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1 LATEST NEWS

GUEST ARTICLE: The incoming President of the Insurance Institute of Gauteng (IIG)

The Insurance Institute of Gauteng (IIG) has been established to serve the interest of the insurance community of Gauteng. The IIG forms part of the Insurance Institute of South Africa (IISA) and its main functions include:

- The provision of a platform for knowledge and information sharing in the industry
- Corporate social responsibility
- The facilitation of effective networking opportunities for the industry in Gauteng

The institute's key focus in 2010 will be insurance education. Considering the challenges that education is facing this is vital, not only for the industry, but for the youth and future of our country as well. We firmly believe that ongoing education and learning is the essential foundation for a successful career and future in any industry or area of expertise. With the kind of changes and challenges we face in our industry and the broader macro economic environment, ongoing development, education and training is an imperative. With this in mind it is the intention of the IIG to work closely with the IISA, the South African Insurance Association (SAIA) and various industry and educational bodies in our effort to provide support and focus on insurance education. We will strive to form partnerships where we will support industry stakeholders in preparing and implementing programmes to assist our membership.

Our Education Programmes for 2010 include three short courses, workshops to support members with preparation for the examination assessments and dissemination of general and insurance product information. With the generous support of Mutual & Federal, Absa Insurance Company, Global Choices and Road Cover we will, during 2010, award six bursaries for worthy students.

The IIG will also this year start planning for the 2011 celebration of 100 years of existence. A Centenary Committee will be established to plan for this special event and anyone past or present in the industry will be more than welcome to provide input in any form to this committee.

Below is the IIG 2010 Calendar. Our official newsletter, 'The Informer', will provide our membership with full details of all our functions and industry news. The first newsletter will be published in March 2010 followed by three more during the remainder of 2010.

Date	Event	Venue
24 February	AGM	Hannover Re
4 March	Inaugural Dinner	Sandton Sun
19 March	M&F Golf Day	Glendower Course
22 April	Glasfit Ladies Golf	Club 9 Creek
27 May	Business Seminar	No venue yet
28 May	Constantia Golf Day	Parkview
23 July	2010 Bash/Quizz	No venue yet
12 August	Charity Auction	The Wanderers
13 August	Lion Golf Day	JHB Country Club, Woodmead
19 August	Glasfit Ladies Golf	Club 9 Creek
16 September	Business Breakfast	No venue yet
8 October	Sasria Golf Day	Royal JHB Kensington
11 November	Annual Dinner	Sandton Convention Centre
12-14 November	Birding Weekend	No venue yet

We thank all our members for their past support and look forward to your support during 2010.

The views expressed in this article are those of the author and do not necessarily express the views of SAIA

☎ **Further information : Sedick Isaacs**
✉ **sisaaacs@mf.co.ca**

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Special report on the results of the short-term insurance industry for the period ended December 2009

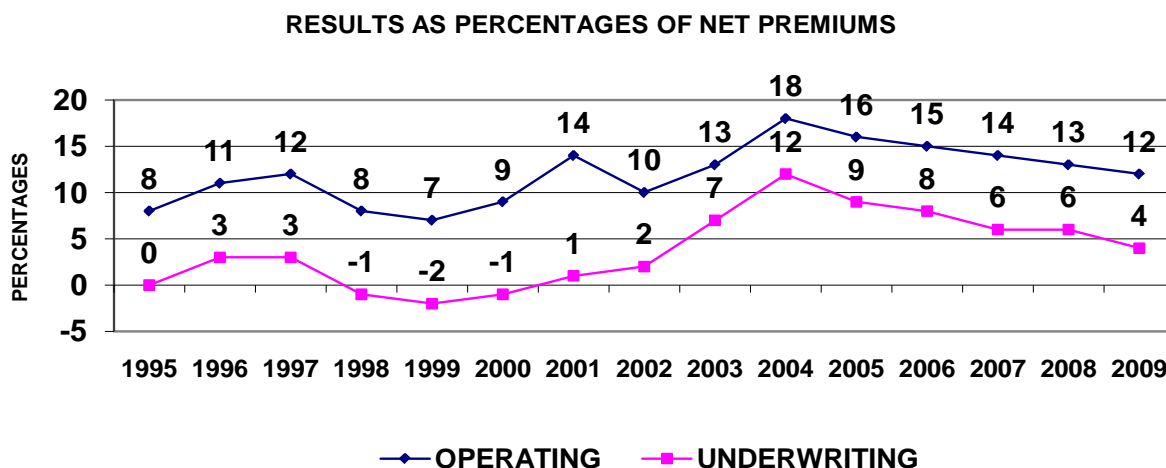
Industry results - Typical insurers (typical insurers, for the purpose of this report, are those insurers who offer most types of policies to, mostly, the general public).

The table below sets out combined statistics (net after reinsurance) for typical insurers for the calendar years 2004 to 2009.

The figures are unaudited.

	2004	2005	2006	2007	2008	2009
Net premiums R'm	24 211	26 828	31 093	34 351	37 556	39 512
Underwriting profit/(loss) R'm	2 932	2 542	2 482	2 169	2 327	1 722
Underwriting and investment income R'm	4 303	4 304	4 588	4 851	5 064	4 741
Claims (as % of earned premiums)	59	63	65	66	66	67
As % of net written premiums:						
Management expenses and commission	26	26	25	27	27	28
Underwriting profit/(loss)	12	9	8	6	6	4
Underwriting and investment income	18	16	15	14	13	12
Net premium increase (year to year)	22	11	16	10	9	5
Surplus asset ratio (median)	37	40	42	43	40	43

The following graph indicates how underwriting and operating (including investment income) results of the typical insurers have fluctuated over the past fifteen years.



