



SAIA - ☎ (011) 726 5381

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1 LATEST NEWS

1.1 Operational Risk: Is the standard approach under the SAM regime too penal?

SAM put under a microscope

Although not verifiable, the term operational risk apparently first appeared after the infamous bankruptcy of Barings bank in 1995. This event drove a spike in between the seemingly concrete theory that market and credit risk were all encompassing.

However, it seems as if relative to dramatic advancements made in assessing these and other risks, incorporating a sophisticated albeit appropriate estimate of

potential operational losses has been given almost no attention whatsoever in the almost two decades since.



Balancing act...

In fact one may go as far as saying that the focus, from a short term insurance perspective, has been limited to underwriting risk. It is therefore unsurprising that Solvency II and hence SAM aims to address this shortcoming by imposing a capital charge, albeit an onerous one, on insurers for “*the risk of loss arising from inadequate or failed internal processes, or from personnel and systems, or from external events.*” Insurers will also need to demonstrate the management of operational risk as part of the Own Risk and Solvency Assessment (ORSA).

To underscore the significance of the operational risk capital charge, early indications are that under its current form, non-life insurers may hold 10-15% of their solvency capital requirement in respect of operational risk. Considering that the industry’s capital requirement is around R26bn, this implies that about R3bn is attributable to this crudely estimated item.

Under SAM, the only drivers of the capital charge for operational risk are premium volume and technical provisions. Both have been shown to be further along the queue of differentiating features of an insurer having low or high risk of operational losses. In particular, the control environment is intuitively more noteworthy and has been empirically demonstrated to impact the loss distribution of operational events.

Furthermore, operational risk differs significantly by functional area, with for example selling practices and distribution strategy a key discriminate. So, the question which any short term insurer can rightfully pursue is, why is the standard approach to operational risk under SAM (which is assumingly calibrated to an average European life and non-life insurer), suitable to them?

To take this a bit further, the standard approach levies up to 30% of the Basic Solvency Capital Requirement (essentially the diversified capital required on the remaining risks considered in the regime as well the charge on intangible assets) as cover for operational risk.

Where your organisation (irrespective of products sold) is to grow its annual earned premiums in excess of 10%, 3% of that excess is required to be set aside as capital.

Compounding this disincentive is a flat charge of 3% on the technical provisions which is difficult to logically reconcile to operational risk. Furthermore, the assessment is performed on a gross basis and therefore no relief is available from reinsurance or other risk mitigation strategies.

Feedback provided by EIOPA (the European insurance regulator) on the various Solvency II quantitative impact studies suggested that relying on the standard approach for the assessment of operational risk, although attempted by several undertakings, would be considered a deal breaker if pursuing an internal model route.

The challenges of pursuing an internal model approach are significant especially in the context of operational risk, where it is unlikely that your organisation has gathered sufficient quantity and quality data across its various business functions. However, even those insurers that chose to apply the standard approach to determining this capital charge are likely to face challenges in terms of demonstrating, under the ORSA, its appropriateness for their organisation. Simply put, the choice between using an internal model approach or the standard formula is no easy task.

It is expected that SA QIS 2 will address some of the concerns regarding the calibration of the Non-Life insurance risk components of the SCR. Does this then provide an opportunity for your organisation to pay more attention to the penal charge levied under the SCR for operational risk?

**Further information: Jonathan Havemann
+27 (0)11 797 4154**

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1.2 The 2011 FETI/HETI financial planning pilot class graduate

A step closer to a university qualification



In a first for South Africa's financial planning field, the 2011 FETI/HETI pilot class has graduated, with several using the qualification

to enter university and organisers promising to expand the programme in 2013.

The FETI/HETI initiative – a collaboration between the Further Education and Training Institute (FETI), the Financial Planning Institute (FPI), the Insurance Sector Education and Training Authority (INSETA) and the University of the Western Cape (UWC) – aimed to offer “seamless articulation” between Further Education and Training (FET) and Higher Education and Training (HET) institutes, increasing the number of qualified professional financial planners working in South Africa.

Supported by the Department of Higher Education and Training, the initiative's goal was to make it easier and more affordable for students to gain accreditation and qualifications for a career in financial

planning. It allowed FETs to offer the equivalent of a first-year university course, as the UWC provides access to an Advanced Diploma in Management Studies for those with the NQF Level 5 Certificate.

