SAIA

Bulletin

Newsletter of the South African Insurance Association

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1. TRANSFORMATION & SOCIAL RISKS

1.1 Update on Consumer Education

Following the gazetting of the Financial Sector Code, several issues have been raised relating to the implementation of the SAIA Consumer Education Initiative. These issues include the timing of spending consumer education funds, both by individual members as well as the SAIA, the recognition of the SAIA Initiative as a Sector Specific Project and other related issues.

The SAIA is currently exploring these issues, and will together with the assistance of a sub-committee of the SAIA Consumer Education Committee address the immediate needs, as well as potential long term actions in order to ensure that members' funds continue to be well spent while at the same time getting their points for consumer education. The SAIA is also awaiting the 'Guidance Note on Consumer Education, which will address, amongst other issues, specific exemptions in the Access Pillar.

Meanwhile, the contracting of service providers for the 2013/14 Consumer Education projects is being finalised, with work on one of the projects already underway.

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1.2 Financial Sector Code

The SAIA is awaiting a decision of the Financial Sector Charter Council, and notably the Scoring Committee, on whether they can approve the SAIA Initiative as a Sector Specific Project. At the same time, more information must be sought from informed sources about what it will take to be accredited as a Sector Specific Project, and if not by the Charter Council, who should be approached to do this.

Although, the SAIA has reached a cross-road on this issue, it will take this opportunity to re-visit the SAIA Consumer Education Initiative with regard to its format, the procedures followed and the implementation of the projects. This is to ensure that the SAIA members obtain the most benefit possible whilst at the same time considering the SAIA limited resources.

Whilst the SAIA, together with the sub-committee of the Consumer Education Committee are exploring the long-term options, the agreed upon projects for 2013/14 should be accredited individually if required.

Access Exemptions
As per the Financial Sector Code FS000, Code 000 paragraph 11.1 companies would automatically be exempted from Access until such time as the Financial Sector Council had approved the Access Standards. The Standards are now approved and the Council had agreed that the Transitional Period would expire on the 30/06/2013.Companies that exclude Access from their scoring will be required to adjust the target for Socio-economic Development (Code 700) to 1% of NPAT for the measurement period.

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1.3 Upcoming SAIA Events

The SAIA Annual Committee Lunch will be held on Friday, 11 October 2013 at the Protea Hotel, Balalaika in Sandton.

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2 INSURANCE RISKS

2.1 Finance and Insurance Vehicle System (FIVS)

The FIVS project is in a robust consideration phase, prior to participants making a decision with regards to proceeding to the “preparation for implementation” phase of the project.

Each participating company has been asked to conduct an internal cost benefit analysis based on the business case provided and members are expected to provide their responses by 30 October 2013.

The SAIA Board Committee: Motor supported that a workshop is held during this consideration phase which would aim to revisit many challenges relating to this project, including the value proposition, how this project will fit in with existing offerings, what the business model to be implemented will be, etc. This is to give SAIA members comfort with the approach taken by the FIVS project until now. It will also be important in this workshop to comprehensively consider the current service partners’ roles and capabilities to ensure the FIVS is established in a way which is best suited to the industry. This workshop is scheduled for 3 October 2013.

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2.2 Green Geyser Replacement Program (GGRP)

The SAIA awaits approval from the Department of National Treasury for the support of the budget for a national green geyser insurance pilot. It is expected that SAIA will receive feedback during October which would allow insurers to concentrate on the implementation plans.

SAIA also awaits feedback regarding another key support area from the Department of Energy, namely regulation, which would support the installation of green geysers at replacement stage.

Consumer research, which tests the value proposition of the GGRP to insured clients, has been completed and a feedback session from the research house, Ask Afrika, has been scheduled with insurer representatives.

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2.3 Food Security Alternative Risk Financing through a Public Partnership (PPP)

With relative consensus in place regarding a high level operational model for a Public Private Partnership, the project is able to focus on more detailed challenges.

Andisa Agri, who has been employed by the Department of Agriculture, Forestry and Fisheries (DAFF) to understand global best practice, propose a suggested suite of agricultural insurance products and develop related financial modelling, will need reliable data on which to base the financial analysis. This has, and continues to be a challenge for various reasons.

Another key challenge will be identifying a working structure to support small scale farmers that allow financiers to support this segment of the market and thereby unlock / rely on proposed insurance products. A collaborative workshop between all project stakeholders supported the establishment of a smaller financier and insurance work group to further understand this challenge.