Five of the twenty-five insurance companies classified as typical insurers reported an underwriting loss for the year ended December 2009 compared with four (of twenty-five) who reported an underwriting loss for the nine months ended September 2009.

Four of the twenty-five insurance companies reported an operating loss for the year ended December 2009 compared with three (of twenty-five) for the nine months ended September 2009.

Statutory surplus asset ratios

The following table indicates the spread of the statutory solvency percentages of the typical insurance companies.

	Number of insurers					
	Dec 2004	Dec 2005	Dec 2006	Dec 2007	Dec 2008	Dec 2009
Below 15%	1	0	0	0	1	0
Between 15% and 20%	0	1	0	1	1	0
Between 20% and 25%	0	1	3	0	1	2
Between 25% and 30%	3	3	3	6	2	1
Between 30% and 40%	8	5	4	2	8	7
Between 40% and 50%	1	2	4	5	4	5
Between 50% and 100%	5	6	4	5	4	8
Above 100%	1	1	3	3	3	2

Industry results - Cell captive insurers (cell captive insurers, for the purpose of this report, are those insurers who offer insurance structures on a cell ownership basis for first party and third party cell owners).

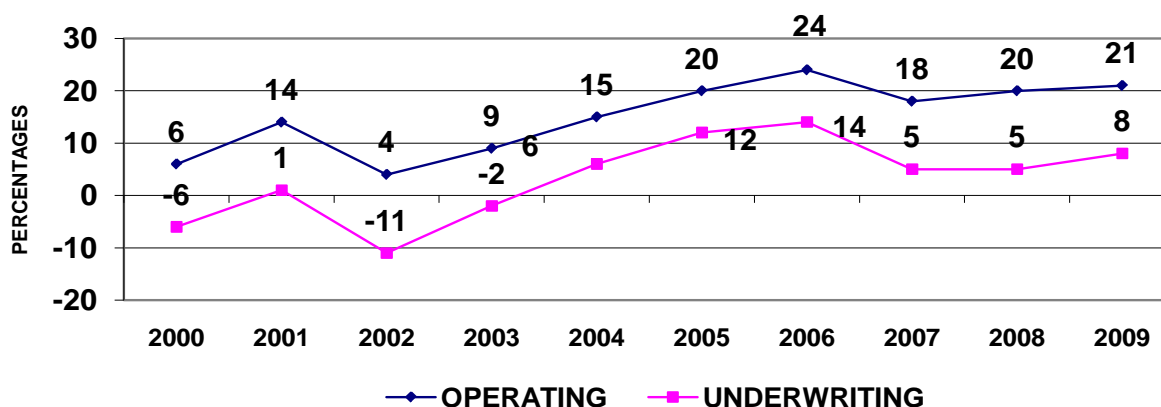
The table below sets out combined statistics (net after reinsurance) for cell captive insurers for the calendar years 2004 to 2009.

The figures are unaudited.

	2004	2005	2006	2007	2008	2009
Net premiums R'm	3 486	4 239	4 144	4 511	5 460	5 368
Underwriting profit/(loss) R'm	220	529	568	224	295	410
Underwriting and investment income R'm	506	857	980	810	1 079	1 150
Claims (as % of earned premiums)	56	52	52	62	67	62
As % of net written premiums:						
Management expenses and commission	34	28	31	33	25	27
Underwriting profit/(loss)	6	12	14	5	5	8
Underwriting and investment income	15	20	24	18	20	21
Surplus asset ratio (median)	46	56	59	60	56	64

The following graph indicates how underwriting and operating (including investment income) results of the cell captive insurers have fluctuated over the past ten years.

RESULTS AS PERCENTAGES OF NET PREMIUMS



Of the eleven operational cell captive insurers, one has reported an underwriting loss and none an operating loss for the year ended December 2009 compared with two of eleven who reported an underwriting loss and an operating loss for the nine months ended September 2009.

The following table indicates the spread of the statutory solvency percentages of the cell captive insurance companies.

	Number of insurers					
	Dec 2004	Dec 2005	Dec 2006	Dec 2007	Dec 2008	Dec 2009
Below 15%	0	0	0	0	1	0
Between 15% and 20%	0	0	0	0	0	0
Between 20% and 25%	0	1	0	2	1	1
Between 25% and 30%	3	0	1	0	1	1
Between 30% and 40%	0	2	1	2	2	2
Between 40% and 50%	4	0	1	1	0	1
Between 50% and 100%	1	6	4	2	3	2
Above 100%	1	0	2	3	2	4