Once students have completed the Advanced Diploma in Management Studies, they can then progress to a Postgraduate Certificate in Financial Planning at the University of the Western Cape (UWC) – FETI/HETI effectively builds a bridge to a higher qualification.

Speaking at the graduation of the 2011 FETI/HETI pilot class, CEO of INSETA, Sandra Dunn, said that the event was a celebration of both the students and the triumph of the programme.

“The programme is making it possible for learners to access universities and go through to complete their NQF level 6 qualification, in a manner that is completely unprecedented. To have the pilot achieve this level of success is amazing,” she said.

“Part of the legacy of Apartheid is the fact that education has not always been offered equally. As such, there exists a large portion of the population who have not been able to gain access to a higher education. This initiative is changing that – it is offering students the opportunity to develop themselves in ways they could never have before.”

A total of 77 out of 105 students passed the year gaining a level 5 Certificate, and 23 of those have enrolled to study the Advanced Diploma in Management through UWC.

The success of the programme means that its second year, running in 2013, will also now be available to learners in the Eastern Cape, to be run through the Nelson Mandela Metropolitan University.

Seamus Needham, Project Manager of the UWC FET Institute, explains that the unique

three-way partnership allows workers in the industry, who have until now been at a disadvantage due to the limitations of their qualifications and financial backgrounds, to gain equal access to tertiary education at no personal expense - and at no expense to the companies for which they work in this pilot project.

“Companies directly benefit from this initiative, as there is no charge for this training. INSETA used discretionary funds to fund the 105 learners on this articulation pilot programme. Furthermore companies can claim back portions of their skills levy for placing employees on accredited training,” he says.

Sandra Dunn believes it is through partnerships such as these that the SETAs can really prove most beneficial.

“FETI/HETI is in line with INSETA’s Sector Skills Plan, which in turn is aligned to the National Growth Path. Further – it is in keeping with INSETA’s goal to form partnerships which will grow scarce and critical skills in the insurance and broader financial industry,” she said in her address.

“It is truly a first for the country, and its success is an indication of the opportunities that partnerships in education can offer.

INSETA is very excited about this initiative. We feel it has the potential to revolutionise the financial planning sector by broadening access and accelerating skills development – something that is much needed. It is also part of a bigger drive to professionalize the sector so that financial advisors are equipped to render a service rather than just selling a product.

This will benefit not just the sector and those working in it – but the millions of South Africans who use their services every day. It is setting up job and wealth creation, and allowing for further education.”

 **Further information : Natasha Arendorf**
 natasha@rothko.co.za

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2. IMAGE & REPUTATION

2.1 Community Awareness Project

Service Provider, ComutaNet has completed the community awareness programme and submitted their feedback report. The report included research results from research company, Freshly Ground Insight (FGI). The report is currently being reviewed by the SAIA and the Financial Services Board (FSB) with feedback to be provided to Comutanet.

The Community Radio Project

The Financial Freedom radio drama education series on Thobela FM in Limpopo is still on track with a few episodes to go. We are still struggling to get Sepedi speaking insurance experts answer questions from the listeners, based on the drama episode on the day. If you know speak Sepedi or know of someone who can assist please contact Reginald Charles at SAIA. Your cooperation and support will be highly appreciated.

The Teacher Development Project

The teacher development iCount project has been successfully rolled in all the provinces. Teachers are now in the process of implementing the 38 Accounting Modules as part of the accounting curriculum. The Knowledge Boxes have been distributed to the Johannesburg and Cape Town teacher training centres and are providing valuable material to the teachers.

Report Back

Bright Media are in the process of preparing a feedback report on the project, while research company JGR Marketing Resources are conducting the post evaluation research.

Project Audit

Grant Thornton has signed a contract with the SAIA to conduct an audit on the service providers, ComutaNet and Bright Media. The audit will take place once all elements of the initiative have been completed and reports finalised.

Consumer Education Initiative 2012/13

The Consumer Education initiative for 2012/13 has kicked off with contribution letters sent out to all SAIA members. The deadline for pledges was 12 March, however less than 20 members have sent through their pledges. We would like to thank all members who have contributed and urge those who have not yet done so to please send through their pledges, as the success of the initiative depends on member support. To date, R5.5 million has been pledged with more money expected to be paid in by the end of April. Pledges must be sent to Heidi@saia.co.za.