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3 GOVERNANCE RISKS

3.1 SAIA BRICS Trade and Development Risk Pool Working Group

South Africa was invited to participate in BRICS (an association of five major emerging national economies: Brazil, Russia, India, China and South Africa) in December 2010. It was believed that South Africa could promote the development of BRICS by encouraging commercial, political and cultural cooperation between the BRICS nations and enhance cooperation in emerging market economies.

South Africa officially became a member of BRICS on 24 December 2010.

At a meeting held on 12 March 2012, the Department of Trade and Industry ("DTI") announced that promoting insurance as a well-developed sector in South Africa would be part of the trade discussions with BRICS in 2012.

South Africa hosted the Fifth BRICS Summit on 27 March 2013 in Durban - the first time that the Summit was held on the African continent – under the theme "*BRICS and Africa: Partnership for Development, Integration and Industrialisation*".

Some of the outcomes included an agreement by the BRICS leadership to establish a new BRICS Development Bank to mobilise domestic savings and to co-fund infrastructure development in developing regions.

In addition, the BRICS leaders agreed to consider a BRICS Trade and Development Risk Pool (T&DRP), an initiative introduced by South Africa. The aim of the T&DRP is to establish a sustainable alternative insurance and reinsurance capacity for the BRICS countries through a pooling mechanism of combining the insurance, reinsurance capacities and capabilities of all five BRICS countries into a single pool in a manner that is commercially viable, providing BRICS investors and governments with unrestricted access to quality insurance capacity in support of private sector or State-funded infrastructure development projects and for the benefit of domestic and cross-border trade and development. In his address to the BRICS summit, Minister Rob Davies (Minister of Trade and Industry) stated that "*South Africa's financial services sector is rated among the best in the world and our country will take a leadership role in the development of this project*".

To support this process, the SAIA has constituted a SAIA BRICS Trade and Development Risk Pool Working Group to assist in formulating a South African feasibility report to assess the local insurance market appetite and capacity to participate in the BRICS T&DRP in terms of anticipated risks and opportunities.

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3.2 Short-term Insurance Act

- **Binder Regulations**

  - System Changes

    On 10 September 2013 the Financial Services Board (FSB) issued its Information Letter 6 of 2013. The Information Letter highlights the requirements of Regulation 6.3 of the Binder Regulations namely that binder agreements must specify that binder holders must have appropriate information technology in place, insurers must have continued access to policyholder and policy information held by binder holders as well as the requirement to update the said information at least every 60 days in the records of the insurer. The information must enable insurers to identify and contact the policyholder and assess policyholder liability.

    On request from the Registrar, insurers must present the detailed action plan to meet the information technology requirements by no later than 1 January 2014. The SAIA has received confirmation from the FSB that **no further extensions** of this date namely 1 January 2014 will be considered.

    In addition, the FSB confirmed that it will shortly undertake thematic on-site visits to assess the readiness of insurers to comply with these requirements by 1 January 2014.

    The SAIA encourages its members to consider the industry solution designed and developed by the short-term insurance industry namely the Short-term Insurance Data Exchange (“STRIDE”) to facilitate compliance to this requirement. The STRIDE solution is based on a South African ACORD messaging standard and global best practices.

    In addition, STRIDE recently announced the availability of the STRIDE LITE solution in order to assist the industry with the looming January 2014 deadline. This solution will operate via the STRIDE switch with the current security protocols in place. The system providers will extract the data from their systems in an AML LITE best effort approach without adhering to the business rules. The benefit of this solution is that the system providers will continue to extract data according to the accredited ACORD methodology and will not need to continue running separate data extracts for the insurers to comply with the upcoming regulatory deadline.

  - Information Request

    In addition, Information Request 7 of 2013 was issued by the FSB on 18 September 2013 directing all insurers to provide information relating to outsourced binder functions to assist the Registrar in formulating appropriate supervisory and regulatory responses in respect of prevailing industry practices.

    As part of the supervisory approach, insurers are expected to complete a reporting template on the implementation and compliance with Binder Regulations.

    It is compulsory for all insurers to provide the information set out in Annexure A namely to confirm whether Binder functions are outsourced and if so insurers with outsourced binder functions must in addition, provide information in further Annexures to the Registrar by 18 October 2013.

  - Other

    Further guidance on the requirements when policies are cancelled and replaced by insurers or intermediaries as well as the relevant notification to the Registrar is expected shortly.

