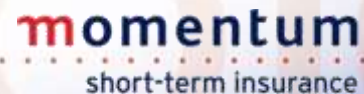




The Sustainability of Motor Insurance in South Africa

A PARTNERSHIP BETWEEN





Discussion points:

- Context & Problem Statement
- Factors Affecting the Sustainability of Motor Insurance & Solutions
- Summary & Conclusion

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Audience Interaction:

1. Do you believe that Motor Insurance in its current form is sustainable ?

1. Yes definitely
2. Maybe
3. Not at all

2. To what extent do you think Insurers will be prepared to collaborate with a view to address some of the motor insurance challenges we face?

1. Yes definitely
2. Maybe
3. Not at all

3. In which sector of the financial services market do you operate?

1. Short-term Insurance
2. Short-term Broker/Intermediary
3. Reinsurance
4. Life Insurance
5. Health Insurance
6. Banking
7. Other



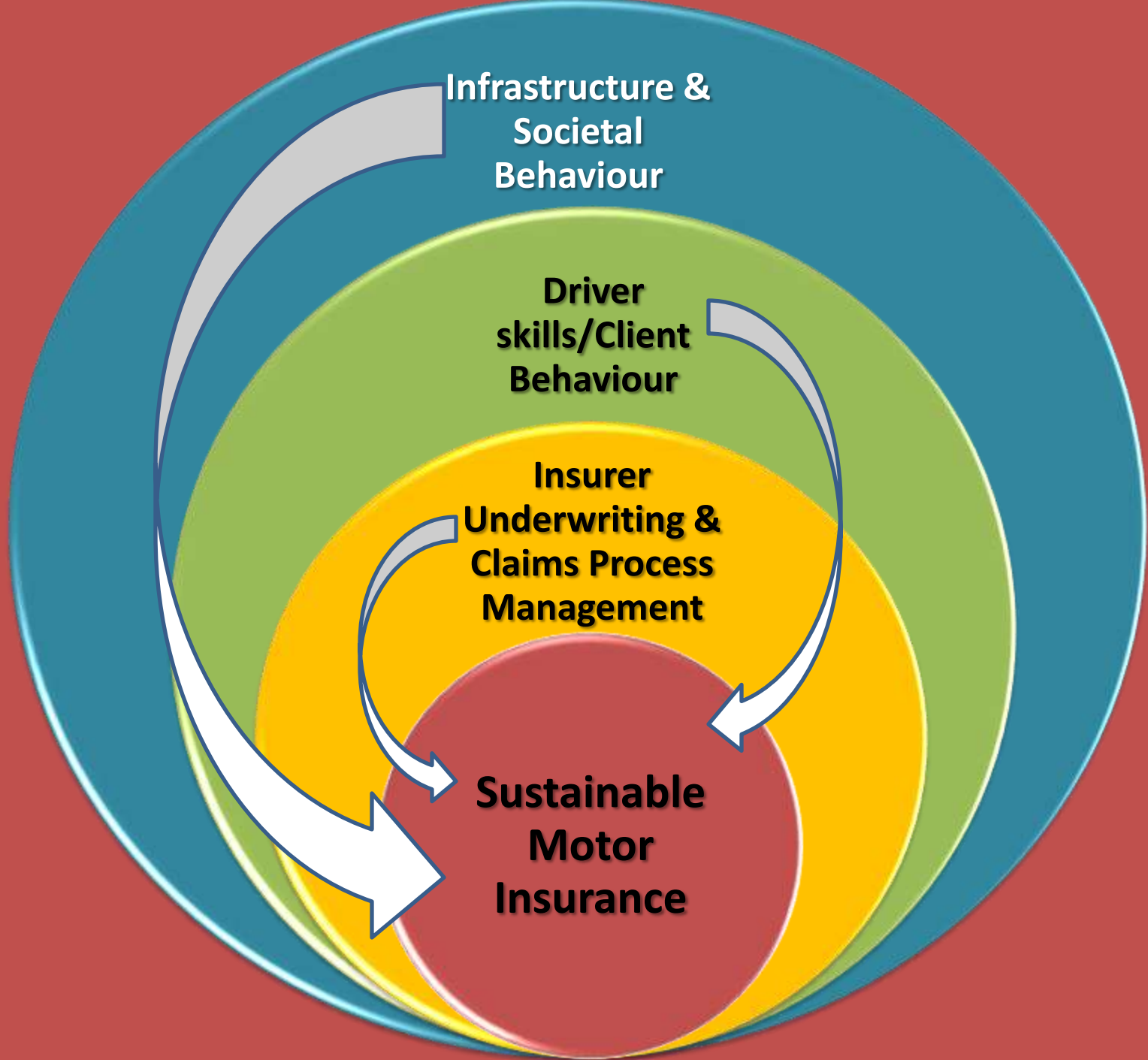
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Insurers' Underwriting & Claims Management