Briefing on the projects for the 2012/13 Consumer Education initiative will commence in May.

✉ **Further information : Reginald Charles**
✉ Reginald@saia.co.za

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1.4 Functions planned for 2012

Listed below are some of the available dates for the South African Insurance Association (SAIA) events for 2012. This is a standard section in the SAIA Bulletin.

Please note that the dates are subject to change. Changes will be marked in colour.

- Insurance Conference 2012 - 10 – 13 June 2012
- SAIA Annual General Meeting and Cocktail Function - 24 July 2012
- SAIA/FIA Board Liaison Lunch – 15 November 2012

 **Further information : Lelo Ntshalintshali**

 lelo@saia.co.za

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3.0 SUSTAINABILITY

3.1 Fire Investigations Committee

Following the Strategic Think Tank held on the 7th March the National Disaster Management Centre, the World Bank and the SAIA have met to discuss a potential case study that could be shared at the international event risk managers being held in South Africa: Understanding Risk Forum to be held in July 2012.



*Debbie Donaldson, SAIA GM:
Strategy and Planning*

The focus area will be on fire and fire risk management. To this end all insurers who are not members of the SAIA Fire Investigations Committee are invited to contact Riana@saia.co.za for more information on how to participate.

Water Management

Considering the significance of water management to all South Africans in the future, it is imperative that the SAIA develops a response to the state of water management. The issue of quality of water has already received much publicity through the discussions on acid mine water, however this does not exclude the questions of : flash floods and the impact on water management and subsequent risks to insurers as well as water shortages and how this will impact the value chains we insure.

The Commercial Technical Committee at SAIA has agreed to assist with creating a terms of reference to be tabled to an outside party that monitors water management and to assist the SAIA members in formulating a response to water management. The timeline for this proposed action is to table the terms of reference in May and outsourced in June for a given period before the industry issues a formal response.

For more information in this regard please contact Riana@saia.co.za

☞ **Further information : Debbie Donaldson**

✉ debbie@saia.co.za

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3.2 Green Geyser Replacement Project (GGRP): Industry update and opportunity to participate

The GGRP project team has completed an industry business model in phase one of this investigation. Please be advised that this project has proceeded to Phase 2. The existing participating SAIA members have undertaken to complete a company specific impact analysis based on the business model agreed during Phase 1.

This is an important phase for all insurers that provide homeowners cover and we would welcome the opportunity to send you the impact analysis requirements and/or update you accordingly. Any members wishing to participate in the project moving forward or remain more closely informed are hereby requested to contact Ben Webbstock.

☞ **Further information : Ben Webbstock**

✉ ben@saia.co.za

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4. LEGISLATION & REGULATION

4.1 Governance risks

Financial Services Laws General Amendment Bill (“FSLGAB”)



Suzette Strydom, SAIA GM:
Technical

The National Treasury confirmed an extension for public comment on the FSLGAB from 13 April 2012 to 2 May 2012. The SAIA will be submitting comments on the Bill by the due date.

As reported previously this Bill will seek to update eleven financial sector Acts.

The SAIA received an invitation to attend an information session on the Bill with a view to clarifying comments received on the Bill and to facilitate a better understanding of the objectives and purpose on the Bill. This stakeholder engagement has been scheduled for 11 May 2012.

4.2 Short-Term Insurance Act (“STIA”)

Outsourcing Directive:

The Financial Services Board (FSB) published Directive 159.A.i on outsourcing with an effective date of 12 April 2012. The purpose of the directive is to direct long-term and short-term insurers to comply with requirements when outsourcing an aspect of their insurance business to another person. In addition, the FSB published the Registrar’s feedback following an invitation to industry to submit comments on the draft Directive.

The FSB confirmed that the definition of outsourcing means “*any arrangement of any form between an insurer and another person, whether that person is supervised under any law or not, in term of which that party performs a function or activity, whether directly or by sub-outsourcing, which would otherwise be performed by the insurer itself.*”

The Directive and Binder Regulations must be read together. An insurer that outsources binder functions must, with effect from 12 April 2012, comply with Directive 159 and the Binder Regulations except in respect of the requirements relating to written agreements.