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3.3 Consumer Credit Insurance ("CCI")

Following the Nienaber report investigating allegations of undesirable industry practices in the CCI market by insurers in 2008, a Joint Consumer Credit Insurance Task Team including representatives from the National Treasury (NT), the FSB, the National Credit Regulator (NCR) and the Competition Commissioner was appointed to consider the recommendations proposed in the Nienaber report, to assess whether the prevailing policy/regulatory framework for CCI is delivering on its objectives of consumer protection and to review the CCI landscape following the enactment of the National Credit Act, 2005. The CCI Task Team appointed an Actuarial Firm to analyse and produce a report on the responses received from credit insurers on two information requests issued by the FSB and NCR. The findings of this process including proposed policy decisions are expected to be issued in a CCI report for comment by the end of November 2013.

In addition, the long-awaited affordability assessment guideline for credit providers issued in terms of the National Credit Act, 2005 will also be issued by the NCR for comment within the next few weeks. The guideline is intended to assist credit providers to conduct proper assessments of the consumers' affordability in credit applications and to combat consumer over-indebtedness as well as reckless lending.

3.4 Financial Advisory and Intermediary Services ("FAIS") Act

The FAIS Enforcement Department issued its draft guideline on debarment sanctions on 28 August 2013 for comment by the end of September 2013. The purpose of the guideline is to clarify the process to be followed by Financial Services Providers ("FSPs") when effecting debarment sanctions in terms of section 14(1) of the FAIS Act against representatives.

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What to expect in October /November 2013

- The Revised Draft Demarcation Regulations demarcating medical schemes and medical insurance is expected for comment;
- Deliberations on the Financial Services Laws General Amendment Bill ("Omnibus Bill") by the Parliamentary Standing Committee on Finance;
- Some high level proposals following the release of the Discussion Document on Third-party Cell Captive insurance and Similar arrangements issued by the FSB on 31 July 2013 for comment;
- An announcement by the Ombudsman for Short-term Insurance ("OSTI") on the implementation date for the appeals mechanism as well as the names and Chair of the Appeal Tribunal;
- The release of the CCI report for comment; and
- The release of the first annual report by the Global Federation of Insurance Associations ("GFIA").

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3.5 Treating Customers Fairly (TCF)

TCF Complaint management and reporting

Following the work done earlier in 2013 by the FSB's Outcome 6 Workgroup: Claims, Complaints and Changes on the development of complaint categories under TCF for the purpose of non-public reporting by regulated firms, the FSB recently circulated an updated draft proposed framework for TCF aligned customer complaint management by regulated firms.

TCF Outcome 6 provides that "*Customers do not face unreasonable post-sale barriers imposed by firms to change product, switch providers, submit a claim or make a complaint*".

It is anticipated that the regulatory framework to support delivery of the complaints related aspect of Outcome 6, will include the following:

- Regulatory definitions of "*complaint*" and related terms.
- Appropriately aligned prescribed standards and requirements for different types of financial institutions to implement internal complaints management processes.
- Standards for complaints record keeping, monitoring and analysis, including TCF aligned categorisation of complaints.
- Requirements in relation to the engagement between financial institutions and Ombud schemes.
- Requirements for reporting complaints information to the Regulator.
- Requirements for public reporting of complaints information.
- TCF aligned complaints categorisation.

The FSB has confirmed that the implementation of TCF is a gradual process, and that they do not view the TCF Regulatory and Supervisory Framework as having a 'start' and an 'end' date.

All regulated financial institutions should be hard at work at embedding TCF into the culture of their company and towards implementing a formal TCF strategy to underpin the changes to a TCF culture.

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3.6 Solvency Assessment and Management (SAM)

The Parallel Run

Introduction

In March 2013 the Financial Services Board (FSB) released their much anticipated FSB SAM 2013 Update document. The document was issued with the intention to provide some urgent guidance and clarity to the insurance industry pertaining to a number of pressing issues in the design of the new proposed Solvency Assessment and Management (SAM) regime. One such pressing issue was the requirement by the insurance industry for greater clarity around what the FSB envisaged for the Parallel Run.

Background

The Parallel Run, according to the FSB SAM 2013 Update, will essentially consist of two phases to assist the South African insurance industry build towards the final SAM implementation date currently set for 1 January 2016. The first parallel run phase entails a number of set minimum requirements that insurers and reinsurers will be compelled to adhere to and is referred to as the Light Parallel Run, taking place from 1 July 2014 to 31 December 2014. The second and far more rigorous phase appropriately termed the Comprehensive Parallel Run will take place from 1 January 2015 until 31 December 2015.

Any good implementation plan requires thorough preparation and sufficient testing in order to prepare the respective parties for any profound change. The new proposed SAM regime will bring about a number of fundamental and structural changes to the current solvency regime and as such a sound preparation phase is critically important. It is for this very reason that the two proposed Parallel Run phases have been scheduled as part of the SAM design.

