



South African Insurance Association

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SAIA position paper: Partnership model

The South African Insurance Association (SAIA) has always followed the policy of adopting a partnership approach wherever possible. This approach has proven hugely successful for the SAIA over time and many examples exist of partnerships that benefited the SAIA, its members and the industry.

The SAIA partnership model

Partnership means much more than just working together. The SAIA partnership model is about a different way of structuring relationships to the mutual benefit of all parties involved. This model is about optimizing the strengths of each partner, and complementing each other in such a way that the partnership offers more to the partners than each of the partners could have achieved on its own.

Strengths to be shared and/or utilized in such a partnership include resources such as funds, manpower, expertise, and others. Another characteristic of this partnership model is that the end result of the partnership will be more complete, more holistic, bigger, with more impact than each of the partners could have achieved on its own.

It is quite clear from the characteristics of the partnership model that partnerships have very obvious benefits. In addition, another very good reason for this approach is that a successful partnership between parties for a specific reason often leads to an excellent general relationship between these partners enhancing the opportunity to have successful dealings with each other at all levels and with regards to other issues as well.

Partners in such a partnership have various needs and therefore various levels of involvement, as understood by all partners in the partnership.



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SAIA partnerships vary from informal partnerships to formal partnerships. It can also be of short-term or long term nature depending on the issue, topic or need.

Formal partnerships are governed by formal memorandums of understanding, contracts and/or other forms of documentation agreed to by the relevant partners.

Implementation of SAIA partnership policy

Many examples exist of SAIA's partnership policy.

In the field of consumer financial education, various partnerships exist that ensure a holistic and organized approach to consumer education which offers a higher opportunity for success and optimizes impact.

The first partnership is the voluntary participation of many SAIA members in a joint initiative with regards to consumer education in terms of the Financial Sector Charter. Many SAIA members are pooling their funds in terms of the 0.2% after tax profit required spend on consumer education. By pooling funds these companies are able to reach many people in an organized and holistic way and prevent duplication. In addition, the SAIA and its members are achieving huge image and reputation benefits from this joint effort, and experience a lot of goodwill which contributes to a very positive operating environment.

A very successful partnership also exists between the Financial Services Board (FSB) and the SAIA with regards to consumer financial education. A Memorandum of Understanding was signed in 2004 between the SAIA and the FSB that started a partnership between these two entities in this important field. Since then, the SAIA and the FSB together have achieved a lot in the field of consumer education with the implementation of several annual joint projects. The original partnership has also drawn other partners into the partnership at various levels of involvement, resulting in an even bigger impact in this field. The SAIA contributes most of the funds in this partnership with a smaller contribution by the FSB optimizing the total funds as much as possible. From an FSB point of view, this results in the FSB making bigger strides in their aim and mandate to promote consumer education as they could have done without this partnership and the SAIA pooled funds.

On the other hand, from a SAIA point of view, the FSB offers the services of a consumer education department, and the specialized services of its legal department when needed, while the SAIA has serious constraints with regards to manpower in both these areas. The SAIA and the FSB both offer expertise in the field, as well as supervisory duties and involvement in content development and approval, etc. Both parties also offer access to its different networks of contacts, further enhancing the quality of the partnership.

Apart from these specific benefits enjoyed by the above mentioned partners, the SAIA enjoys the further – very important – benefit of being appreciated by the FSB, a crucial stakeholder for the SAIA and its members, for its partnership with the FSB and being generally considered in a positive and cooperative light in other areas of business between the two entities.

Many other examples exist of the SAIA's partnership model, including a general partnership between SAIA and Business Against Crime South Africa with regards to the fight against crime in general, and historically specifically the fight against vehicle crime that resulted in an overall reduction in vehicle crime between 2002 and today of approximately 30% on average in this type of crime. In addition, specific partnerships are formalized when and as the need arise. An example is the Memorandum of Understanding that exists between Business Against Crime SA and SAIA with regard to the Gauteng detective training project which took place during 2008. In terms of this agreement, the SAIA gave a sponsorship for this project of R500 000 while Business Against Crime SA undertook to supervise and evaluate the actual implementation and impact of the project. Joint media activities will take place at the end of the project.

The partnerships between the SAIA and the LOA in the consumer credit insurance arena, between several SAIA members and other parties in the proposed enterprise development project, with the other trade associations in the Financial Sector Charter arena, etc. are additional examples that can be quoted.

Finally, a general approach of constructive engagement, participation and cooperation as opposed to opposition is followed by the SAIA when formal partnerships are not necessary or suitable. This approach especially comes to the fore when new or changed legislation is

being considered by the authorities, and/or when any changes that could potentially impact on the insurance industry need to be addressed.