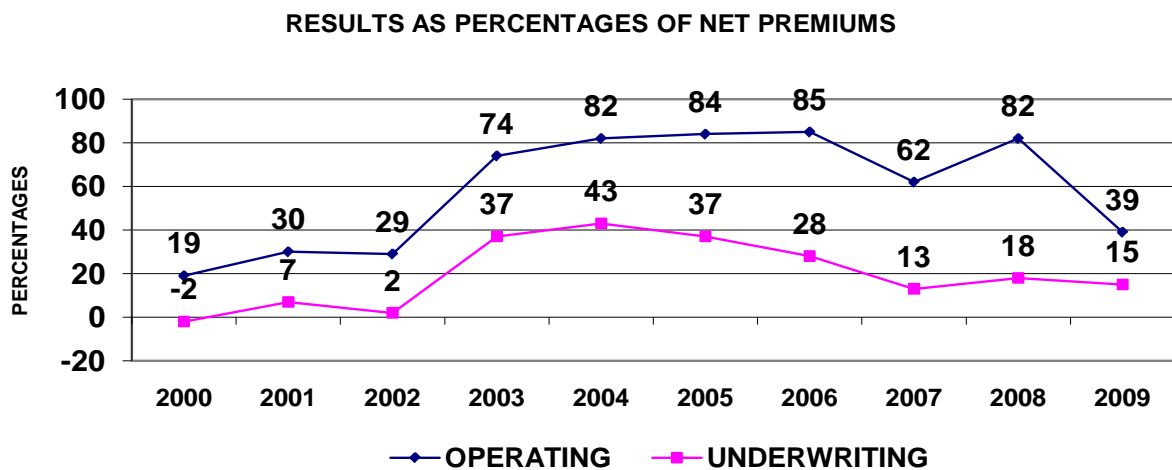
Industry results - Captive insurers (captive insurers, for the purpose of this report, are those insurers who offer cover of the risks of the owners' company or companies only).

The table below sets out combined statistics (net after reinsurance) for captive insurers for the calendar years 2004 to 2009.

The figures are unaudited.

	2004	2005	2006	2007	2008	2009
Net premiums R'm	214	165	144	200	185	542
Underwriting profit/(loss) R'm	92	61	40	26	34	80
Underwriting and investment income R'm	176	138	122	125	152	212
Claims (as % of earned premiums)	52	74	63	84	79	74
As % of net written premiums:						
Management expenses and commission	7	-11	11	2	4	1
Underwriting profit/(loss)	43	37	28	13	18	15
Underwriting and investment income	82	84	85	62	82	39
Surplus asset ratio (median)	318	329	437	435	334	402

The following graph indicates how underwriting and operating (including investment income) results of the captive insurers have fluctuated over the past ten years.



Two of the ten captive insurers have reported underwriting losses and two operating losses for the year ended December 2009 compared with two of the ten captive insurers who reported underwriting losses and operating losses for the nine months ended September 2009.

The following table indicates the spread of the statutory solvency percentages of the captive insurance companies.

	Number of insurers					
	Dec 2004	Dec 2005	Dec 2006	Dec 2007	Dec 2008	Dec 2009
Below 15%	0	0	0	0	0	0
Between 15% and 20%	0	0	0	0	0	0
Between 20% and 25%	0	0	0	0	0	0
Between 25% and 30%	0	0	0	0	0	0
Between 30% and 40%	0	0	0	0	0	0
Between 40% and 50%	0	0	0	0	0	0
Between 50% and 100%	0	1	1	0	0	0
Above 100%	12	11	9	10	11	10

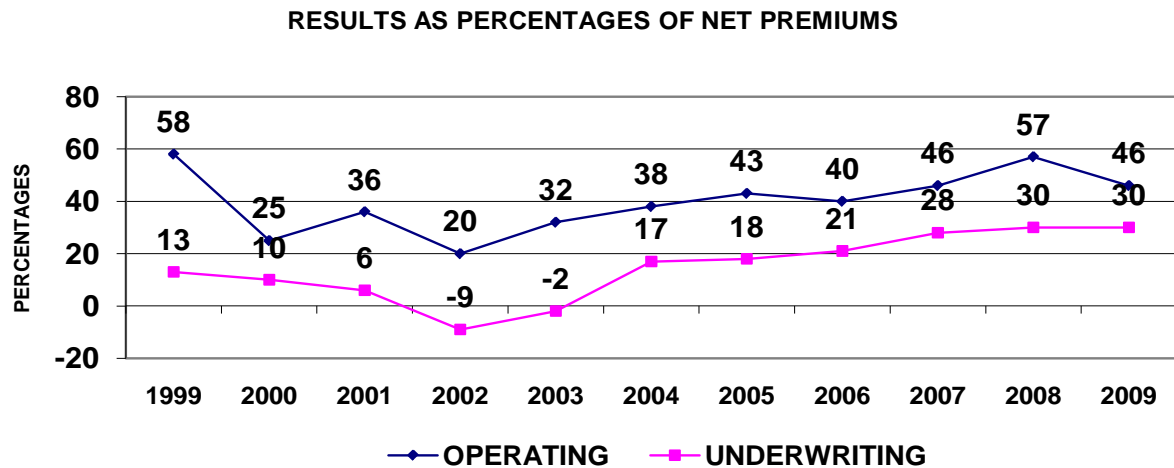
Industry results - Niche insurers (niche insurers, for the purpose of this report, are those insurers who offer, mostly, specialised cover only, in certain niche markets).

The table below sets out combined statistics (net after reinsurance) for niche insurers for the calendar years 2004 to 2009.

The figures are unaudited.

	2004	2005	2006	2007	2008	2009
Net premiums R'm	2 808	2 497	3 293	3 872	4 976	5 712
Underwriting profit/(loss) R'm	477	444	699	1 078	1 514	1 723
Underwriting and investment income R'm	1 067	1 081	1 308	1 779	2 839	2 617
Claims (as % of earned premiums)	55	51	48	43	40	41
As % of net written premiums:						
Management expenses and commission	25	29	28	27	27	29
Underwriting profit/(loss)	17	18	21	28	30	30
Underwriting and investment income	38	43	40	46	57	46
Surplus asset ratio (median)	163	117	120	72	77	58

The following graph indicates how underwriting and operating (including investment income) results of the niche insurers have fluctuated over the past ten years.