The parallel run will give the FSB the opportunity to test and embed the processes that it will need to perform in order to supervise insurance companies in a business as usual approach under the new SAM framework. Similarly, the parallel run also provides an opportunity for auditors to get to grips with the reporting that insurers will need to complete once the SAM regime goes live on 1 January 2016.

It is important to reiterate that both the Light and Comprehensive Parallel Run phases forms part of the overall **developmental process** of SAM and as such these parallel runs remain field tests in preparation for SAM and are by no means final. The current solvency and capital requirements applicable under the current legislation remain effective and in force until the new proposed SAM regime ultimately takes effect.

The Parallel Run can in essence be seen as the final field test for the insurance industry incorporating all the elements and requirements of the three SAM Pillars to examine whether South African is indeed equipped to implement the new proposed SAM regime.

The Light Parallel Run

The Light Parallel Run Phase will **test** and require the following from insurers and reinsurers:

Pillar I	• Calculations adapted from the SA QIS3 specifications, with a simplified approach to the calculation of the SCR
Pillar II	• Compliance with Insurance Laws Amendment Bill (ILAB)
Pillar III	• Quarterly reporting, based on SA QIS3 templates
Timeline	• 1 July 2014 to 31 December 2014

The Comprehensive Parallel Run

The Comprehensive Parallel Run Phase will **test** and require the following from insurers and reinsurers:

Pillar I	• Full calculations for both quarterly and annual calculations. • IMAP firms expected to use internal models to calculate the SCR in addition to the standard formula calculation.
Pillar II	• Compliance with Insurance Laws Amendment Bill (ILAB) • Mock ORSA exercise
Pillar III	• Full annual and quarterly quantitative reporting templates. • Full qualitative reporting requirements
Timeline	• 1 January 2015 to 31 December 2015

Important Considerations

When considering the tables above setting out the components that will be tested and required as part of each parallel run phase the following should be kept in mind:

- Insurers and Reinsurers must focus on developing their ORSA process as a matter of urgency as a Mock ORSA will be required in 2015.

- The ILAB process, which has fallen somewhat behind schedule, might still impact on the Pillar II parallel run requirements should further delays in the process be encountered.

- The obligation to report on the full suite of quantitative and qualitative reporting requirements as part of the Comprehensive Parallel Run should not be underestimated by insurers and reinsurers. The amount of time, resources and system development required by insurers and reinsurers in preparation for the Pillar III reporting and disclosure requirements is astronomical. The Pillar III requirements should by now be receiving high priority as part of insurers and reinsurers SAM implementation projects and programmes.

- The Parallel Run will in all probability direct the spotlight on the sensible requirement for adequately defined and properly considered SAM Transitional Arrangements.

- During the Comprehensive Parallel Run insurers and reinsurers will be expected to obtain a reduced scope audit opinion on the Pillar III reporting obligations. It is the intention of the FSB that this reduced scope audit will facilitate the smooth transition for auditors, who will be expected to produce a full audit on a business as usual basis from 2016. The potential increase in audit fees and related costs facing the insurance industry is an area of great concern.

Conclusion

The Parallel Run will certainly provide the FSB, insurers, reinsurers and other stakeholders with a clear scorecard as to whether South Africa will be in a position to go live with SAM in a manner that is sensible, sustainable and serving the best interests of South African insurers and reinsurers, the South African insurance industry and the South African economy at large.

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4 OTHER INDUSTRY RELATED NEWS

4.1 Financial Services Board (FSB): Insurance Division- The Quarterly Report on the Results of the Short- Term Insurance Industry for the Period Ended 30 June 2013

The Financial Services Board has issued its Quarterly Report: Insurance Division for the period ended 30 June 2013. To view the full report, please follow link: www.saia.co.za . The report is available under document downloads.

4.2 Combating risk in current climate

What risks do insurers face and how are they prioritising them?

A recent biennial survey of the risks facing the insurance industry, Insurance Banana Skins, was produced by the Centre for the Study of Financial Innovation in association with PwC. But how do the risks facing South African insurers stack up to their global counterparts?