The Directive does not apply intermediary services but includes:

- The outsourcing of any insurance business conducted by a branch of an insurer located outside of South Africa;
- The outsourcing of any insurance business conducted by a subsidiary of an insurer in or outside of South Africa;
- Any outsourcing by an insurer to a reinsurer or by a reinsurer to an insurer, whether under a reinsurance contract or not, but does not apply to the actual insurance provided under a reinsurance contract;
- Outsourcing of functions or activities by a cell captive insurer to another person. This includes where functions are performed by a cell captive owner on behalf of an insurer;



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- Outsourcing within an insurance group;
- Outsourcing irrespective of the person to whom an aspect of the insurance business is outsourced being a related or inter-related party of the insurer as defined in the Companies Act, 2008 and irrespective of that other person being located outside of South Africa.

The Directive confirms that the “*board of directors and managing executives of an insurer remain responsible for the insurance business of the insurer, regardless of any outsourcing.*”

4.3. Financial Advisory and Intermediary Services Act (“FAIS”)

Regulatory Examinations (“RE”)

Industry forum meeting at the Financial Services Board

The industry forum on Regulatory Examinations (RE) met at the Financial Services Board (FSB) on the 3rd of February to discuss developments and matters of concern in relation to the RE. Some of the items on the agenda included the issue of the pass rates, the level 1 Afrikaans RE, RE2, the draft amendments to “Fit and Proper Requirements for FSP’s” and the draft “Determination of Continuous Professional Development Requirements”.

The FSB indicated that the roll out of the RE2 is being held back for the time being pending the completion of the RE1 examinations. The date for completion of the RE2 examination has, however, not been extended past the original date of December 2013.

FSB Media Release: Regulatory Examination Statistics

The FSB published a press release on 12 April 2012 on the RE statistics as at 11 April 2012. The SAIA has circulated same to SAIA members in SG 41 of 2012.

It is noted that the total number of candidates that had written the RE 1 exam as at 11 April amounted to 9150, with 6734 having passed the examination. Therefore 73.6% of the candidates who attempted the examination had passed.

It is noted that the total number of candidates that had written the RE 5 exam as at 11 April amounted to 63 368, with 41 318 having passed the examination. Therefore 65.2% of the candidates who attempted the examination had passed.

Reduction of Examination Re-write Fee

The FSB confirmed in FAIS Information Circular 3 published on 3 April 2012 that the re-write fee for the RE will not be reduced and will remain at R900.

Afrikaans Level 1 Regulatory Examinations

The FSB has made the level 1 Regulatory Examinations for representatives (RE5) and key individuals (RE1) available in Afrikaans, and it has further translated the preparation guide for the level 1 RE into Afrikaans and published same onto the FSB website.

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The level 1 RE in Afrikaans will be made available in the following cities as provided in FAIS Circular 1 of 2012:

1. Bloemfontein
2. Cape Town
3. Durban
4. Johannesburg
5. Port Elizabeth
6. Polokwane
7. Pretoria

“Fit and Proper Requirements for Financial Services Providers” and the draft “Determination of Continuous Professional Development Requirements”

In FAIS Circular 12 of 2011 the FSB called for commentary from industry on the draft amendments to “*Fit and Proper Requirements for Financial Services Providers*” and the “*Draft Board Notice on the Determination of Continuous Professional Development Requirements*”.

The SAIA had sent out a request for comments from members, and thereafter drafted and submitted the SAIA submission thereon to the FSB. Further engagement or feedback on this matter with the FSB is expected in due course during the second quarter of 2012. The SAIA has circulated the submission of commentary to members in SG 36 of 2012.

The SAIA RE feedback line (“RE line”)

Members are herewith notified that a decision has been taken to discontinue the RE line as no correspondence has been received thereon since June 2011.

“FSLGAB”

Many amendments to the FAIS Act have been proposed by the FSLGAB, with the majority of the Bill being concentrated on amendments to the FAIS Act. Some of the amendments proposed by the Bill include:

- Provision for CPD in the context of compliance officers;
- Changes to the definition of “*financial product*”;
- Changes to “*fit and proper requirements*”
- Changes to the definition of “*product supplier*”
- The inclusion of a definition for “*official website*” and together with this the insertion of a definition of “*publish*” and a proposal that will allow the publication of information on the FSB website to be given the force of law.
- The raising of the quantum of the potential penalty imposed under Section 36 of the FAIS Act from R1000 000-00 to R10 000 000-00.

