidency and National Treasury to investigate the introduction of RIA in South Africa. The project reviewed international experience, analysed regulatory processes in South Africa, developed a country-specific RIA methodology and piloted RIA in two national departments, and formulated institutional and procedural recommendations for implementing RIA in South Africa.

The plan to introduce Regulatory Impact Assessment (RIA) is now in an advanced stage. Feedback on the progress of the plan was outlined by National Treasury at a workshop held on 8 November 2008.

Key goals for RIA include:

- Improving the quality of the consultation process by placing emphasis on early, open and evidence-led consultation on regulatory options;
- Reducing regulatory compliance costs for business; and
- Improving interdepartmental coordination and reducing regulatory overlap.

In February 2007 Cabinet approved that a gradual approach to RIA should be adopted, starting with a two year piloting process. In October 2007 the plan presented to Cabinet was approved and will be managed by the Central RIA Unit made up of the Presidency Office and National Treasury.

The Departments of Trade and Industry, Justice and Communications have expressed their willingness to be involved in this pilot phase.

It was agreed at this workshop that business can potentially play an important role in helping to support the entrenchment of RIA and it was further noted that the National Treasury would welcome suggestions on existing regulation to be reviewed.

☞ **Further information : Refilwe Moletsane**
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Previous reference: Articles on Regulation featured in the November 2006, December 2006 and January – October 2007 issues of the Bulletin.

Consumer Credit Insurance Enquiry

Following hearings held in Johannesburg and Cape Town during October 2007, the enquiry panel, having considered the oral and written submissions received, came to the conclusion that it was necessary to ask the members of SAIA and the LOA who are active in the credit and credit life insurance market to complete a further questionnaire and survey. The closing date is 30 November 2007. The responses will be reviewed thereafter.

In the meantime, the enquiry panel is scheduled to have discussions with the Financial Services Board and the National Credit Regulator and a further public hearing will be held on 13 December 2007 at 12:00 at the offices of Webber Wentzel Bowens, 10 Fricker Road, Illovo.

Contrary to an erroneous impression that may have been created by earlier newspaper reports, the enquiry panel has not yet arrived at any findings and it is not expected that its report will be ready until some time during the first quarter of 2008.

☞ **Further information : Refilwe Moletsane**
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Previous reference: Articles on Regulation featured in the November 2006, December 2006 and January – October 2007 issues of the Bulletin.

Insurers' synoptic reports

Following last month's article regarding insurers' synoptic reports, the SAIA is yet to receive reply from the National Credit Regulator consultant regarding concern raised whether or not the short-term insurance industry's comments will be considered for the amendment of the guidance and explanatory notes only, alternatively when revising the Form 45.

☞ **Further information : Oupa Skosana**
✉ oupa@saia.co.za

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Previous reference: Articles on Regulation featured in the November 2006, December 2006 and January – October 2007 issues of the Bulletin.

New legislation

At the last SAIA Legal and Compliance Committee meeting held on 8 November 2007 the impact of the new **Natural Scientific Professions Act 106 of 2003 ("the Act")** was discussed.

The committee noted with concern the impact of the Act in the industry and resolved that committee members should:

- Consult with their internal adjusters;
- Assess whether or not this is an issue for their company;
- Provide feedback to the committee at the next meeting for further discussion and plan of action.

☞ **Further information : Oupa Skosana**
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Previous reference: Articles on Regulation featured in the November 2006, December 2006 and January – October 2007 issues of the Bulletin.

Demerit point system

The new demerit point system is due to be introduced, albeit as a pilot project, in Tshwane on 1 February 2008. It is anticipated that the full national roll-out will follow 18 months later.

In preparation for implementation in Tshwane early next year, the Road Traffic Management Corporation Administrative Adjudication of Road Traffic Offences Technical Committee, simply known as AARTO Technical Committee, arranged a workshop on 22 November 2007 where to the SAIA was invited.

At the meeting the committee considered, *inter alia*, submission/comments made by the various association organisations regarding the proposed draft regulations, new AARTO forms that will be used for purposes for issuing infringement notice, nomination of driver or person in control, representation in respect of offences, etc.