Regulation is the top global risk for the second year running as seen by a sample of 662 practitioners and close observers from 54 countries in the survey. The top 10 South African risks facing the insurance industry in 2013 are as follows:

1. Regulation
2. Macro-economic environment
3. Human resources
4. Distribution channels
5. Political interference
6. Business practices
7. Crime
8. Investment performance
9. Natural catastrophes
10. Reputation

Human resources, distribution channels, political interference and crime were of higher concern in South Africa, compared to the global insurers. The ranking and comments from South Africa suggest that regulation was by some way seen as the top risk – both in terms of its volume and the pace of change. One respondent said: “Increasing and more onerous regulations will increase the cost of doing business. It will also introduce opportunity costs as resources are deployed to develop systems and processes to comply with new regulations, rather than focusing on the development of innovative solutions for clients.” Another cautioned: “South Africa is unique, and regulatory changes should be properly motivated by clearly increased risk or demonstrated failures in the past”.

Ranked in third place – well above the global average – was the risk of failing to attract and retain the right talent. One respondent observed “massive demands on certain skills given the volume and pace of regulatory change”. Another, while noting that “regulatory change and increasing focus on risk is attracting highly qualified and technical people”, added: “business/front end insurers still have challenges in attracting people, as other financial services sectors (such as banking) are still considered more ‘appealing’.”

Crime was seen as another big concern, ranking at number 7. “It is increasing in incidence,” stated one comment. “Expect to see increases in syndicated claims fraud and potentially internal fraud events. Cybercrime and data theft in particular is an increasing risk.”

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Among those risks that featured less prominently were the quality of management and the quality of risk management. On the former, a comment was: “Poor judgement due to commercial pressures is possible, but not necessarily poor management as a general theme. Broadly, my view is that management teams tend to be well experienced and qualified.”

We asked the question: How well prepared do you think insurers are to handle the risks you have identified? (1=poorly, 5=well). South Africa scored 3.36, well above the world average of 2.95. One comment was: “Historically, the majority of insurers are well skilled in the management of underlying insurance risk, market risk and credit risk. Operational risk is attracting more air time and will require a higher level of readiness and skills”.

For the global Insurance Banana Skins 2013 survey, please go to http://www.pwc.com/gx/en/insurance/banana-skins/2013-survey-report.jhtml

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4.3 The Importance of Standards in the Southern Africa Insurance Industry

By Alan Stitzer, Director of Global Development, ACORD

For over 40 years, ACORD has been promoting the value of standards in the insurance industry whether it is for long term, short term or global reinsurance.

ACORD started in the United States in 1970 when we got together with the brokers and insurers to address the many different paper forms. Each insurer had its own unique proposal form. This, as you can imagine, led to many business inefficiencies. Each time a broker wanted to get multiple quotes for a client, they'd have to complete a proposal form for each company!

ACORD has since grown into the insurance industry's premiere global standards organization with offices in New York and London. Further, we now have not only proposal forms, but also electronic data standards that are used throughout the world.

Data Standards are developed to solve the core problem of sharing and communicating precise information amongst multiple systems and organizations. From an ACORD Insurance Standards perspective we generally do not define 'how' or even specifically 'what' you do with the data - rather we focus on providing clear communication of the industry-defined business requirements.

Insurance concepts, products and processes are complex and ever changing. Add to that the changing needs and desires of the users of insurance data and the challenge is daunting. Because of this, providing relevant data is neither easy nor finite, but our experience as shown that incremental progress is valuable. Without some semblance of data standards, the industry and its participants are destined to be shackled with less effective and less efficient communication and outcomes.

So, what do data standards provide? In general,

- A common data vocabulary to define specific insurance concepts.
- A common structuring of this data in a form that the business community and machines can recognize, understand and process.
- A specification, through the standards documentation, of shared understanding and agreements regarding insurance data
  Additionally, ACORD Standards,

- Allow for faster, more efficient workflows.
- Provide more accurate data exchange, internally and externally.
- Open new opportunities and potential partners worldwide.
- Promote industry recognition for your support of e-business and standards.
  All this is well and good, but what are the financial values of standards? Doug Hubbard, President of Hubbard Decision Research and author of the best-seller, "How to Measure Anything: Finding the Value of Intangibles in Business", announced that implementing ACORD Standards can save the insurance industry at least one billion dollars. "

"Doug Hubbard's research proves one of the founding principles of ACORD; that working with us is worth the investment because it saves money and increases efficiency, not only for individual companies but for the entire industry," said Gregory A. Maciag, ACORD President and CEO. "Our members have known this for a long time and it's great to have their belief in our standards validated.""

So what does all this mean for South Africa?

ACORD has worked hard over the past four years with SAIA, FIA, STRIDE, insurers, brokers, and

software vendors to create a *localised* global standard. Simply put, this means that the data standard in use in Southern Africa is global, yet, we've ensured local market requirements have been taken into account and are included, thereby enhancing the value to our South African community.

