



**SAIA**

SOUTH AFRICAN INSURANCE ASSOCIATION

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## **BULLETIN**

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PROMOTING A TRUSTED & SUSTAINABLE  
NON-LIFE INSURANCE INDUSTRY  
FOR SOUTH AFRICA

July 2022

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# 1 From the Desk of the CEO

In the last week of July 2022, South Africa witnessed President Cyril Ramaphosa making an announcement of an energy action plan to end rolling blackouts and possibly transform the electricity sector in South Africa, which several stakeholders from civil society, organised business, and academia have passed comments on.

The plan, which aims to rapidly ramp up the rollout of renewable energy technologies across South Africa, including at the national utility, commercial and industrial, as well as residential levels has widely been seen as a positive and hopeful move that underpins energy sustainability as well as local industrial development.

Should this plan of action be backed by real action on the ground, South Africa is set to increase energy security, which has been a concern to industry and commerce and put an end to the rolling blackouts which have become a common occurrence across the country. Indeed, this is a welcomed key shift in policy that will lift the imminent ceiling on standalone electricity generation and allow various energy producers to sell their excess electricity to the utility.

In January 2018, officials in Cape Town announced that the city of 4 million people was three months away from running out of municipal water. Labelled “Day Zero” by local officials and brought on by three consecutive years of anemic rainfall, the city was brought to an edge of experiencing the largest drought-induced municipal water failure. As if this was not enough, the Nelson Mandela Bay Metro is now experiencing the region’s worst water crisis, which threatens to wreak havoc as taps run dry and a new Day Zero looms.

The insurance industry views this as a serious concern as a lack of water could cause damage to geysers, swimming pools, and much other equipment such as the effectiveness of firefighting equipment that relies on water. Policyholders in the affected region(s) are therefore urged to ensure that their equipment such as sprinkler systems, geysers, and swimming pool equipment is covered for any possible damage, should the taps run dry and to put alternative measures in place to mitigate a shortage of water where possible.

I would like to congratulate the leadership of the Insurance Institute of Southern Africa (IISA), the Financial Intermediaries Association (FIA), and the South African Insurance Association (SAIA) for putting together a wonderful African Insurance Exchange (AIE) Conference 2022 held both virtually and physically at Sun City. I would also like to commend the organising committee for putting together a highly informative and educational content line-up made up of amazing speakers and experts from all industry spheres.

Let me also thank the Governor of the South African Reserve Bank (SARB), Mr. Lesetja Kganyago who was a guest of honour at the conference, and for making the time to meet with industry leaders and officiate the opening of the two-day event.

**Viviene Pearson**  
**Chief Executive Officer**

## 2 Insurance Risks

### 2.1 SAIA Insurance Data System (IDS) Version 3 (V3)

The Insurance Data System (IDS) is a data repository that was established to address industry data analytics needs through personal lines claims and policy information, pooled by participating SAIA members. The system contains information that talks to more than nine (9) million claim records, and four (4) million policies. With this information, participants can see an integrated view of policy details and claims information prior to taking on further risk.

In 2021, SAIA initiated the development of Version 3 (V3) of the IDS to expand on the current solutions and improve the **quality of data** being submitted into the system. The IDS V3 data submission template was available **on 6 December 2021 and the product fulfilment end user web service went live on 4 April 2022.**

SAIA appreciates all IDS participants who have committed to the development of V3 and a reminder that the old version (V2) template's sunset date is set for **30 September 2022**, as approved by the SAIA Board.

### 2.2 SAIA Participates in the MasterDrive Fleet Management Safety Awards

In a bid to promote road safety, SAIA participated at the MasterDrive annual fleet safety awards ceremony on 13 May 2022 with the objective to recognise companies and fleet managers for their commitment and support of road safety in South Africa.

SAIA was honoured to be part of the judging panel which reviewed the fleet management safety awards criteria and selection process of the winners for the MasterDrive Fleet Manager of the year, and the Best Company Fleet Safety. SAIA would like to congratulate all the winners and looks forward to embarking on other road safety initiatives with MasterDrive.