The system will basically operate as below:

- Each driver will start with no points;
- Demerit points will be allocated according to the infringements or offences committed and recorded on the National Traffic Information System;
- Points are to be allocated and registered on the day the fine is paid, alternatively, if the person is convicted of the offence in court;
- Once a person's points exceeds 12 points, his/her license will be suspended;
- The suspension period will be calculated in months equal to the number of points exceeding 12, multiplied by three; and
- If a driver is caught driving a vehicle whilst under suspension, he/she will be fined and/or imprisoned for one year.

☞ **Further information : Oupa Skosana**
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Previous reference: Articles on Regulation featured in the November 2006, December 2006 and January – October 2007 issues of the Bulletin.

4 OTHER SAIA ISSUES

Shayela Approved - A Year on!

Shayela Approved Pty (Ltd) has issued 85 insurance certificates to date and self insured companies 859 certificates for hi-jack management and defensive driving. Due to the demand, Jackie Mann has joined Shayela to market and promote our standards on behalf of the insurance industry as well as all of our Defensive Driving Affiliates.

Shayela Approved is pleased with the progress made with the higher risk new drivers (younger than 25 years) as they are responding well to our training.

Shayela Approved is also recommending that insurers send drivers with code 10/14 licenses to us for training, as this license does not require parallel or reverse parking and we find that these drivers are not necessarily competent.

The progress has been temporarily halted for our "*Approved Fitment Centre*" program as we to date do not have the buy in from the insurance industry to support the concept for improving critical item fitment.

We look forward to the challenge in making a difference on our roads with concerned roll players in 2008 and as our motto goes: *"Your Safety is Our Concern but Your Responsibility"*

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Previous reference: Articles on Shayela Approved have featured in the August 2006, September 2006, October 2006, December 2006, February 2007, April 2007, June 2007 and September 2007 issues of the Bulletin.

Financial Condition Reporting

We refer to the September 2007 Bulletin report on Financial Condition Reporting and confirm that there have been no further developments.

At a recent (November 2007) SAIA/FSB Liaison Meeting, the FSB confirmed that once the FSB Workgroup had completed its task of reviewing the current proposed prescribed model, a new issues paper would probably be circulated to the industry for comment.

The SAIA Legislation and Regulation Board Committee have yet to consider the need for high level interaction between the regulator and the industry.

Further developments regarding the above will be communicated to SAIA members.

☞ **Further information : Charles Hitchcock**
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Previous reference: Articles on Financial Condition Reporting have featured in the May 2004, January – April 2005, July 2005, August 2005, November 2005, December 2005, January 2006, April – December 2006, January – September 2007 issues of the Bulletin.

International Financial Reporting Standard 4, Phase II

The SAIA Finance Committee recently held a meeting at which the discussion paper on IFRS 4, Phase II was debated.

The committee agreed that all SAIA members should familiarise themselves fully with the contents of the discussion paper as it proposes far reaching consequences.

The use of the exit valuation model for valuing a short-term insurer's liabilities was questioned in the light of historical practice, and the new proposed treatment, where each insurance policy would be regarded as a financial instrument that has a market price.

A single provision is raised for the expected outcome of the insurance contract at time of sale that could result in either a loss or a profit being recognised at inception. This estimate would only be revised should the overall portfolio of risk to which this contract belong, reflect that a revision is needed.

The same basis of accounting for insurance would be used in both life and non-life companies.

Investment aspects of all insurance contracts would be unbundled as required by IAS 39 and this could potentially affect ART contracts.

There are many issues relating to the way we do business, record transactions and report the results of operations that may well change fundamentally should the proposals be accepted.

The SAIA Finance Committee therefore urges all members to become involved in the debate. To date there has been seemingly very little attention paid to the above Reporting Standard. The SAIA urges members to study, debate and comment on the discussion document.

☞ **Further information : Charles Hitchcock**
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Previous reference: Articles on Financial Condition Reporting have featured in the May 2004, January – April 2005, July 2005, August 2005, November 2005, December 2005, January 2006, April – December 2006, and January – October 2007 issues of the Bulletin.

SPECIAL FEATURE: IISA in 2008

A challenge faced by all providers of education in whatever field is always to keep the education material up to date and cutting edge. This is certainly true for the insurance industry, where regulations and changes are the order of the day.

A significant facility and ability of the IISA, which was developed over many years, was to keep insurance education material up to date. This ability is still very much with the IISA and is being used in many parts of the market.

The text books provided by UNISA for the insurance education field are kept up to date by the IISA, who also print those text books.