Seventeen of the thirty-four operational niche insurers have reported underwriting losses for the year ended December 2009 and eight have reported operating losses compared with fifteen of the thirty-four operational niche insurers who reported underwriting losses for the nine months ended September 2009 and eight who reported operating losses.

The following table indicates the spread of the statutory solvency percentages of the niche insurance companies.

	Number of insurers					
	Dec 2004	Dec 2005	Dec 2006	Dec 2007	Dec 2008	Dec 2009
Below 15%	0	1	0	0	0	1
Between 15% and 20%	1	0	1	0	1	1
Between 20% and 25%	1	0	0	1	2	1
Between 25% and 30%	0	0	0	1	0	2
Between 30% and 40%	2	0	3	2	4	5
Between 40% and 50%	2	3	3	5	4	3
Between 50% and 100%	5	9	6	10	9	8
Above 100%	17	17	19	14	13	13

Industry results – Re-insurers (re-insurers, for the purpose of this report, are those insurers who offer specialised cover, only to primary insurers).

The table below sets out combined statistics (net after reinsurance) for re-insurers for the calendar years 2007 and 2009.

The figures are unaudited.

	2007	2008	2009
Net premiums R'm	1 899	2 388	2 314
Underwriting profit/(loss) R'm	192	37	55
Underwriting and investment income R'm	651	492	464
Claims (as % of earned premiums)	58	64	66
As % of net written premiums:			
Management expenses and commission	30	34	31
Underwriting profit/(loss)	10	2	2
Underwriting and investment income	34	21	20
Surplus asset ratio (median)	146	149	243

Five of the eight operational re-insurers have reported underwriting losses for the year ended December 2009 and none have reported operating losses compared with six of the eight operational re-insurers who reported underwriting losses for the nine months ended September 2009 and none who reported operating losses.

The following table indicates the spread of the statutory solvency percentages of the re-insurance companies.

	Number of insurers		
	Dec 2007	Dec 2008	Dec 2009
Below 15%	0	0	0
Between 15% and 20%	0	0	0
Between 20% and 25%	0	0	0
Between 25% and 30%	0	0	0
Between 30% and 40%	0	1	0
Between 40% and 50%	0	0	1
Between 50% and 100%	3	2	2
Above 100%	4	4	5

☞ Further information : Barry Scott
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Solvency Assessment and Management

Three of the Financial Services Board (FSB) Solvency Assessment and Management (SAM) Sub Committees have met. These are the:

- Pillar 1 – Quantitative Requirements Sub Committee
- Pillar 2 – Risk Management Sub Committee
- Pillar 3 – Reporting and Disclosure Sub Committee

The Economic Impact Sub Committee will not meet until later in the lifecycle of the project.

The FSB is engaging with committee members to appoint chairpersons of the eighteen task groups. Thereafter, the mandates of the committees and task groups will be finalised so that the task groups can commence with their meetings during March.

The SAIA Board, at its meeting on 23 February 2010, considered the appropriate approach for the SAIA to assist the industry with this project and approved the appointment of a SAM Project Facilitator as a starting point (see the job description below).

☎ **Further information : Barry Scott**
 ✉ **barry@saia.com**

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Contract position available: SAIA Solvency Assessment and Management (SAM) Project Facilitator

The SAIA wishes to appoint a Solvency Assessment and Management (SAM) Project Facilitator on contract basis. The Association requests applicants to forward their CV's to Barry Scott (barry@saia.co.za) as soon as possible, but by no later than Tuesday, 11 March 2010.

Below is the job specification for this position:

The Financial Services Board (FSB) is in the process of developing a new solvency regime for the South African long- and short-term insurance industries to be in line with international standards. Earlier work on a revised capital regime for the short-term insurance industry, under the Financial Condition Reporting (FCR) banner, will now be superseded by, and incorporated into, the SAM project.

The SAIA recognises the importance and the impact of this project on the short-term insurance industry and therefore requires the services of an individual who will fit the role described below:

Job title	Project Facilitator (Contract basis)
Projects	FSB Solvency Assessment and Management (SAM) Project
General description	Responsible for regular contact with and examination of contributions by the project's stakeholders, in order to bring about a 'meeting of minds' as to requirements and/or performance according to established SAM policies and guidelines, and reporting so that corresponding action can be taken. Further responsible for co-ordinating the dissemination of SAM information to members.
Output/core tasks	<ul style="list-style-type: none"> • Ensure that key interdependencies between projects and work streams across the project are identified, planned and managed as well as the dependencies with industry parties • Maintain contact with the FSB SAM Project Manager to ascertain project requirements and/or level of satisfaction with progress and performance • Maintain contact with SAIA members to ensure timely activity and adherence to project deadlines • Produce detailed reports and notifications as and when appropriate • Examine technical and technological documents for completeness and latest versions • Co-ordinate inspection and report progress of the work to the SAIA Board and respective sub – committees, ensuring that all project commitments and targets are met