4.4 “Enforcement Action”

The SAIA continues to monitor enforcement action taken by the FSB against institutions that they are regulating. To date a total of 55 enforcement actions were reported for 2011, and 14 so far for 2012 have been reported compared to 4 enforcement actions reported in 2010. The sum total of the penalties for 2011 amounted to over R5.8 million compared to R2.2 million in 2010.

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The figure for 2012 has to date reached R4 512 204-00 million due to a penalty imposed of R4 million on the 12th of January for a contravention of Section 75 of the Securities Services Act.

✉ **Further information : Suzette Strydom**
✉ suzette@saia.co.za

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5. FINANCE AND OPERATIONS

Insurance Data System update

Introduction

There are several important updates to mention following on the last Insurance Data System (IDS) Steering Committee that took place on the 22 March 2012. The more important decisions are summarized below under their relevant headings:

VIN data clean up proposal

With a view to enhancing the data quality of VIN Numbers in particular, it was decided that a sample of vehicle files per supplier is to be extracted from the IDS Database.

Separate meetings are to be set up with participant insurers to discuss individual results before the next Steering Committee Meeting at which the clean-up analysis will be presented.

Statistics

A new Data Quality Index is to reflect average rejection rates per item, per month, in total and by supplier – this again with the objective of managing data quality.

IDS participation

The IDS Steering Committee decided that a letter must be drafted and sent to all entities that are testing on IDS with the following requirements:

- That participant's will uphold the Code of Conduct.
- A written plan of action is expected from each participant that expresses commitment to develop for IDS within three months of the letter date.

Further to the above a decision was taken that The Code of Conduct is to be widened to allow for both claims and policy submission to enable eNaTiS access.



*Charles Hitchcock, SAIA GM:
Finance and Operations*

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General

IDS participants and binders

A confidential matrix of current participants and their binders is to be drawn up with individual companies to address the data sets that are still outstanding on IDS and how the underwriters have prioritised accessing these binder data sets. This will be used for planning the incremental contribution of data to IDS to ensure that 100% complete data set submission is achieved by each participating underwriter. This exercise is to be aligned with the STRIDE program where members are part of the STRIDE program.

☞ **Further information : Charles Hitchcock**
✉ Charles@saia.co.za

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6. MOTOR

6.1 Open Road Tolling

☞ **Further information : Dawie Buys**
✉ dawie@saia.co.za

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7. SOLVENCY ASSESSMENT AND MANAGEMENT (SAM) INITIATIVE

3rd Country Equivalence

Background

One of the overarching principles of the Financial Services Boards (FSB) Solvency Assessment and Management (SAM) project is that the recommendations emanating from the SAM project should meet the requirements of a 3rd Country Equivalence assessment, as established by the European Commission.



Berlaymont Building: The European Commission Headquarters...

Given South Africa's strong economic links to Europe it was decided to follow Solvency II as a conceptual basis for the move from a rules-based regulatory regime to a risk-based regulatory regime, underpinned by a number of sound guiding principles. The underlying criterion for meeting 3rd country equivalence is that the regulatory framework is fully risk-based. The equivalence assessment made by the European Commission will focus on the principles adopted by regulatory frameworks, rather than the parameters used in Solvency II.

Should the details of the SAM task groups proposals differ substantially from the methodology followed by Solvency II, the FSB will engage with the European Insurance and Occupational Pensions Authority (EIOPA) as to whether the particular issue has any impact on 3rd country equivalence assessments. While the likelihood is regarded as remote, should any such issues emerge, these will be resolved by engagement with EIOPA to help inform an assessment of the costs and benefits of identified options.

The Solvency II regime is currently scheduled for implementation in 2014 and as such is still under construction and the requirements for 3rd Country Equivalence have not yet been finalised. Due to time constraints it is highly unlikely that the European Commission will be able to make decisions on all the countries in respect of 3rd country equivalence before the Solvency II implementation date. As such the European Commission is considering transitional arrangements whereby countries may be deemed equivalent for a determined period of time from the implementation of Solvency II.