Further to this, in promoting road safety and contributing to road safety initiatives SAIA awarded the Safe to School Safe to Home Scholar Transport Driver Programme's best transport driver for the year, who won a brand-new Toyota HiAce minibus, with a 12-month motor insurance cover sponsored by Vulindlela Underwriting Managers (VUM). The programme is managed by the Road Safety Partnership South Africa (RSP) an organisation established by the United Nation's Global Road Safety Partnership in partnership with Toyota, City of eThekweni and Netstar vehicle tracking and recovery services. The programme involves one hundred and ninety-four (194) scholar transport drivers who make use of telematics and various safety strategies to ensure that scholars are transported safely to school and back home.

SAIA would like to thank Vulindlela Underwriting Managers for their support and contribution towards this initiative.

*These articles were written by Lebohang Tsotetsi, SAIA Manager: Insurance Risks. For more information, contact: [Lebohang@saia.co.za](mailto:Lebohang@saia.co.za).*

## 3 Transformation

### 3.1 SAIA Consumer Education Report – 2020/21

The Monitoring and Evaluation of the 2020/21 projects have been concluded and SAIA is in the process of finalising the Consolidated Report for circulation to the industry and sharing it with contributing SAIA members. All contracted programmes were implemented and concluded within the agreed timelines.

Four service providers were contracted by SAIA for the rollout of the programmes which targeted young adults (Know Your Cash Programme), general South African Households (Radio Programme) and the SMMEs (Building Resilient Businesses Programme). The programmes were rolled out using various delivery platforms reaching different beneficiaries across all nine provinces.

According to the 2020/21 report, the programmes reached over 2 million beneficiaries, of which 90% were black and over 60% being from rural areas.

The 2021/22 projects are still in progress and SAIA is in the process of conducting the Request for Proposal for the 2022/23 projects. Members are therefore encouraged to contact SAIA for their participation and contribution to the SAIA Consumer Education Fund, as the successful implementation of the industry project depends on contributions from members. To date the SAIA Consumer Education Fund has attracted R175 million from member contributions since its inception and over R12 million was allocated to the 2020/21 projects.

### 3.2 SAIA Industry Transformation Data Projects

SAIA commenced with the second phase of its industry data collation project, with the focus on Management and Control. The project intends to collate industry data based on member reports to the Department of Employment and Labour.

The intention of the project is to track industry performance and its alignment with the Sector Employment Equity targets once the Employment Equity Bill (EE Bill) has been enacted. The EE Bill has been presented to and endorsed by Parliament and currently sent for assent by the president.

SAIA has established an industry task team to assist with the formation of the requirement for the data portal.

*These articles were written by Themba Palagangwe, SAIA GM: Governance and Transformation. For more information, please contact: [Themba@saia.co.za](mailto:Themba@saia.co.za).*

### 3.3 Consumer Education 2022 – Report for Second Quarter

The SAIA Consumer Education Projects for 2022 have continued with minor hiccups which contracted service providers were able to circumvent. For the second quarter of 2022, 1 283 000 beneficiaries were reached using:

- Radio
- Face to Face sessions
- Online sessions

#### Building Resilient Businesses

This initiative targeted at Start-ups and Micro Small and Medium Enterprises reached a total of 688 beneficiaries in 12 workshops, which were held in KwaZulu-Natal, North-West, Pretoria, Burgersfort (Limpopo), and nationally using virtual platforms. The workshops attracted 100% Black African beneficiaries of which 23% were from rural areas. Disruptions were experienced during the KwaZulu-Natal floods resulting in one of the two-day workshops being cancelled. However, this workshop was conducted again at a later stage. SAIA, via the service providers delivering the Building Resilient Businesses project, has created partnerships with SEDA, various Local Economic Development Agencies and municipalities.

The Radio Consumer Education Service Provider has also been delivering various SMME contents on the contracted radio platforms. This was a commitment by SAIA after the devastating riots of 2021, that at least 40% of the Consumer Education budget should be allocated towards educating SMMEs about the non-life insurance industry. A total of 470 800 SMMEs were reached via three radio platforms in Gauteng, Limpopo, and North-West.

Topics covered included:

- General Policy Conditions and commercial policy sections
- Insurance products for Retailers, Construction, Logistics, Manufacturing and Motor Traders.