The same thing can be said for the text books which are provided to the market by the Academy of Learning South Africa, with whom the IISA has a standing contract to provide such a facility. It is for this reason that the IISA can confidently recommend the Academy of Learning South Africa for the insurance sector up to SAQA level 4. However, the IISA not only provides training material to UNISA and AOLSA, but also to several other providers in the market. An important component here is the Botswana Academy who makes significant use of the IISA's facility.

An interesting indication of the IISA's ability to generate training material that is cutting edge and appropriate is the support we were able to provide to the market for the latest INSETA FAIS initiative. Once that initiative was announced, the IISA started generating the appropriate supportive learning material and notification of its availability was sent out to the market several weeks ago. There has been a good response and we expect this to grow further in 2008 as the programme rolls out.

Another important factor of the IISA's activity lies in its promotion of the professional status and standing of its diploma holders, in other words, the fellows, associates and licentiates who have passed the IISA qualification examinations. We are in constant contact with these diploma holders and are providing for the introduction of a Continuous Professional Development Programme for them, since this has been indicated by the Financial Services Board as a requirement from 2009 onwards.

The IISA provides, via the Academy of Learning SA and UNISA, for the ongoing generation of professionally qualified people for the insurance industry. Standards of professionalism are constantly monitored and the IISA's Professional Standards Committee is assisting us in developing an appropriate qualification matrix to be applied to professional membership, which will be notified to the industry in the early months of 2008.

We are looking forward to an expansion of the awareness of the IISA's abilities and facilities during 2008.

☞ **Further information : Theo Vels**
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Insurance Fraudline Update

Insurance Fraudline Report Summary					November 2002 - October 2007		
Month	Calls	Clutter	Tests	Reports	Short Term	Brokers	Life
Jan-07	213	199	0	14	2	11	1
Feb-07	190	177	0	13	11	0	2
Mar-07	220	211	0	9	2	1	1
Apr-07	194	182	0	12	6	1	2
May-07	211	204	0	7	7	0	0
Jun-07	218	209	0	9	4	0	2
Jul-07	226	211	0	15	9	2	4
Aug-07	194	181	0	13	8	0	2
Sep-07	171	164	1	7	3	2	0
Oct-07	224	207	0	17	9	0	1
Total	2061	1945	1	116	61	17	15
Total since Nov 2002	18500	17658	12	853	421	117	180

Please note that the attached table's first total is a record of calls from January 2007 to October 2007. The second total reflected is from the period of inception of the Fraudline which is November 2002 to October 2007. If you wish to see the full list, please contact Adèle Joubert.

☎ **Further information : Adèle Joubert**
✉ adele@saia.co.za

[Back to Index](#)

Previous reference: Articles on Insurance Fraudline have featured in the April 2001, July 2001, August 2001, November 2001, February – April 2002, September – December 2002, February – December 2003, January – December 2004, January – December 2005, January – December 2006 and January – November 2007 issues of the Bulletin.

5 Insurance Data System (IDS) Update

It all depends on the data

Make better informed and more efficient risk decisions with access to the Insurance Data System (IDS) – an enormous repository of data, including policy, claims and vehicle related information.

In 2004 the IDS evolved to include information from the National Traffic Information System (e-NaTIS) as well as TransUnion Auto Information Solutions. This information is extremely powerful when underwriting a vehicle policy or investigating vehicle insurance claims.

TransUnion acts as a service provider to the South African Insurance Association (SAIA), who has the main contract with the National Department of Transport (NDoT) and therefore access, via the TransUnion IDS, is allowed to e-NaTIS.

A new development envisioned for 2008 for e-NaTIS is incorporating the classification of offences and demerit points information on their system by mid 2008. TransUnion and the South African Insurance Association have initiated and will drive the inclusion of this information to the benefit of all the Insurance Data System participants.

For more information, please contact TransUnion on Tel: (011) 214-6415.

☎ **Further information : Tersia van Rooyen**
✉ tvrooyen@transunion.co.za

Previous reference: Articles on IDS have featured in the August – October 2003, January – October, December 2004, January 2005, March 2005, May 2005, June 2005, July 2005, August 2005, September 2005, October 2005, January – December 2006, and January – October 2007 Issues of the Bulletin.

6 BUSINESS AGAINST CRIME

Training of police detectives in Gauteng

The SAIA has announced that they will be funding police in service training in Gauteng to the value of R500 000.