	<ul style="list-style-type: none"> • Develop a comprehensive communication programme to ensure that timely and effective communication of information is disseminated to members and the FSB. Communication with stakeholders must be consistent using written progress reports, informal briefings and formal presentations as appropriate • Ensure that project documentation is up to date and that project correspondence is responded to
Competencies	<ul style="list-style-type: none"> • Deadline driven • Financially literate • Analytical • Customer focused • Negotiation skills • Stress tolerance • Excellent interpersonal skills • Ability to think independently • Strong and proven project management skills • Excellent communication skills, including the ability to write good quality reports • Analytical and methodical approach to risk assessment and monitoring • Able to communicate well and deal with tensions and conflicting objectives, analysing requirements and advising senior officers on courses of action
Personal characteristics	<ul style="list-style-type: none"> • Motivated <ul style="list-style-type: none"> ➢ Should display initiative and drive, be a self starter and have lots of energy and perseverance • Socially adaptable <ul style="list-style-type: none"> ➢ Should be able to build working relationships with members, colleagues, management and work comfortably with others • Flexible <ul style="list-style-type: none"> ➢ Should be adaptable, and able to adjust to changing conditions and to cope with the unexpected ➢ Should have an interest in and understand relevant financial, technical and business issues • Dependable <ul style="list-style-type: none"> ➢ Should meet deadlines and schedules ➢ Should adhere to instruction and policy ➢ Should be able to work with no or little supervision • Decisive
Management skills	<ul style="list-style-type: none"> • Administration <ul style="list-style-type: none"> ➢ Should be able to organise own work, follow up, control and monitor plans and activities • Planning <ul style="list-style-type: none"> ➢ Should be able to develop programs and work schedules ➢ Should be able to set and achieve realistic targets • Communication <ul style="list-style-type: none"> ➢ Should be able to communicate clearly and concise; effective dissemination of information and instruction to groups and individuals both verbally and in writing ➢ Should be able to communicate at various levels
Requirements :	<ul style="list-style-type: none"> • A minimum of 5 years experience as a Project Facilitator • Short-term insurance industry experience, preferably in the corporate finance or actuarial divisions. (Finance, Legal or BSc degree).
<ul style="list-style-type: none"> • Qualifications • Experience 	

<ul style="list-style-type: none"> • Knowledge 	<ul style="list-style-type: none"> • Should have the ability to manage and co-ordinate large volumes of information • MS Project • Should be able to create a sense of community amongst the disparate members • Should have effective leadership, interpersonal and communication skills
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☞ **Further information : Barry Scott**

✉ **barry@saia.co.za**

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Transformation – The Financial Sector Charter

Discussions relating to the gazetting of the Financial Sector Charter as a Sector Code are continuing. The major outstanding issue relates to the principle of “once empowered always empowered”.

It is envisaged that these discussions will conclude shortly, and the sector will have clarity as to whether the sector’s transformation initiatives will be governed by a Sector Code or the Department of Trade and Industry (DTI) Codes.

☞ **Further information : Barry Scott**

✉ **barry@saia.com**

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2 IMAGE & REPUTATION

Business Against Crime South Africa (BACSA) donation

The SAIA Board, on recommendation of the SAIA Board Committee: Image and Reputation, agreed at the SAIA Board meeting of 23 February 2010 that the industry will donate an amount of R1.7 million to Business Against Crime South Africa (BACSA) this year.

It was also decided that this donation will be carried by all SAIA members, and not only the motor insurers as in the past, as combating crime is in everyone’s interest, and BACSA addresses many issues including motor vehicle crime, business and household robberies, and many other areas of concern to the industry.

☞ **Further information : Vivienne Pearson**

✉ **vivienne@saia.co.za**

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SAIA Code of Conduct

The SAIA Code of Conduct, as approved by the SAIA Board at the end of 2009, will be formally launched to members on 16 March 2010 in Johannesburg. This follows a period of consultation with SAIA members which culminated in a workshop for members on 23 February 2010. The SAIA Code will take effect on 16 March 2010.

The Code will be revisited after the approved first year period, in order to refine it according to practical experience.

SAIA members will commit themselves to the SAIA Code at the launch event by the chief executive officers or high level designated signatories publicly signing the SAIA Code.

After the launch to members, the SAIA will embark on a communication process to inform its stakeholders and business partners of the new Code and its contents, after which the Code will be introduced to the public through the media.

✉ **Further information : Viviene Pearson**
✉ viviene@saia.co.za

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The Insurance Conference 2010

Arrangements are well underway for The Insurance Conference 2010, which is to take place from Sunday, 22 May 2010 until Wednesday, 25 May 2010 at Sun City. This conference is jointly hosted for the first time by the SAIA, the Insurance Institute of South Africa (IISA) and the Financial Intermediaries' Association (FIA).

The theme of this conference is "Rising to the challenge". The programme, speakers, sponsorships and other arrangements are in the final stages of finalisation.

Members are invited to join us at this conference. For more information, visit the SAIA website on www.saia.co.za.

✉ **Further information : Viviene Pearson**
✉ viviene@saia.co.za

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Sustainability/systemic risk factors

The insurance industry has a fundamental role to play in sustainable development. The risk landscape is evolving, and many new and complex risks are emerging. These emerging risks are not only threatening our industry in the long run, but also our resources and assets on a global scale. The SAIA believes that the systemic risk factors emerging as serious issues need to be addressed at collective level, and through collaboration.

Systemic risks are posed by environmental, social and governance (ESG) issues, all of which are interconnected. If not addressed correctly, the ESG factors can undermine long term sustainability of the insurance industry, economic prosperity, and sustainable development.