With the FSB Binder regulation looming at the start of 2014, we have to get it right. Our work has included close communication with the FSB to ensure we're in compliance. At The Insurance Conference in Sun City, and in the latest communication from the FSB, it was stated that use of the ACORD standard means that you are in compliance with the regulation.

Workflow Efficiency

ACORD Standards, combined with the STRIDE switch bring efficiencies to the workplace. The biggest benefit for the brokerage side of the business is the ability to enter information into an application just once. Since the ACORD membership have agreed not only on the format of the data, but also on the content, each insurance company using the standard can read and process the transmitted data. If a broker needs multiple quotes, the information is still only entered once, and the software package combined with the switch will ensure your quote request goes where it is supposed to go.

Of course, each insurer may have its own specific rating criteria. ACORD recognizes this and these requirements are handled.

On the reverse side, the Standard and the switch allow for real-time responses with quotes. There will be occasions when an immediate response cannot be sent (for example, if the policy cannot be automatically rated, or if additional underwriting is needed, etc.), but just the fact that a real time response can be handled is a huge advantage to the broker. You'll be able to get back to your customer in a timely manner; and isn't that what it's all about? After all, customer service and relationships are important, and anything that can be done to foster and enhance those relationships is a good thing.

Provide More Accurate Data Exchange

Data accuracy is of prime importance. To this point, we have worked with the industry to formulate business rules to be applied to each transmission.

The rules will help get the data as clean as possible. While we realize some of these rules will take time to fully implement, having the industry agree on them will help brokers and insurers make better decisions, reduce errors and reduce turnaround time.

Internal accuracy is another important part of the standard. Each broker and insurer has multiple systems; claims, fulfillment, billing, etc. Each of these systems, although they share much of the same data, normally do not talk to each other. They often have different names for the same information, leading to complicated synchronization. Using standard definitions for each piece of data means that exchanging information between each of the disparate systems becomes less complicated.

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Open New Opportunities

ACORD standards are used globally. Each individual market, however, "controls" data specific to its geography. For instance, the same base standard in use in South Africa is also in use in Australia.

With multiple markets using the same ACORD standard, opportunities are there to implement and expand outside South Africa. Insurers and brokers operating globally have the ability to use that same standard in the different markets in which they operate. Software vendors that operate in multiple geographies now have the ability to easily move software to other markets.

For those companies that only operate in South Africa, the opportunity to move to other countries in the region is there!

Promote Industry Recognition

ACORD offers certification programs that prove your company adheres to the standards (and thus the binder regulations). With this certification, you can be assured that the data will be accurate, clean and industry approved.

Not only does ACORD offer *company* certifications, but *individuals* within organizations can be recognized as ACORD Certified Experts (ACE's). This program gives your company the ACORD knowledge that you need to ensure you're up to date with all things ACORD.

Information on all certifications can be found on the ACORD website (http://www.acord.org)

Get Involved

To find out more about ACORD and how to you can help influence the standards in South Africa, contact us at memberservices@acord.org.

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4.4 INSETA: National Disability Awards Winner Challenging Perceptions in Higher Education

Chaeli Mycroft is the first female student with a disability to stay in residence at the University of Cape Town. She has adapted well to the discipline of university and residence life, attaining first-semester marks in excess of 60% in all four of her social science subjects. INSETA provided Chaeli with a bursary to pursue her studies at university following her win in 2012.

Despite being wheelchair-bound, the INSETA National Disability Award winner and bursary holder has moved onto residence at the university with her caregiver at the beginning of the year and is enjoying a rich student life. She passed her mid-year university subjects comfortably while successfully adapting to varsity life and even tackling the world's biggest cycle race. Chaeli admits that it was "Quite an adjustment from high school, being responsible for performance and organising my time to get all my work done on time was definitely something to get used to."

Chaeli also joined UCT student newspaper *Varsity* and UCT Cycling, through which she trained for and completed the Cape Argus Pick n Pay Cycle Tour in a buggy behind a cyclist friend.

Zelda, Chaeli's mother, thanked INSETA for its generous bursary support and for creating opportunities for Chaeli to continue her work as an ability activist.

INSETA CEO Sandra Dunn says this partnership goes further towards removing the barriers facing people with disabilities. "Persons with a disability can add valuable skills and experience to the workplace, but too many companies still don't have an adequate ratio. People like Chaeli are invaluable in helping to raise awareness of the potential for the workforce. She sets a shining example of what can be achieved, and INSETA is honoured to stand behind her," she said.