The European Commission has identified South Africa as one of seven countries where they have asked EIOPA to carry out a technical analysis on the regulatory regime for insurers. This technical analysis will assist the European Commission in making a decision on whether South Africa should qualify for these transitional arrangements. The FSB is currently working with EIOPA on this analysis, and it is expected that the European Commission will make a decision on which countries qualify for the transitional arrangements in 2013.

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3RD Country Equivalence Methodology

❖ **Background**

In its letter dated 11 June 2010 the European Commission requested the Committee of European Insurance and Occupational Pensions Supervisors (CEIOPS) to develop a fully consulted upon methodology for the way that 3rd countries will be assessed by November 2010. On the 12th November 2010 CEIOPS published a document entitled “*The methodology for equivalence assessments by CEIOPS under Solvency II*”. This methodology has been developed for use in respect of assessments already undertaken by CEIOPS relating to the first wave of assessments, and in the future by EIOPA.

The European Commission will conduct three distinct types of equivalence assessments or determinations in terms of the Solvency II level 1 text, namely:

- Article 172 - equivalence for reinsurers
- Article 227 - equivalence for 3rd country subsidiaries of European Economic Area (EEA) groups
- Article 260 - equivalence of group supervision by a 3rd country regime

- **Overarching Principles**

The following overarching principles will underpin equivalence assessments:

1. Equivalence assessments aim to determine whether the third country supervisory system provides a **similar level** of policyholder/beneficiary protection.
2. Supervisory cooperation & professional secrecy is a key, determinative element of a positive equivalence finding.
3. Equivalence is a flexible process based on principles and objectives.
4. Equivalence incorporates the proportionality principle.
5. An equivalence judgement can only be made in respect of the regime in existence and applied by a third country supervisory authority at the time of the assessment.
6. Equivalence assessments will be kept under review.

- **Operational aspects**

The CEIOPS methodology paper sets out the main principle stages of equivalence assessments that will be followed by CEIOPS/EIOPA and are summarized below:

1. Equivalence assessments will be initiated upon receiving a Call for Advice from the Commission or upon CEIOPS Members’ decisions.
2. CEIOPS will confirm as early as possible in the process that the third country supervisory authority is willing to participate in the assessment. This will be done by forwarding questionnaires to the Supervisors to confirm if the third country is interested in participating in the assessment.
3. CEIOPS will issue a Call for Evidence, once an equivalence process is initiated. The call for evidence is basically a request to interested parties to provide CEIOPS with all material/documents relevant for the assessment of the third country. Any input received via the call for evidence will not be replied to.
4. Assessment teams with the appropriate expertise, knowledge and experience will be put in place for the equivalence assessments.
5. On receipt of the third country response to CEIOPS’ questionnaires on the assessment criteria, CEIOPS begins a desk-based assessment.
6. CEIOPS’ equivalence assessments will utilise data/information from a variety of sources.
7. An on-site visit will be part of the assessment process.
8. CEIOPS will prepare its advice.

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9. CEIOPS' Advice following an equivalence assessment can be one of the following:

- a) Country A meets the criteria set out by the Commission.
- b) Country A meets the criteria but with certain caveats.
- c) Country A needs to undertake changes in the following areas (...) in order to meet the Commission criteria for equivalence.

The entire equivalence assessment process from the time EIOPA receives the call for advice from the European Commission up until the time of approval of the final advice by CEIOPS'/EIOPA's Membership and submission to Commission could take up to 42 weeks to complete.

- **Questionnaires**

Before EIOPA will undertake a technical and detailed equivalence assessment, a questionnaire will be sent to the third country which needs to confirm if the third country is interested in participating in the assessment.

As mentioned above Articles 172, 227 and 260 of Directive 2009/138/EC of the European Parliament and of the Council of 25 November 2009 on the taking-up and pursuit of the business of Insurance and Reinsurance (Solvency II Directive) all contain provisions relating to the assessment of the equivalence of third country supervisory regimes.

The methodology paper includes an annexure setting out a number of principles and suggested questions that the third country supervisor will be required to answer, pertaining to the particular article of the Solvency II Directive for which 3rd country equivalence is sought.

The paper makes it clear that these questions pertaining to the three articles are for illustrative purposes only and as such could be subject to change. The principles highlighted under each particular article will probably remain unchanged.