#### SAIA Consumer Education Radio Programme

The Radio Programme has reached a total of 811 600 beneficiaries from six radio stations in six Provinces. A total of 51 interviews were completed during this quarter.

Topics covered vary from buying insurance, policy management, claims management, personal lines products, to road safety and house fires and floods. In KwaZulu-Natal, the programme has taken a different format of case studies, where we have been able to go into further details on issues experienced by our consumers.

#### Know Your Cash

The Know Your Cash programme reached a total of 663 students and newly employed young adults in five institutions including, Sol Plaatje University (Northern Cape),

University of Fort Hare (Eastern Cape), Durban University of Technology, Ombudsman for Short-Term Insurance, and the Independent Communications Authority of South Africa (ICASA). The Sol Plaatje University event was disrupted by student protests and had to be rescheduled to a later date. SAIA has also succeeded in creating a partnership with the Durban University of Technology, which has included the Know Your Cash initiative as a mandatory course for their students.

### 3.4 Call for participants – Money Smart Week South Africa (MSWSA)

Money Smart Week South Africa (MSWSA) is the only national financial literacy campaign established by the National Consumer Financial Education Committee (NCFEC), of which SAIA is a member. Other stakeholders include the Financial Sector Conduct Authority (FSCA) and the National Treasury (NT).

MSWSA is aimed at motivating and empowering South Africans and to educate them about their finances and provide a platform for individuals and entities from all over South Africa to host their financial education campaigns and partner with other participants in this nation building initiative. This year, the third Money Smart Week South Africa (MSWSA) instalment will be held from **29 August to 4 September 2022**.

Financial education remains essential to the growth and development of our nation, and the participation of various organisations in the campaign is an invaluable contribution to the empowerment of many South Africans from all walks of life. Let's all play our part in building a financially savvy and intuitive nation for current and future generations.

SAIA is calling on all those who have not yet registered as participants to do so as there is still time. Participation is free.

[Click here to register](#)

Lookout for the participation and branding guideline documents which will be posted on [www.mswsa.co.za](http://www.mswsa.co.za) at the beginning of August.

Facebook: Money Smart Week South Africa

Twitter: @MSW\_ZA

Instagram: money\_smart\_week\_sa

Youtube: MSWSA Money Smart Week South Africa

This message was brought to you by the Money Smart Week team!

***These articles were written by Zanele Gigaba, SAIA Manager: Transformation. For more information, please contact: [Zanele@saia.co.za](mailto:Zanele@saia.co.za).***

Field Code Changed

## 4 Operations

### 4.1 SAIA Board of Directors

SAIA held a successful virtual AGM on Thursday, 21 July 2022. The SAIA Management team wishes to thank the outgoing Board of Directors for their commitment to the industry and welcomes the incoming Board members to the SAIA Board.

**The SAIA Board Members are as follows:**

Willie Lategan	Hollard Insurance Company Limited
Tavaziva Madzinga	Santam Limited
Danie Matthee	OUTsurance Insurance Company Limited
Easvarie Naidoo	Lloyd's Underwriters (represented by Lloyd's South Africa (Pty)
Garth Napier	Old Mutual Insure
Edwyn O'Neill	Bryte Insurance Company Limited
Anton Ossip	Discovery Insure Limited
Herman Schoeman	Guardrisk Insurance Company Limited
Phillip Donnelly	Bidvest Insurance Company Limited
Walter Marte	Nedgroup Insurance Company Limited
Nolwandle Mgoqi	Standard Insurance Limited
Sharon Paterson	Infiniti Insurance Limited
Wayne Abraham	AIG South Africa Limited
Thusang Mahlangu	Allianz Global Corporate & Specialty South Africa Limited
Charles Nortje	Credit Guarantee Insurance Corporate of Africa Ltd
Terrance Ray	SCOR SE - Africa Limited
Beat Strebel	Swiss Re Africa Limited
Melanie Bosman	ESCAP SOC Limited
Maniki Rakgalakane	Land Bank Insurance Company



*This article was written by Charles Hitchcock, SAIA Chief Operations Officer. For more information, please contact: [Charles@saia.co.za](mailto:Charles@saia.co.za).*

## 5 Industry News

### 5.1 The future of climate reporting

The pressure on Environmental, Social and Governance (ESG) reporting continues to grow driven by the urgency to deliver on the climate policy action points coming out of COP26, and the implementation of the Paris Agreement. Due to this ongoing pressure, the reporting field is ongoing with rapid transformation. New players are entering from the regulatory and financial reporting space, and existing sustainability reporting standards are seeking to remain relevant while supporting harmonisation efforts.