<i>Risk Component</i>	<i>Risk solution/mitigating actions</i>	<i>Who</i>	
<i>Underwriting & Claims Costs Management Processes</i>	Sophistication of Rating and Underwriting Models adequate?	Responsible & Scientific Underwriting and Rating	Insurers, Underwriting Managers & Intermediaries
	High Indemnification/ Claims Costs	Manage Costs of Repairs	Insurers ; Intermediaries & Motor Body Repair Industry
		Repairers & Assessors skills ; Qualifications Codes of Conduct, SLA	Future SAIA Project
		Manage Cost of Parts	SAIA & Manufacturers
		Insurers Share data	IDS/In place Future Collaboration

Insurers' Underwriting & Claims management

<i>Risk Component</i>	<i>Risk solution/mitigating actions</i>	<i>Who</i>	
<i>Underwriting & Claims Management Processes</i>	Claims Leakage Management - Including: Towing Storage Car Hire Recoveries Salvage	Establish Qualifications , Codes of Practice	Relevant Industries
		Event & Supply Management	Insurers & Intermediaries
		Towing Industry Regulation	DOT/SAIA
		Manage Repair & Part Delays	Insurers & Intermediaries
		Recoveries against third parties	Insurers & Intermediaries
		Salvage Management & Salvage Code	Insurers & Intermediaries

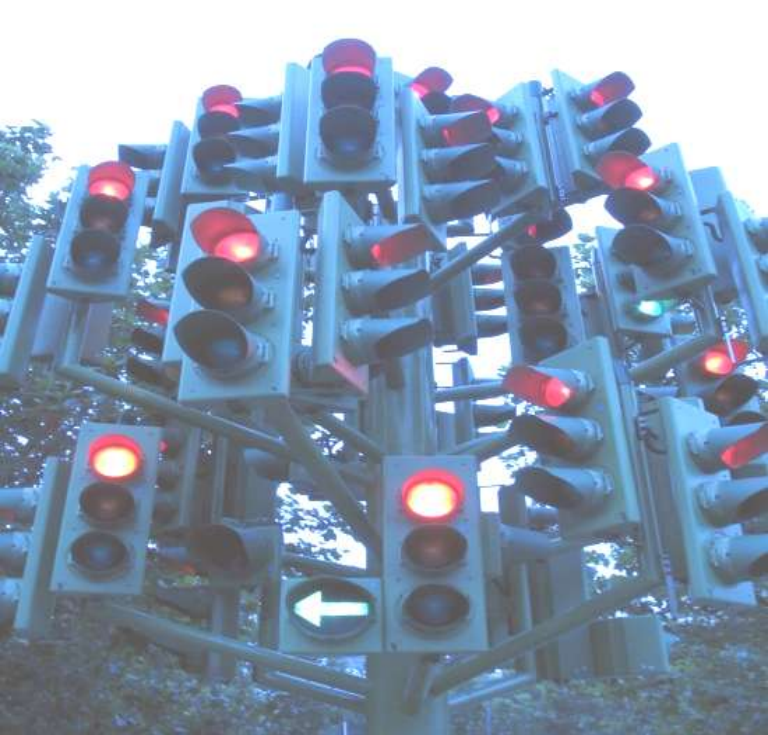


Driver/Client Behaviour

<i>Risk Component</i>		<i>Risk solution/mitigating actions</i>	<i>Who</i>
<i>SA Road Users: Driving skills and experience</i>	Training of Drivers Quality of training & driving	Revision of Driver's License Education Programme	SAIA "Driver" project - RTMC
	Unlicensed Drivers	IDS License Verification – In place	Insurers
		Access to the Points Demerit System	SAIA "Driver" project
		Drivers' Licensing Process	SAIA "Driver" project & RTMC
<i>Vehicles</i>	Un-roadworthy vehicles used by drivers	Better Policing	SAIA "Vehicle" Project & RTMC

Driver/Client Behaviour

<i>Risk Component</i>	<i>Risk solution/mitigating actions</i>	<i>Who</i>	
<i>Driver Behaviour</i>	Driver Behaviour	Initiate School curriculum education for drivers, pedestrians and insured obligations	RTMC deliverable 2010/2011
	Driving under the Influence of alcohol/drugs	Better policing; testing and prosecution	RTMC
		Insurers claims validation process	Insurers
<i>Policy Holder Behaviour</i>	Fraudulent/Dishonest claims	Insurers claims validation process	Insurers
		Fraud identification & prevention	SAICB in place



Infrastructure & Societal Behaviour

<i>Risk Component</i>	<i>Risk solution/mitigating actions</i>	<i>Who</i>	
<i>Infra-structure/ Societal Behaviour</i>	State of SA Roads & Quality of Signage	Campaign addressing potholes, markings & signage	SAIA “Roads” Project & Government
	State of SA Vehicles	Road Worthiness Testing	SAIA “Vehicle” Project & RTMC
	Proportion of Uninsured Vehicles	Compulsory Third Party Insurance	SAIA & RTMC
	Inadequate Public Transport Systems	Alternative Transport Trains & Busses	Future SAIA project ?