Currently there are a large number of detectives in the Gauteng Province that has not undergone the basic detective training. The need for this training was identified by the Provincial Commissioner, Commissioner P Naidoo, and a request was made to Business Against Crime South Africa to investigate the possibility to host short courses with a high impact.

The official SAPS detective training consists of 14 consecutive weeks out of office training. During the developmental stage of the training curriculum it was realised that the training needed to be concise and short. In addition it was decided that the course would deal specifically with statement taking, investigative interviewing, crime scene and stress management.

PACE Consultants, who, as a skills training provider, does extensive training for the private security industry, agreed to sponsor two courses of which the duration is five consecutive days and adjust the training material to suit the police.

On completion of the 2 pilot courses, Business Against Crime, SAPS training staff and PACE compiled an evaluation report on the effect of the training, and all were in agreement that the course should be presented to all police members involved in statement taking and investigations.

The list of benefits to the detectives is extensive and it is recognised by all that the continuance of these courses is essential if crime is to be reduced. Feedback from the detectives is that they feel much more confident in their abilities to successfully investigate crime and understand why cases were withdrawn by prosecutors. It is recognised that prior to the training course, their detective skills relating to investigative interviewing and crime scene management were below average. The delegates, without exception, indicated that the methodology followed by PACE was of great advantage to them, especially in terms of linking suspects to other crime scenes, obtaining admissions and practicing specific interviewing skills.

PACE has agreed to offer the training at a much reduced fee to enable the maximum number of detectives to be trained with the SAIA sponsorship.

It is anticipated that the first of these training courses would commence during the month of December 2007.

A media conference about this partnership will be held on 5 December.

☎ **Further information : Lorinda Nel**
Tel : 011 883 0717 / Fax: 011 883 1679
✉ lorinda@bac.org.za

Previous reference: Articles on BAC have featured in the every issue of the Bulletin.

7 PRESS CLIPPINGS

Publication	Person/DN	Subject
Cover October 2007	# 63508 * Oupa	Time Barring – Short-term contacts
Cover October 2007	# 63510 * SAIA	Consumer Credit Insurance: A panel of life and short-term insurance experts has been appointed by the Life Offices Association (LOA) and the South African Insurance Association (SAIA) to delve into problem areas in the consumer credit insurance market during public hearings scheduled for the middle of October
Cover October 2007	# 63507	Legislation: Better regulation helps industry to improve image
Independent (IBC) 3 rd Quarter October 2007	# 63819	The Ombudsman for short-term insurance launches prestigious “ Ukusizana“ Awards – Recognising insurers’ commitment to consumer excellence
FinWeek 1 October 2007	# 63838	Vehicle insurance: Tell us the truth – Stolen vehicle statistics kept secret
Business Day 1 October 2007	# 62929	Pension /Retirement Fund: A new breed of trustees likely to emerge
Financial Mail 5 October 2007	# 63245 * Barry	Special report short-term insurance: The Implementation of Financial Condition Reporting (FCR), proposed by the FSB, is of concern to many of South Africa’s short-term insurers, says SAIA CEO Barry Scott
Financial Mail 5 October 2007	# 63246	Special Report: Short-term Insurance: Financial Condition Reporting (FCR): Safety net – A risk-based regulatory framework set to transform the industry
Business Day 1 October 2007	# 62928	Pension/ Retirement Funds: Administrators making secret profits - FSB
The Star 1 October 2007	# 62927	Motor repair industry: Customers go spare over services
The Star 6 October 2007	# 63748	Crime stats: Crime figures dropping but SA still tops the list
Mail & Guardian 2 to 8 November 2007	# 63751	Drivers’ licences: The department of transport is introducing a demerit system
Sowetan 6 October 2007	# 63754	Hollard Insurance: Mechanical aid for cars
Business Day 9 October 2007	# 63170	Financial Sector Charter (FSC): Sector charters have outlived their usefulness
Business Report 9 October 2007	# 63221 * Barry	Financial Sector Charter (FSC): Finance charter trips on skills development
Business Report 10 October 2007	# 63222	Salvage Management and Disposal (SMD): Cheap vehicles for those ready to chance it
Business Report 11 October 2007	# 63289	Life insurance industry: Insurers battle to stem tide of fraudulent claims
Sowetan 11 October 2007	# 63251	Pension fund: Divorced spouses can claim their benefits now
Business Day 12 October 2007	# 63279	SA insurance industry and the shock of the new – Risks are changing. There is consensus on this point in the local insurance industry. But what precisely is changing, and what are we doing about it?