The SAIA has drafted a strategic overview of sustainability, including the ESG factors. All indications are that the industry is addressing the social and governance issues in many ways, but not yet the environmental issues.

It is believed that the SAIA should address sustainability as a whole, looking at environmental, social and governance issues, and where already addressed, look for the interconnections between these issues.

It is in view of the above that the SAIA Board, at its meeting on 23 February 2010 agreed to elevate 'Sustainability/Systemic Risk Factors' to a key strategic area. The SAIA will soon invite members to participate in a committee to discuss the issues, and to agree on an industry agenda in this area.

✉ **Further information : Viviene Pearson**
✉ viviene@saia.co.za

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The 2009/10 SAIA Consumer Education Initiative

The 2009/10 SAIA Consumer Education projects are in its early stages of implementation and SAIA has received a proposal from one of its service providers as an example of how SAIA members could improve access to their products in the same areas after financial literacy and generic insurance consumer education has taken place.

In a bid to link consumer education to increased access, SAIA strongly encourages its members, especially those members who provide Mzansi-type products, to make use of this opportunity to enter into a separate, independent contract with the service provider in order to create a footprint for their products in the lower income market.

In order to find out more about this opportunity and to make contact with the relevant service provider, contact Adèle Joubert (adele@saia.co.za or 011 726 5381).

☞ **Further information : Adèle Joubert**
✉ **adele@saia.co.za**

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Functions planned for 2010

Below are the dates for SAIA functions that will take place in 2010.

These function dates will, from now on, be a standard section in the SAIA Bulletin. Please note that the dates are subject to change as unforeseen things can happen.

Changes will be marked in colour.

- SAIA Code of Conduct Launch – 16 March 2010
- The SAIA, IISA and FIA Insurance Conference 2010 at Sun City, Pilanesberg – Sunday, 23 May to Wednesday, 26 May 2010
- SAIA AGM/Cocktail Function – 29 July 2010
- SAIA Consumer Education Report Back Function – August 2010
- SAIA Assistants Lunch – 17 September 2010
- SAIA Committee Lunch – 2 November 2010
- Cape Town Media Lunch – 19 November 2010
- JHB Media Lunch – 22 November 2010

☞ **Further information : Adèle Joubert**
✉ **adele@saia.co.za**

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3 LEGISLATION & REGULATION

Legislation & Regulation update

As we step into the second month of 2010 and move closer to the 2010 FIFA World Cup, the SAIA Legislation and Regulation agenda is steaming ahead with exciting agenda items. This month the Legislation and Regulation Board Committee met to discuss strategic issues and the Legal and Compliance Committee met to discuss outstanding and new agenda items.

Consumer Protection Act

The Department of Trade and Industry (DTI) are busy with the drafting of the regulations for the Consumer Protection Act (CPA). Various conferences are currently being offered in the market which will help companies understand the impact of the Act on their business.

The DTI will also be engaging with the public through a conference which will be held on 4 - 5 March 2010 at Gallagher Estate.

The process of alignment, which is conducted by the Financial Services Board (FSB) comprises the alignment of the CPA with sector laws.

Although the process is incomplete, it is the advice of the SAIA that members should conduct their own alignment and take into account the following sector laws for this process:

- The Short-term Insurance Act
- Policy Holder Protection Rules
- FAIS Act
- Protection of Personal Information Act
- Treating Customers Fairly (initiative driven by the FSB)

Road Accident Fund

The Department of Transport, on 12 February 2010, published the 'No Fault Policy' for public comment. Members of the public have 60 days to comment on the policy. According to this system, fault on the part of the wrongdoer does not have to be proved. The threshold value for claims is R160 000. This system also removes the common law right to claim for the balance. The SAIA will be submitting comments on the policy on behalf of its members. The case against the Road Accident Fund by the Law Society of South Africa goes before the North Gauteng High Court between 1 and 3 March 2010. SAIA will keep members updated on the progress.

Second-Hand Goods Act

The South African Police Services (SAPS) is expecting to have part of the regulations for the Second- Hand Goods Act published by the first week of April for implementation by August 2010. Although comments have been submitted, the SAPS will be calling for a second round of comments. The SAIA is keeping a close watch on this and will notify the industry on developments regarding the application of exemption which was submitted by the SAIA.

Safe use, installation, storage and transportation of LP Gas

The SAIA recently read the Pressure Equipment Regulations which was forwarded to the Association by the LP Gas Association. A presentation was done to the SAIA Commercial Technical Committee by the LP Gas Association who informed members on the importance of safety, in terms of installation, use, storage and transportation of LP Gas. For more information, members are welcome to contact Simpiwe Piliso, the Community Safety and Development Liaison Officer of the Liquefied Petroleum Gas Safety Association on 011 886 9702 or 082 749 7701 or simpiwe@lpgas.co.za.

☎ Further information : Karen Naidoo
✉ karen@saia.co.za

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<p>Previous reference: Articles on regulation featured in the November 2006, December 2006, January – November 2007, January – November 2008, January – November 2009 and January 2010 issues of the Bulletin.</p>

Placement of short-term insurance business with entities not registered in South Africa to conduct insurance business – Sec 8 (2) (d) of the STIA.

A joint meeting between members of the SAIA and the Financial Intermediaries' Association (FIA) was held on 3 February 2010 to discuss the contents of the Financial Services Board (FSB)'s directive, dated 17 December 2009.