Once EIOPA has received detailed answers to the questions posed they will proceed to undertake a desk based review of these answers and a number of other considerations before determining the content and focus of their on-site visits.

- ❖ **Conclusion**

The Solvency II regime is still being developed, and the requirements for 3rd country equivalence are not yet finalised. Despite these uncertainties the methodology paper provides some useful insight as to the principles, objectives and process that EIOPA will apply when assessing a third country for equivalence with Solvency II.

Please note that EIOPA has subsequently replaced CEIOPS as from January 2011. The information used in the article is based on the methodology paper for equivalence assessments as issued by CEIOPS in November 2010. All future developments pertaining to 3rd country equivalence will be dealt with by EIOPA.

☞ **Further information: Gareth van Deventer**

✉ gareth@saia.co.za

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8. SHORT-TERM INSURANCE DATA EXCHANGE (STRIDE)

STRIDE update

If you want to participate in this project, please contact me or visit our website at www.stridesa.co.za.

☞ **Further information : Jenny Theunissen**

✉ jenny@stridesa.co.za

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9. PRESS CLIPPINGS

9.1 Press Clippings: March 2012

Publication	Person/DN	Subject
Cover March 2012	# 102510 *Dawie	<u>Motor Insurance Industry:</u> Microdotting
Business Day 14/3/2012	# 101891	<u>Association for Savings and Investment SA (ASISA):</u> Life insurance industry hits record as financial downturn fades
Citizen 14/3/2012	# 101889	<u>Road Traffic Act:</u> Nabbing e-toll offenders : Fines : Amendment bill coming
Business Day 15/3/2012	# 101892 # 101984	<u>Road Safety:</u> Preventing tyre dangers <u>Administrative Adjudication of Road Traffic Offences Act (Aarto):</u> Demerits hit hard - Having Aarto points on your licence could see car insurance go up
Business report 15/3/2012	# 102460	<u>National Road Traffic Act:</u> Microdotting compulsory from September
Business Live 19/3/2012	# 101990 *SAIA	<u>National Road Traffic Act:</u> Microdot law could result in reduced premiums
Insurance Gateway 19/3/2012	# 101992 *SAIA	Microdot law may result in reduced <u>motor insurance</u> premiums
FAnews 19/3/2012	# 101993 *SAIA	Microdot law may result in reduced <u>motor insurance</u> premiums
Moneyweb 20/3/2012	# 101989 *SAIA	Microdot law may result in reduced <u>motor insurance</u> premiums
Star Motoring 22/3/2012	# 102463	<u>Microdots</u> to combat vehicle theft
Business Day 23/3/2012	# 102462	<u>Labour Relations Amendment Bill (LRA):</u> New labour bills 'threat to jobs, says business
Beeld Sake24 23/3/2012	# 102466	<u>Labour Relations Amendment Bill (LRA):</u> <u>Arbeidswette:</u> Kontrakwerkers na ses maande 'permanent'
Business Day 26/3/2012	# 102468	<u>Solvency and Assessment Management (SAM):</u> Tough rules expected to shake up insurance industry
Business Day 28/3/2012	# 102454	Busa calls for state to probe regulatory effect of <u>labour bills</u> on doing business
RiskSA 28/3/2012	# 102076	<u>Lloyd's</u> announces R6.3 billion loss
Cover 28/3/2012	# 102077	<u>Swiss Re's</u> sigma on natural catastrophes and man-made disasters in 2011

☞ Further information : Nicol Platt
✉ Nicol@saia.co.za

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10. CIRCULARS

The following circulars were issued during the month of March 2012: (Number of circular, title, date issued and contact person)

10.1 SAIA General

The following circulars were issued during the month of March 2012: (Number of circular, title, date issued and contact person)