INSETA has provided bursaries to learners to study in public universities and FET Colleges for study areas that are scarce and critical skills in the insurance sector. These include Actuarial Science; Financial Planning; B Com Insurance and Risk Management; and NCV Business and Financial Management. The bursaries are managed by the public FET or University and are based on a combination of factors including merit and equity.

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4.5 INSETA Network launches its Employment Opportunities Portal

The INSETA National Skills Development Broker Network (INSETA Network) recently launched their Employment Opportunities Portal aimed at interns who have not been permanently placed with employers as well as other unemployed workers in the insurance industry.

“We would like to assist both the employers looking for suitable candidates and people searching for jobs in the industry,” says Sandra Dun, INSETA CEO.

“Through the portal we hope to assist small brokers with their recruitment process and contribute to a lot more unemployed workers in the industry finding employment faster. We have dozens of interns on our records who once they have completed their internships and learnerships, have not been able to find suitable employment yet,” explains Dunn.

“There are also hundreds of more experienced workers in the industry such as FAIS accredited professionals and support staff, who are currently unemployed. At the same time, there are many small brokers who find it difficult to obtain information about potential employees that are available to fill vacancies. Our portal will no doubt help to connect people looking for jobs in the industry and small businesses wanting to recruit suitable staff.”

Through the portal, INSETA hopes to reduce the cost for small independent brokers to obtain information about suitable candidates in the industry looking for work. The INSETA Network does not charge its members for any candidates listed on the portal that are successfully placed and neither does it charge a membership fee.

The portal is only available for unemployed candidates seeking employment in the insurance industry and only the members of the INSETA Network can view the candidates’ profiles that are uploaded onto the portal.

“The portal will not accept profiles from candidates that are already employed in the industry, but who wish to change their jobs,” stresses Dunn.

It is not a prerequisite for candidates to be members of the INSETA Network and there is no cost involved in creating their profiles.

The portal’s web address is www.insetanetwork.co.za and can be accessed via the home page.

The INSETA Network is just over a year old and has about 2 000 members already. Its purpose is to support small and micro independent brokers by making access to INSETA’s skills development programmes easier.

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5 PRESS CLIPPINGS

Press Clippings: August 2013

Publication	Person/DN	Subject
Insurance Times & Investments August ' 2013	# 111410 # 111411 # 111413	▪ Is South Africa ready for **Solvency Assessment & Management (SAM):** ▪ New **Basic Conditions of Employment Act** earnings threshold ▪ **Insurance Industry:** Current Issues: The need to embrace new regulations
FAnews 1/8/2013	# 111032 *SAIA	The truth of the matter is … **regulation** is changing
Cover 1/8/2013	# 111090	**Lion of Africa**: Transformation and skills development key to SA insurance sector growth
Insurance Gateway 2/8/2013	# 111088	**Vehicle Tracking Industry:** Cartrack pays out its first recovery warranty
Insurance Gateway 5/8/2013	# 111131 *Nico	SAIA **Solvency Assessment & Management (SAM)** Update
Beeld 6/8/2013	# 111423	**Aarto:** 'Ons het n plan met die pos van boetes'
Insurance Gateway 6/8/2013	# 111130	SAIA **Annual General Meeting** July 2013: new board confirmed
Go South Online 6/8/2013	# 111132	The **Consumer Protection Act**
Insurance Gateway 6/8/2013	# 111155	Tips to reduce **motor insurance** premiums in light of petrol price increase
Junction 6/8/2013	# 111156	Amendments to **National Road Traffic Act**: Testing Time for Old Cars
Citizen 7/8/2013	# 111146	**Motor Repair Industry:** No ban on second-hand parts
Risksa 7/8/2013	# 111160	**National Health Insurance (NHI):** Medical Schemes must collaborate to tackle healthcare challenges
Insurance Gateway 13/8/2013	# 111321 *Viviene	**SAIA Code of Conduct:** Insurers to automatically re-assess the value of motor vehicles
FAnews 13/8/2013	# 111322 *SAIA	**Insurance Industry:** When does material non-disclosure void an insurance contract?
FAnews 14/8/2013	# 111314 *Viviene	**SAIA Code of Conduct**: SAIA: The Regular Assessment of the Value of Motor Vehicles
iafrica.com 14/8/2013	# 111324	**Motor Insurance:** Gender Directive: Should women pay less?
Insurance Gateway 15/8/2013	# 111276 *SAIA	**Insurance Laws Amendment Bill:** Thank your Lucky Stars you've got Protection