There are a number of concerns which were identified during the SAIA/FIA meeting that require further discussion with the FSB and a meeting has been requested where we would hope to reach a satisfactory conclusion and have the directive 're-issued'.

It was also noted that, whilst a workshop prior to the implementation of the new system was held, there is still a lack of general understanding among members of the SAIA and FIA of how this new process operates.

To this end, once SAIA have obtained clarity on some elements of Section 8(2)(d) with the FSB, SAIA will arrange a workshop for interested parties to go through the modus operandi and to clear up any misunderstandings.

In essence, it is a requirement of the Short-Term Insurance Act (STIA) that no short-term insurance business is placed outside of locally registered South African insurers without the approval of the Registrar of Short-Term Insurance.

To facilitate the process of submitting applications for approval to place business with unregistered insurers, the process has been automated and a web based system called 'Off shore Insurance Placements (OSIP)' can be visited on www.osip.co.za. A manual on how to operate OSIP is available on the website.

SAIA is the custodian of this website and in order to ensure sound security thereof, all users are required to be registered. Some members of the SAIA and FIA are already registered. With effect from 1 March 2010 a new registration process will be implemented. To facilitate this process, each intermediary company and insurer member is requested to nominate one responsible person or champion who will be responsible for approving the registration of all of the users from that particular intermediary or insurer member and for maintaining the current list of users in liaison with the SAIA. Please note that individual users are permitted to access OSIP once approved by the responsible person or champion and then registered by SAIA.

Please note that the process of referral of applications will only be directed to current SAIA members and therefore SAIA member companies will have the responsibility of referring such applications to any of their associated Underwriting Management Associations (UMA)'s and or other underwriting entities.

SAIA will communicate with its members immediately after receiving clarity from the FSB. In the interim, should you have any queries, contact Adelaide Motsuenyane (adelaide@saia.co.za or 011 726 5381).

☎ **Further information : Refilwe Moletsane**
✉ refilwe@saia.co.za

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Previous reference: Articles on regulation featured in the November 2006, December 2006, January – November 2007, January – November 2008, January – November 2009 and January 2010 issues of the Bulletin.
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4 MOTOR

SAIA Motor update

Having recognized the challenges faced by the South African motorists, pedestrians, the short-term insurance industry, Government and private and business community at large, the SAIA Board approved the SAIA Motor Strategy at the meeting held on 23 February 2010.

The strategy is aimed at providing the South African motorist and road user with affordable insurance cover and safe road practice. The key areas identified addresses how the SAIA can contribute and positively influence the risk components related but not limited to: improved driver behaviour, vehicle related risk factors, improved road conditions, reduction in vehicle crime,

improved levels of expertise and conduct by suppliers and maximum access to data and processes which will drive efficiencies in the insurance industry.

It is believed that through a collaborative effort with all the relevant stakeholders, solutions will be developed that will remain sustainable for many years.

✉ **Further information : Refilwe Moletsane**
 ✉ refilwe@saia.co.za

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Position available: SAIA Motor Manager

The SAIA wishes to appoint a Motor Manager. The Association requests applicants to forward their CV's to Barry Scott (barry@saia.co.za) as soon as possible, but by no later than Tuesday, 11 March 2010.

Below is the job specification for this position:

Job title	SAIA Motor Manager
General description	Responsible for the SAIA Motor Portfolio.
Output/core tasks	<ul style="list-style-type: none"> • Drive the implementation of the SAIA Motor Strategy • Identify challenges in the motor insurance industry • Identify key stakeholders within the motor insurance industry • Consult with relevant stakeholders in the insurance industry and within the motor industry value chain • Create committees / work groups to inform the solutions for the motor industry in line with SAIA Motor Strategy. • Ensure that effective communication is achieved with the respective committee / work group chairpersons • Co-ordinate meetings with relevant stakeholders • Analyse and interpret market trends on an ongoing basis • Develop reports for all projects implemented • Maintain contact with SAIA members to ensure timely activity and adherence to project deadlines • Prepare SAIA Board Committee Reports as per the agreed objectives • Represent SAIA in relevant industry forums
Competencies	<ul style="list-style-type: none"> • Knowledge of short-term insurance industry • In depth motor industry understanding • Strategic thinker • Deadline driven • Ability to work and communicate with multiple levels of authority in the insurance market • Leadership ability • Ability to work with no or little supervision
Skills	<ul style="list-style-type: none"> • Excellent verbal and written communication • Excellent interpersonal skills • Analytical thinking • Problem solving skills • Excellent interpersonal communication skills • Ability to multi-task • Project management skills • Negotiation skills • Presentation skills • Planning skills • PC skills – Excel, Power Point, etc.

Requirements :	<ul style="list-style-type: none"> • A minimum of 5 years experience working with short-term insurers or within the short-term insurance industry • University degree (preferably financial)
<ul style="list-style-type: none"> • Qualifications 	