Infrastructure & Societal Behaviour

<i>Risk Component</i>		<i>Risk solution/mitigating actions</i>	<i>Who</i>
<i>Infra-structure/ Societal Behaviour</i>	Crime, Lawlessness & Poor Law Enforcement	SAICB: Syndicate Detection and Crime Prevention	SAIA/SAICB
		Micro dotting of Vehicles	SAIA Project
		Salvage Code	SAIA Project
		Online Vehicle Transactions	SAIA & RTMC
		Automatic Number plate recognition	SAIA Project
		Access to demerit info	SAIA & RTMC
		Vehicle identity checks - IDS	IDS/In place
		Vehicle Licensing process	BAC/In place



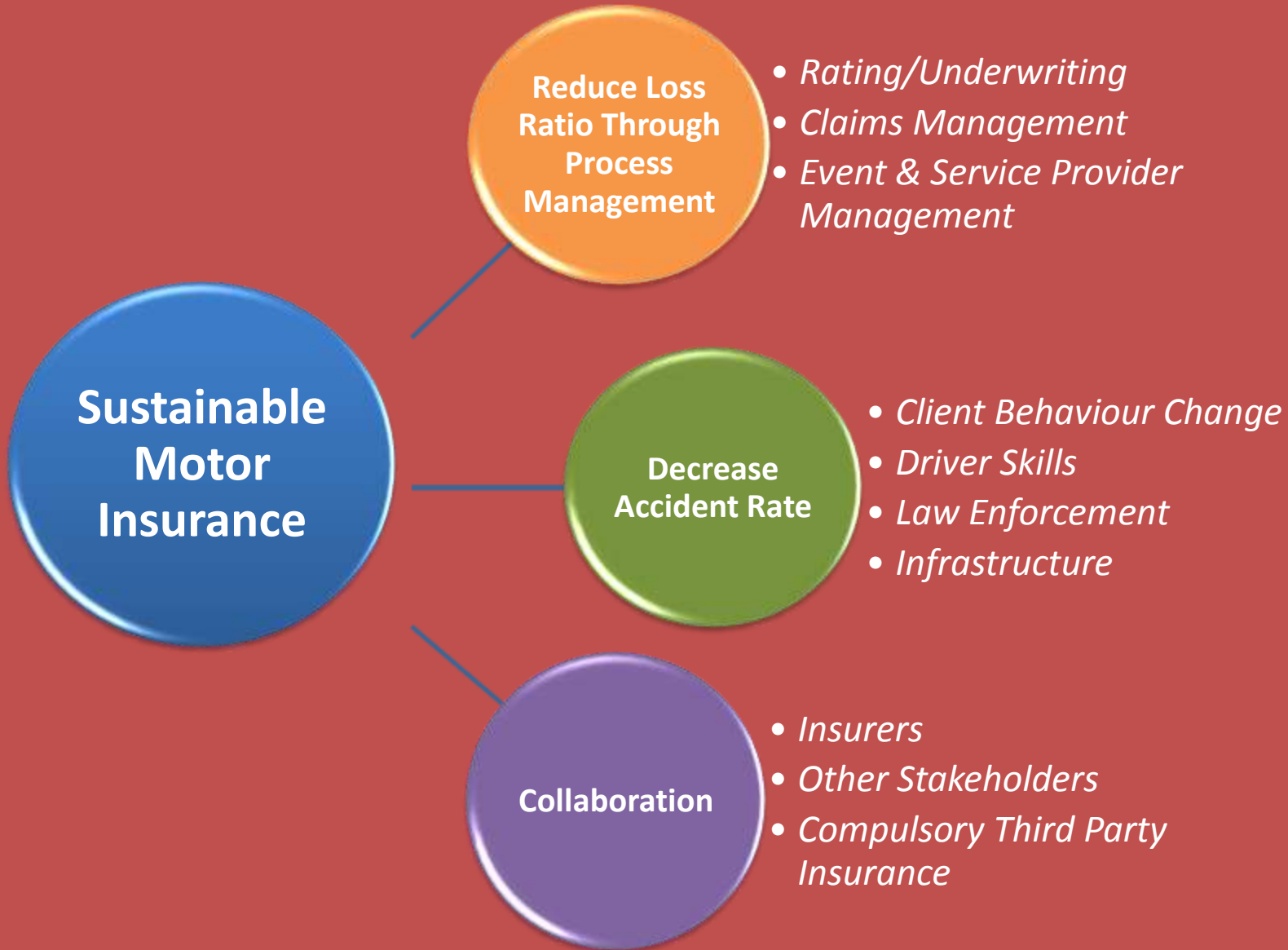
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Questions?



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