Insurance Gateway 16/8/2013	# 111287	**FAIS –** New subcategories of financial products
Risksa 16/8/2013	# 111292	**South African Insurance Industry Survey:** No stability in sight for insurers – KPMG's 2013 industry survey
Itinews 20/8/2013	# 111328 *SAIA	**Financial Sector Code**: Transform or bust!
FAnews 21/8/2013	# 111327 *SAIA	Are insurers prepared for the effects of **climate change** on the industry?
FAnews 20/8/2013	# 111329 *SAIA	**Financial Sector Code**: FIA: Education and subsides learning will spearhead the intermediary's to transform the industry
Business Day 20/8/2013	# 111407	Industry leaders talk about **regulation** of accountants in SA
Citizen 21/8/2013	# 111405	**Nuclear:** Nuke plant leaks tons of toxic water
Business Day 21/8/2013	# 111404	**Tax** proposals on research, development face MP's criticism
Business Day 22/8/2013	# 111393	Gap and **health insurance** plans 'undermining' Medical schemes
FAnews 22/8/2013	# 111396	**INSETA** Network launches Employment Opportunities Portal
IOL Business Report 22/8/2013	# 111395	**Insurance policies** a threat to medical aids - actuary
Business Report 29/8/2013	# 112045	**Aarto** doomed to fail - reports
Sakenuus 29/8/2013	# 112046	**Korttermynversekering: Santam** dok op vir misoeste

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6 CIRCULARS

The following circulars were issued during the month of August 2013: (Number of circular, title, date issued and contact person)

SAIA

SG 2013/070 Regulation 4, Section 45 of the Short- Term Insurance (Act 53 of 1998) Register of the Status of Credit Intermediaries (2/8/2013)
Contact: Princess Mlambo

SG 2013/071 SAIA Consolidated Comments on the Insurance Laws Amendment Bill (ILAB) Submitted to National Treasury (6/8/2013)
Contact: Nico Esterhuizen

SG 2013/072 National Crime Statistic Release: 2013 (7/8/2013)
Contact: Viviene Pearson

SG 2013/073 Invitation to Comment:
Financial Advisory and Intermediary Services (FAIS) Act, 2002
Proposed Amendment to the Fit and Proper Requirements and Accompanying Measures (12/8/2013)
Contact: Prisca Masuku

SG 2013/074 Comments Submitted on the FSB Review of Third-Party Cell Captive Insurance and Similar Arrangements (15/8/2013)
Contact: Lezanne Botha

SG 2013/075 Financial Sector Code Workshop: 9th and 10th October 2013 (23/8/2013)
Contact: Barry Scott

SG 2013/076 Invitation to Comment:
Draft SAIA Submission on the Introduction of a Policyholder Protection Scheme in South Africa (26/8/2013)
Contact: Prisca Masuku

SG 2013/077 Climate Wise Thought Leadership: Do insurers really Communicate Risk Effectively? (27/8/2013)
Contact: Debbie Donaldson

SG 2013/078 Invitation to Submit Comments
Draft Guideline on Debarment Sanctions Issued by the Financial Advisory and Intermediary Services (“FAIS”) Enforcement Department (29/8/2013)
Contact: Prisca Masuku

SG 2013/079 The United Nations Environment Programme (UNEP) Finance Initiative (FI) Global Roundtable (GRT) 2013 (30/8/2013)
Contact: Debbie Donaldson

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AMUSA

AM 2013/010 Casualty Advise : ''SMART'' (26/8/2013)
Contact : Candy Lucas

SAIA Managing Directors

MD 2013/024 Financial Sector Code Access Targets (7/8/2013)
Contact: Viviene Pearson

MD 2013/025 Solvency Assessment and Management: The Third South African Quantitative Impact Study (SA QIS3) and SAIA Related Workshops (5/8/2013)
Contact: Nico Esterhuizen

MD 2013/026 Annual Business Against Crime Donation (20/8/2013)
Contact: Viviene Pearson

MOTOR

MT 2013/030 South African Knock for ''Knock Agreement'' (23/8/2013)
Contact : Dawie Buys

MT 2013/031 Invitation to provide input on Volkswagen Group South Africa Prosposal for the SAIA Parts ''Certification '' (29/8/2013)
Contact : Viviene Pearson

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✉ **nicol@saia.co.za**

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IMPORTANT NOTICE

Should you know someone, who is not a SAIA member, who might be interested in receiving the SAIA Bulletin let them contact Tessa Kerspuy, SAIA Graduate: Communications and Stakeholder Relations.

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