City Press 14 October 2007	# 63296	Financial Sector Charter (FSC): Consumer protector takes crusade to poor
Sunday Times 14 October 2007	# 63297	Financial Sector Charter (FSC): Financial industry fails black managers
Sunday Times 14 October 2007	# 63299	Financial Sector Charter (FSC): Scrapping Charter could have unintended effects
Business Day 15 October 2007	# 63310	Financial Services (Fais) Ombudsman: A single and independent ombudsman scheme for the financial services industry would halt the “jurisdictional labyrinth” and restore waning consumer confidence in the sector, says Financial Services (Fais) Ombudsman, Charles Pillay
Business Day 15 October 2007	# 63308	Financial Sector Charter (FSC): Manyi takes flak over call to ditch charters
Beeld 15 October 2007	# 63314	Fais Ombudsman kry al meer klagtes
Business Day 16 October 2007	# 633454	Hijackings: Home is where most hijackings happen - survey
Business Report 17 October 2007	# 63376	Financial Sector Charter (FSC): South Africa’s first industry charter moves into legal alignment
Business Report 18 October 2007	# 63377	Accounting standards: Saica: we are proud to lead the world on IFRS for smaller companies
Business Report 18 October 2007	# 63378	Accounting standards: New accounting rules may change yet again
Sowetan 18/10/07	# 63379	Motor insurance: Don’t let insurance drain your wallet
The Star 18 October 2007	# 63396	Motor repair industry: SA Towing and Recovering Association (Satra): Truckers refuse to tow the line
Business Day 19 October 2007	# 63423	Motor repair industry: Panel beaters get tough
Sowetan 19 October 2007	# 63409	Motor repair industry: Tow-trucks block traffic in protest
Beeld 19 October 2007	# 63408	Motor repair industry: SA towing and Recovering Association (Satra) – Inslepers in protesoptog teen M&F
Business Report 22 October 2007	# 63442	Hollard Insurance: Some Citi Golf’s lose cover by Hollard Insurance company
Business Report 22 October 2007	# 63455	Competition Act: Tough competition policy mooted
Business Day 22 October 2007	# 63503	Delay in Road Accident Fund (RAF) law ‘costs R10m a day’ R20bn
Business Report 22 October 2007	# 63511	Motor repair industry: M&F cold shoulders tow truck drivers, panel beaters in dispute over terms
Sowetan 22 October 2007	# 63512	Santam: Tyikwe hopes to teach people about the benefits of short-term insurance – Buy right and save
Beeld 23 October 2007	# 63514 * SAIA	Consumer Credit Insurance Commission of Enquiry: Versekerings verhoore gehou
Herald 23 October 2007	# 63526 * Refilwe	Consumer Credit Insurance Commission of Enquiry: Insurance company probed by top panel
Business Day 23 October 2007	# 63493 * Refilwe	Consumer Credit Insurance Commission of Enquiry: Insurance practices not illegal – probe

Business Day 24 October 2007	# 63538	Financial Services Board (FSB): Financial Services Board to get teeth to enforce its rulings
Business Report 24 October 2007	# 63537	Financial Services Board (FSB): Financial Services Board (FSB) seeks wider powers to encounter market abuses
The Star 24 October 2007	# 63536	Financial Sector Charter (FSC): BEE charters here to stay
Business Report 24 October 2007	# 63539	Nuclear: Earth life Africa challenges nuclear thrust
Mercury (Durban) 24 October 2007	# 63532 * SAIA	Hollard Insurance: Insurers insist on special security for Citi Golf
Pretoria News 24 October 2007	# 63530 * SAIA	Hollard Insurance: Hollard insurance says Citi Golf's more prone to hijack
City Press 28 October 2007	# 63621	Consumer Credit Insurance: Consumer bodies snub insurance hearings
Daily Sun 31 October 2007	# 63622	Santam: Citi Golf row goes on

☞ Further information on all of the above-mentioned press clippings : Sonja Etsebeth
 ✉ sonja@saia.co.za

8 RADIO AND TELEVISION COVERAGE

Kaya FM (English) - Medium

Business Update
 26 Oct 2007 07:33:51
 Santam - New
Live read on Santam.
 (Dur 00:00:04)

