



SAIA – ☎ (011) 726 5381

October 2009 – Issue No. 10/09

1	LATEST NEWS	2
	SPECIAL GUEST ARTICLE: The Insurance Institute of South Africa.....	2
	Data Sharing Initiative	3
	State of emergency services	4
	Mining Rehabilitation Guarantees	4
2	LEGISLATION.....	4
	Insurance Laws Amendment Act 2008.....	4
	Second Hand – Goods Act 6 of 2009.....	5
	Protection of Personal Information Bill	5
	Policy Holder Protection Rules Variation Notice	6
3	TRANSFORMATION	6
	Financial Sector Charter.....	6
	SAIA Enterprise Development project.....	7
4	OTHER SAIA ISSUES	7
	SAIA Consumer Education Initiatives.....	7
	Image & Reputation Strategy: SAIA targeted publicity campaign	9
	Request to participate in a short-term educational survey to be published in Finweek on 26 November 2009.....	10
	SAIA Code of Conduct	10
	2009 SAIA Committee Lunch	10
	Annual SAIA Board / FSB / National Treasury Liaison Lunch.....	10
5	GUEST ARTICLES	11
	TransUnion: TransUnion launches new consumer website	11
	INSETA: Employment equity could be hampered by the recession.....	11
6	PRESS CLIPPINGS.....	13
7	RADIO, TELEVISION ONLINE AND OTHER COVERAGE.....	15
8	CIRCULARS	16

1 LATEST NEWS

SPECIAL GUEST ARTICLE: The Insurance Institute of South Africa

The Insurance Institute of South Africa is positioned as the professional institute for the predominantly short term insurance market in South Africa.

It is a national professional body for the promotion and advancement of knowledge and skills, the maintenance of ethical and professional standards and the general development and progress of its members and of persons in the insurance industry.

Its vision is "To promote world class standards and skills for a world class industry".

Its mission is "To implement and honour professional standards, to advance the acquisition of knowledge, to uphold the highest ethical values and to embrace sustainable long term goals for the advancement and benefit of its members and the best interests of the insurance industry".

Our 'Code of Ethics' states that the IISA shall at all times ensure its compliance, as well as that of its members, with this Code and with all relevant legislation and regulations.

Our planning for the future embraces a commitment to ensure our staffing reflects the demographics of South Africa. Our ability to expand our role includes maintaining the support of the South African Insurance Association (SAIA) and the Financial Intermediaries Association (FIA) in our quest to be the custodian of quality up to date learning material for students of insurance. To influence the many other stakeholders that impact on the insurance industry, such as the FSB and INSETA to further enhance professionalism in the industry.

To work inclusively with many other associations that are representatives of people employed in the industry, such as the FPI, IRF, Institute of Loss Adjustors, other local provincial insurance institutes and the many varied educational bodies that are government sponsored and whose activities impact on the employers and employees in the industry.

We offer a range of services to members which include new services introduced during 2009 and are expected to expand during 2010 and beyond.

These include

- Material updates and new material development
- Creation of study material for various short courses for training purposes
- Provision of study material for the forthcoming Regulatory 1 and 2 examinations scheduled for 2010.
- Train the trainer courses for members to assist students to pass the examinations
- FAIS assessment services
- Development and registration of a CPD programme for the industry with FSB accreditation.
- Enhanced linkage to the Chartered Insurance Institute in the United Kingdom and an alignment of our offerings and qualifications
- Regular bi-annual meetings with local insurance institutes in Johannesburg.
- Travelling to local institutes around South Africa on an annual basis.
- Facilitating meetings with top management of insurance companies and intermediaries to market the IISA's role and services.
- We have launched our own newsletter this year, known as NEWS@IISA and it is available on our website or from info@iisa.co.za.
- We host an annual industry Conference at Sun City and next year this will be styled "THE INSURANCE CONFERENCE" 2010 in conjunction with SAIA and the FIA. The theme is "RISING TO THE CHALLENGE OF 2010".

- We continue to cement and expand our linkages with other institutes on the African continent and to maintain contact with a host of institutes in other international domiciles.
- We present numerous Seminars during the course of each year targeted at promoting knowledge sharing on topical and practical subjects mainly from an educational point of view, for members and their invited guests.
- We have recently been approved by INSETA to offer to members a service to assist individuals with a conversion option from old qualifications to a credit towards one of the new qualifications
- We expanded our membership categories this year and these now include the following classifications:

- | | |
|-------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| <p>1. Level 1 Membership
CoP or UNISA Elements programme
(IISA Member Level 1)</p> | <p>4. Licentiate – LIC
IISA Programme in Short Term / Life /
Retirement Fund Management</p> |
| <p>2. Level 2 Membership ICiBS
(IISA Member Level 2)</p> | <p>5. Associate – AIISA
IISA Programme in Advanced Insurance Practice</p> |
| <p>3. Level 3 Membership
Full relevant NQF Level 4 or
UNISA Introductory programme</p> | <p>6. Fellow - FIISA
UNISA Programme in Advanced Risk Management
(IISA Member Level 3)</p> |

We look forward to the new challenges that 2010 will bring to all of us in South Africa. The IISA will be applying to get official recognition as a Professional Institute and will be applying for appropriate recognition of our BEE status. Although not necessary in terms of our annual turnover, we believe this is essential for an Institute of our status.