☞ **Further information : Barry Scott**
 ✉ **barry@saia.co.za**

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5 PRESS CLIPPINGS

Publication	Person/DN	Subject
Cover 2010	# 77405	Mutual & Federal (M&F) empowers people's lives with literacy skills
Insurance Times & Investments 2010	# 77761 # 77762	Motor insurance: Drinking up profits Road safety: Hardly pointless: How the demerit system will work
RiskSA 2010	#77404	Life (and/or death) in 2010
FAnews 12/01/2010	# 77272	Ombudsman for Short-Term Insurance: Short-term insurers cannot refute on negligence alone
City Press 17/01/2010	# 77320 # 77321	Financial Sector Charter (FSC): Fight to save charter Financial Sector Charter back on agenda
Business Report 19/01/2010	# 77370	Consumer protection: Absa to seek legal clarity on automatic premium hikes
Star 21/01/2010	# 77392	Climate change is costing us our roads
Business Report 21/01/2010	# 77400	ANC team's proposal for National Health Insurance (NHI) are unrealistic
FAnews 21/01/2010	# 77412	Santam acquires 100% shareholding in Centriq
Business Report 22/01/2010	# 77451	Mutual & Federal (M&F) minorities rue discovering stellar turnaround
FAnews 26/01/2010	# 77489	FAIS Ombud nails short-term insurer
Business Day 27/01/2010	# 77498	New accounting standards may save SA firms R6bn
Mail & Guardian 29/01/2010	# 77529	Financial Sector Charter (FSC): Is the charter worth savings?
Business Day 29/01/2010	# 77576 # 77577 # 77578 # 77579 # 77581 # 77582 # 77584 # 77586	Insights: Insurance brokers <ul style="list-style-type: none"> • Brokers shrug off recession backlash • Infrastructure shortfall increases claims • Expert advice the key to containing risk • Alternative insurance schemes finally take their place in the sun • Technology brings industry up to speed • Talent and systems drive a return to broker basics • Adding value changes role of the intermediary • Legislation compliance a challenge for players

☞ **Further information on all of the above-mentioned press clippings : Sonja Etsebeth**
 ✉ **sonja@saia.co.za**

6 RADIO, TELEVISION ONLINE AND OTHER COVERAGE

RSG (Afrikaans)

Landbou Fokus

5 Feb 2010

Risk in agriculture

Tobias talks about the risk prospect for 2010 in terms of agriculture.

(Int:)|Dr. Tobias Doyer - Santam Agri

Summit TV (English)

You & Your Money

8 Feb 2010, 10 Feb 2010

Discussion about the short term insurance

(Int:) Linda Kaganas - Kapara Insurance Brokers

(Int:) Craig Pogir - Director: Pogir Bastion

Talk Radio 702 (English)

David O'Sullivan Show

11 Feb 2010 17:29:11

Santam and Sanlam trading updates - underlying investment performance of the share portfolios have done well

(Int:) David Shapiro - Sasfin

Mentions: Brait, BIDVest, Naspers, Basil Read, Anglo American, De Beers, Oppenheimer Family, BHP Billiton, ArcelorMittalFamily

☞ **Further information on the above-mentioned coverage : Sonja Etsebeth**

✉ **sonja@saia.co.za**

7 CIRCULARS

The following circulars were issued during the month of January 2010: (Number of circular, title, date issued and contact person)

SAIA

SG 2010/001 Placement of short-term insurance business with entities not registered in South Africa to conduct insurance business (4/1/2010)
Contact: Refilwe Moletsane

SG 2010/002 Fire loss statistics (8/1/2010)
Contact: Sonja Etsebeth

SG 2010/003 Request for members to meet with the Credit Providers Association (21/1/2010)
Contact: Charles Hitchcock

SG 2010/004 Extension for comments on the Consumer Protection Act from 22nd January 2010 to 25th January 2010 (22/1/2010)
Contact: Karen Naidoo

SG 2010/005 FSB Solvency Assessment & Management Information Letter (25/1/2010)
Contact: Barry Scott

SG 2010/006 FSB Invitation – IAIS Information Session (27/1/2010)
Contact: Barry Scott

SG 2010/007 The Insurance Conference 2010 (28/1/2010)
Contact: Vivienne Pearson

AMUSA

- AM 2010/001 Casualty Advice: "RAYBEN STAR" (4/1/2010)
Contact: Elsebe Vetten
- AM 2010/002 Casualty Advice: "CSCL HAMBURG" (4/1/2010)
Contact: Elsebe Vetten
- AM 2010/003 Casualty Advice: "MERCURY K" (14/1/2010)
Contact: Elsebe Vetten
- AM 2010/004 Leaking pipes in Durban Harbour (19/1/2010)
Contact: Elsebe Vetten
- AM 2010/005 Casualty Advice: "TRUDY" 25/1/2010)
Contact: Elsebe Vetten
- AM 2010/006 Casualty Advice: "CSCL NINGBO" (25/1/2010)
Contact: Elsebe Vetten

SAIA MD (Managing Directors)

- MD 2010/001 FSB Solvency Assessment & Management Information Letter (25/1/2010)
Contact: Barry Scott
- MD 2010/002 FSB invitation – IAIS Information Session (27/1/2010)
Contact: Barry Scott
- MD 2010/003 Business delegation to UK accompanying President Jacob Zuma
2 – 5 March 2010 (28/1/2010)
Contact: Barry Scott

SAMIA

- SM 2010/001 Request for statistics for IMIA (13/1/2010)
Contact: Charles Hitchcock

☞ Further information on all of the above-mentioned circulars : Sonja Etsebeth
✉ sonja@saia.co.za

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IMPORTANT NOTICE

Should you know someone, who is not a SAIA member, who might be interested to receive the SAIA Bulletin, and other interesting short-term insurance related SAIA communication, let them contact Adèle Joubert at SAIA to become a SAIA communiqué member.

✉ E-mail: adele@saia.co.za ☎ Tel: (011) 726 5381,
☎ Fax: (011) 726 5352
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