Kaya FM (English) - Medium

Business Update
 31 Oct 2007 07:34:43
 Santam - New
Live read on Santam.
 (Dur 00:00:05)

Kaya FM (English) - Medium

Business Update
 5 Nov 2007 07:34:12
 Santam - New
Live read on Santam.
 (Dur 00:00:06)

Talk Radio 702 (English) - High

Business Update
 9 Nov 2007 06:28:36
 Old Mutual - New
Old Mutual has confirmed its in talks to sell its stake in short-term insurer Mutual & Federal to Royal Bafokeng Holdings.
 (Dur 00:00:35)

K-FM (English) - Medium

News Extra @ 18:00

22 Oct 2007 17:59:03

Hollard Insurance - New

Hollard Insurance says it is common practice for insurance companies to protect themselves and clients from risk. This after the company decided to stop covering certain Volkswagen Citi Golf models because of the high theft risk.

(Int:)Zuriel Naiker - spokesperson: Hollard Insurance

(Dur 00:00:30)

SAfm (English) - High

Morning Talk

25 Oct 2007 10:07:03

Citi Golfs lose cover by Hollard - New

Hollard Insurance Company has decided to stop insuring some VW Citi models manufactured between 2004 and 2006 because of their high rate of theft.

(Int:) Zuriel Naicker - Spokesperson: Hollard Insurance

Mentions: VW

OPEN LINES

(Dur 00:04:15)

Radio 2000 (English) - Low

The Moneyweb Power Hour

2 Nov 2007 18:18:22

Glenrand - New

Discussion on Glenrand's deal with Absa's Acturial and Consultancy Unit.

Mention: Canyon Springs Consortium, Advantage, Alexander Forbes

(Int:) Andrew Chislet - CEO: Glenrand

(Dur 00:08:46)

RadioToday (English) - Medium

Moneyweb Power Hour with Alec Hogg

2 Nov 2007 19:16:49

Glenrand - New

Discussion on Glenrand's deal with Absa's Acturial and Consultancy Unit.

Mention: Canyon Springs Consortium, Advantage, Alexander Forbes

(Int:) Andrew Chislet - CEO: Glenrand

(Dur 00:08:46)

CNBC Africa (English) - High

Open Exchange

5 Nov 2007 09:01:19

Mutual & Federal - New

Mutual & Federal has issued a cautionary announcement this morning following weekend press speculation regarding the future ownership of the company. Sunday Times reported that Old Mutual plans to sell its controlling stake in Mutual & Federal to a black investor group.

Mentions: Royal Bafokeng Holdings

(Dur 00:00:30)

CNBC Africa (English) - High

Business Tonight

5 Nov 2007 19:52:58

Santam - New

A discussion about a confirmation that Santam will look into going into direct business.

(Int:) Nigel McKenzie - Head of Financials: Stanlib

(Dur 00:02:15)

Summit TV (English) – High

22 Nov 2007 20:39:21

Business & Insurance

Insurance and Climate Change - New

A discussion about insurance and climate change.

(Int:) Rian Mouton - Manager Facultative Reinsurance: Santam Ltd

(Dur 00:04:47)

Summit TV (English) - High

News @ 18:00

23 Nov 2007 17:58:29

Southern Cape floods - New

Floods in the Southern Cape are likely to cost insurers millions, but it is farmers in the area who will carry the brunt of the disaster. Santam estimates the cost to run into the millions of rands.

Mentions: Mutual & Federal.

(Dur 00:00:31)

Summit TV (English) - High

News @ 20:00

23 Nov 2007 19:58:14

Southern Cape floods - Repeat

Floods in the Southern Cape are likely to cost insurers millions, but it is farmers in the area who will carry the brunt of the disaster. Santam estimates the cost to run into the millions of rands.

(Int:) Quinten Matthew - Head of Broker Services: Santam

Mentions: Mutual & Federal.

(Dur 00:01:27)

Summit TV (English) - High

News @ 21:00

23 Nov 2007 20:57:41

Southern Cape floods - Repeat

Floods in the Southern Cape are likely to cost insurers millions, but it is farmers in the area who will carry the brunt of the disaster. Santam estimates the cost to run into the millions of rands.

(Int:) Quinten Matthew - Head of Broker Services: Santam

Mentions: Mutual & Federal.