- SG 2012/019 Regulation 4, Section 45 of the Short-term Insurance (Act 53 of 1998) Register to the Status of the Credit Intermediaries (1//3/12)
Contact: Princess Mlambo
- SG 2012/020 Proposed Demarcation Regulations between Health Insurance Policies and Medical Schemes Published for public comment: Invitation to participate in Task Team and submit comments (5/3/2012)
Contact: Suzette Strydom
- SG 2012/021 Details of COSATU Marches (6/3/2012)
Contact: Barry Scott
- SG 2012/022 Public Private Partnerships Study Commissioned by Business Unity South Africa (BUSA) – Feedback required by 14th March 2012 (8/3/2012)
Contact: Debbie Donaldson
- SG 2012/023 Draft Financial Services Laws General Amendment Bill, 2012 (“FSLGAB”) Published for public comment: Invitation to participate in SAIA Task Teams and/or submit comments (12/3/2012)
Contact: Suzette Strydom
- SG 2012/024 Draft VAT Class Ruling document for comments by SAIA Members (12/3/2012)
Contact: Charles Hitchcock
- SG 2012/025 Draft SAIA Submission: Invitation for Comment - Intermediary Services and related Remuneration (14/3/2012)
Contact: Suzette Strydom
- SG 2012/0026 Urgent Information request: Proposed Demarcation Regulations between Health Insurance Policies and Medical Schemes (26/3/2012)
Contact: Suzette Strydom
- SG 2012/027 The SAIA Office Move Notification (27/3/2012)
Contact: Lelo Ntshalintshali
- SG 2012/028 Basic Conditions of Employment Amendment Bill, 2012 Labour Relations Amendment Bill, 2012 (28/3/2012)
Contact: Suzette Strydom
- SG 2012/029 Ombudsman for Short-term Insurance (“OSTI”) Circular 6 of 2011: Amendments to Jurisdiction (30/3/2012)
Contact: Suzette Strydom
- SG 2012/030 National Public Briefing Sessions on the Labour Relations Bill, 2012 (“LRB”) and the Basic Conditions of Employment Bill, 2012 (“BCoE”)
Contact: Denzil Ohlson

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10.2 AMUSA

- AM 2012/015 Piracy Advice: "BREIZ KLIPPER" (1/3/2012)
Contact: Elsebe Vetten
- AM 2012/016 Update Casualty Advice Update: "NINA P" (9/3/2012)
Contact : Elsebe Vetten
- AM 2012/017 Casualty Advice : "CMA CGM ORAN" (12/3/2012)
Contact : Elsebe Vetten
- AM 2012/018 Casualty Advice: "NINA P" (15/2/2012)
Contact : Elsebe Vetten
- AM 2012/019 Casualty Advice: "BARELI" (19/3/2012)
Contact : Elsebe Vetten
- AM 2012/020 Second Update Casualty Advice : "BARELI" (20/3/2012)
Contact : Elsebe Vetten
- AM 2012/021 Third Casualty Update : "BARELI" (26/3/2012)
Contact : Elsebe Vetten
- AM 2012/022 Piracy Advice : "EGLANTINE" (27/3/2012)
Contact : Elsebe Vetten

10.3 Motor

- MT 2012/002 Amendment of the National Road Traffic Regulations of the National Road Traffic Act, 1996 (Act No. 93 of 1996) - Microdotting of Vehicles (12/3/2012)
Contact: Dawie Buys
- MT 2012/003 Fixing Rate per Kilometre of Motor Vehicles for the Purposes of Section 8 (1)(b)(iii) of the Income Tax Act, 1962 (15/3/2012)
Contact : Dawie Buys

10.4 SAIA Managing Directors

- MD 2012/004 Proposed Demarcation Regulations Between Health Insurance Policies and Medical Schemes Published for Public Comment : Invitation to participate in Task Team and Submit Comments (5/3/2012)
Contact : Suzette Strydom
- MD 2012/005 Draft Financial Services Laws General Amendment Bill, 2012 ("FSLGAB")
Published for public comment:
Invitation to Participate in SAIA Task Teams and/or submit comments (12/3/2012)

Contact: Suzette Strydom
- MD 2012/006 Solvency Assessment and Management (SAM) Update: SAM Timelines, Updates and Summaries (14/3/2012)
Contact: Nico Esterhuizen
- MD 2012/007 Urgent Information request: Proposed Demarcation Regulations between Health Insurance Policies and Medical Schemes (26/3/2012)
Contact: Suzette Strydom

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Further information: Nicol Platt
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 Kwanele Sibanda at SAIA.

✉ E-mail: kwanele@saia.co.za ☎ Tel: (011) 726 5381

☎ Fax: (011) 726 5352
www.saia.co.za



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