The newly established International Sustainability Standards Board (ISSB) by the IFRS Foundation is intended to improve the quality, transparency, and reliability of corporate reporting on climate and other ESG-related matters. The ISSB is exploring the consolidation of sustainability reporting. In addition, the recent announcement by the US Securities and Exchange Commission and the European Union's Corporate Sustainability Reporting Directive are indicative of a drive towards mandatory reporting on ESG disclosures. It's important to note that the IFRS Foundation and ISSB are using financial materiality as a driver in developing their standards.

Closer to home, the JSE has delivered voluntary climate and sustainability disclosure guidelines that support double materiality (the impact of ESG issues to a company and how the company impacts on these issues outwardly). It is becoming apparent that as the sustainability reporting landscape converges, and sustainability disclosures are treated with an increasing level of rigour (akin to financials) there is a closer connection to the financial reporting world. Financial reporting standard-setters and accounting organisations will play a key role in shaping future sustainability disclosures. Importantly, these developments will require all companies to look more closely than ever before and hold ESG data with the same rigour as financial data.

#### **Implications for Insurers (companies in general)**

Companies will have to stay informed on the following key areas:

- Developments in standard setting bodies (global and regional),
- Developments in regulatory markets. ESG reporting is voluntary now, but the trend is towards mandatory reporting,
- Be on the look-out for best practices and gain insight from other companies. Share best practices related to processes and governance.

The reporting landscape is evolving quickly and is likely to become more interconnected. The best thing companies can do now is to stay informed, enhance existing internal processes, ensure sound governance, and lastly enhance reporting efforts. Insurers need to start reporting against current standards and take forward planned enhancements to disclosure. Regarding climate-related disclosures, insurers can mirror the structure, and the four pillars of the TCFD recommendations. The TCFD pillars are governance, strategy, risk management, and metrics and targets. The SAIA Climate Change Forum is exploring aspects related to these pillars. In its next sitting it will consider the strategy pillar, which is section C of the climate scenario analysis frameworks and methods.

***This article was written by Thabiso Rulashe, Santam Group Manager: Strategic & Market Intelligence. For more information, please contact: [thabiso.rulashe@santam.co.za](mailto:thabiso.rulashe@santam.co.za).***

## 6 SAIA Circulars – July 2022

<b>MD Circulars July 2022</b>		
MD-2022-012	SAIA Code of Conduct: Request to Submit Annual Certificates of Compliance for the Period 4 September 2020 to 17 March 2021	01.07.22
MD-2022-012	SAIA Board of Directors	22.07.22
<b>SG Circulars – July 2022</b>		
SG-2022-065	Financial Sector Conduct Authority (FSCA) - FSCA Regulation Plan 2022 – 2025	01.07.22
SG-2022-066	South Africa's Enhanced Climate Ambition A National Business Initiative (NBI) Presentation - COP27	08.07.22
SG-2022-067	IFRS 17 and Related Taxation Matters SAIA - Summary of Responses from Respondents (IFRS 17)	08.07.22
SG-2022-068	South African Revenue Service (SARS) - Invitation to a Webinar: Filing Season Changes for 2022	14.07.22
SG-2022-069	Insurance Sector Education and Training Authority (INSETA) Management Information System (MIS) Communique	25.07.22
SG-2022-070	Business Against Crime South Africa (BACSA) Eyes and Ears (E2) Initiative Update - Newsletter	25.07.22
SG-2022-071	Vat Regulation on Domestic Reverse Charge Regulations	28.07.22

### **IMPORTANT NOTICE**

**For information on the SAIA bulletin or content published herein**

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