(Dur 00:01:26)

SABC 3 (English) - Medium

Documentary

4 Nov 2007 16:23:31

Tow-trucks in the spotlight - New

An in-depth of the tow-truck industry and whether the operators are rescuers or mere vultures.

(Int:) Andre Van Der Merwe - Chairman: SATRA

(Int:) Gary Ronald - Manager of Public Affairs: AA
(Int:) Sam Lecheko - Gauteng Towing Association
(Int:) Gerhard Genis - Head of Quality Control: Santam
(Int:) Jeff Osborne - CEO: Retail Motor Industry Organisation
(Int:) Thabo Tsholetsane - Section Manager: Traffic Legislation
(Dur 00:09:42)

SABC 3 (English) - Medium

The World Today

16 Nov 2007 06:01:24

Autobody Repair Industry - New

About 5 000 people from the autobody repair industry took to the streets of Jo'burg yesterday. They were hoping to beat some sense into Mutual & Federal which it says abuses its dominant market position.

(Int:) Thaba Mofumadi - Chair: National Guild of Independent Autobody Repairers

(Int:) Keith Kennedy - Mutual & Federal

(Dur 00:01:43)

☞ **Further information on all of the above-mentioned radio and television coverage: Adèle Joubert**
✉ **adele@saia.co.za**

9 CIRCULARS

The following circulars were issued during the month of October 2007: (Number of circular, title, date issued and contact person)

SAIA

SG 2007/064 INSETA invitation to attend regional forums (4/10/07)
Contact: Sonja Etsebeth

SG 2007/065 Financial Sector Charter (FSC) – Annual Review 2006 (9/10/07)
Contact: Sonja Etsebeth

SG 2007/066 Blood alcohol test results: Information from the State Forensic Laboratories (9/10/07)
Contact: Vivienne Pearson

SG 2007/067 FAIS assessment / examination implementation (10/10/07)
Contact: Refilwe Moletsane

SG 2007/068 FAIS Assessments in November 2007 (11/10/07)
Contact: Sonja Etsebeth

SG 2007/069 Application for approval to place insurance with underwriters other than South African short-term insurers in terms of Section 8(2)(d) of the Short-Term Insurance Act (12/10/07)
Contact: Refilwe Moletsane

SG 2007/070 Request for information from Asset Forfeiture Unit (16/10/07)
Contact: Vivienne Pearson

SG 2007/071 Request for information from Asset Forfeiture Unit (19/10/07)
Contact: Vivienne Pearson

SG 2007/072 SAIA FSC Consumer Education 2006 projects report back (25/10/07)
Contact: Melanie Pillay

SG 2007/073 Request for comment: SARS binding general ruling – ruling 425 – insurance (26/10/07)
Contact: Charles Hitchcock

SG 2007/074 Regulation 4, Section 45 of the Short-Term Insurance (Act 53 of 1998) Register of the status of credit intermediaries (31/10/07)
Contact: Melanie Pillay

AMUSA

AM 2007/061 AMUSA/SURVEYORS/SAFSIA Liaison Committee meeting minutes 4 October 2007 (22/10/07)
Contact: Barry Scott

AM 2007/062 Casualty Report MV “Cargo Enterprise” (22/10/07)
Contact: Barry Scott

AM 2007/063 Casualty Report MV” WINDFIELD” (22/10/07)
Contact: Barry Scott

AM 2007/064 Casualty Report MV” WINDFIELD” (22/10/07)
Contact: Barry Scott

AM 2007/065 Report on the IUMI Conference 9 – 12 September 2007 Copenhagen (23/10/07)
Contact: Barry Scott

AM 2007/066 IUMI at IMO Bulletin 2 (23/10/07)
Contact: Barry Scott

IGF

IG 2007/008 IGF Reinsurance Quota Share for 2008 (17/10/07)
Contact: Melanie Pillay



SAIA MD (Managing Directors)

MD 2007/022 Consumer Credit Insurance enquiry (1/10/07)
Contact: Refilwe Moletsane

MD 2007/024 Time Barring Compliance Survey (11/10/07)
Contact: Oupa Skosana

MD 2007/025 SAIA Board Minute (12/10/07)
Contact: Refilwe Moletsane

MD 2007/026 Attendance to committee meetings and mandate (18/10/07)
Contact: Barry Scott

 **Further information on all of the above-mentioned circulars: Sonja Etsebeth**
 **sonja@saia.co.za**

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