Our next Seminar will be held on the 19th February under the banner of “THE NEW CONSUMER PROTECTION ACT AND ITS IMPLICATIONS FOR THE WIDER INSURANCE MARKET”. Please make your bookings early to avoid disappointment. Our previous Seminar during October was sold out weeks before it was presented.

David Harpur, CEO IISA

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

 **Further information : André Jansen van Vuuren**
 Andre.jansenvanvuuren@kpmg.co.za

[Back to Index](#)

Data Sharing Initiative

In terms of the Insurance Laws Amendment Act, insurers are required to hold sufficient data in order for them to be able to identify their policyholders. This is in contrast to the current situation where, in many instances, this data is held on intermediaries' systems.

The SAIA, together with the Financial Intermediaries Association (FIA), has engaged its members to establish whether an industry approach to this matter would be appropriate. Two work groups have been established, a technical workgroup looking at standards, and a business workgroup looking at system requirements.

The technical committee has met with Acord, the US based insurance standards, to establish whether the Acord standard should be used as a basis for the implementation of a solution in South Africa.

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

[Back to Index](#)

State of emergency services

The SAIA has received an approach from some members to discuss the poor state of the country's emergency services.

As background, the SAIA commissioned a report in 1999 investigating the state of the emergency services. This report concluded that the state of the emergency services was indeed poor, and that urgent government intervention was required. Although the report was presented to Government, it appears that the corrective action required was not carried out.

The matter was considered by the SAIA Board, which agreed that the SAIA Chairman, Mr Ronnie Napier, should convene a meeting with the Fire Protection Association and government representatives to discuss the matter. The SAIA has also met with the South African Emergency Services Institute.

This resulted in a working group being created to investigate the state of the fire services, including representatives of the SAIA, South African Emergency Services Institute, Fire Protection Association, the Institute of Fire Engineers, and Government.

A preliminary report was prepared, which indicated that the issues raised during previous investigations into the emergency services have not been resolved, and that a high level approach to Government is required.

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

[Back to Index](#)

Mining Rehabilitation Guarantees

Member insurers reported that the Department of Minerals and Energy (DME) is no longer accepting mining rehabilitation guarantees from short-term insurance companies. This matter has been picked up by the SAIA, which has addressed insurers' concerns to Government, both the National Treasury and the DME.

At the time of writing the matter has not yet been resolved.

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

[Back to Index](#)

2 LEGISLATION

Insurance Laws Amendment Act 2008

Binder regulations

At the 5th Financial Services Board (FSB) Binder meeting, the workgroup focused on the joint SAIA / South African Underwriting Managers Association (SAUMA) / Financial Intermediaries Association of Southern Africa (FIA) version of the short-term industry matrix. We noted in our previous correspondence that the industry view was that the FSB Universal Matrix was too broad for the short-term insurance industry.

Various short-term intermediaries were carefully reviewed in terms of their agency capacity, binding powers, functions and authority, remuneration, conflicts of interest and the management thereof, and disclosure requirements.

The Binder Workgroup at a meeting held on 5 October 2009 agreed to consider the following matters for discussion at their next meeting:

- refinement of binder typologies
- eligibility to binder
- elements which should be included in a binder agreement
- elements which should be prohibited from a binder agreement
- structure of binder agreements
- conflicts of interest

The Association representatives have been requested to provide input on the above noted key areas prior to the next workgroup meeting which is scheduled for 18 November 2009.

It is envisaged that the first draft regulation for review by the FSB Binder Workgroup will be completed by mid-November 2009 and that the process of engagement on the binder regulations including the Parliamentary and Public hearings will be completed in the second quarter of 2010.

Demarcation regulations

The National Treasury consultant has not yet completed the review of input submitted by the Associations to National Treasury on product, policy, marketing and demographic information. The process of engagement on the demarcation regulations including the Parliamentary and Public hearing process will be in line with the binder regulations discussion.

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

[Back to Index](#)

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

Second Hand – Goods Act 6 of 2009

In last months issue, the SAIA reported that a meeting with Business Against Crime South Africa was scheduled to take place to discuss the role of the SAIA as a representative of the short-term insurance sector in meeting the requirements of the above Act. It was concluded at the meeting that SAIA, with support from its members, will not be registered as an 'Accredited Dealer' as is defined by the Act.

The Act was published in the Government Gazette on 16 October 2009 and the public have one month to respond with their comments. The SAIA will be forwarding the response on behalf of the industry, seeking an exemption on the basis that the industry does not 'deal in' Second Hand Goods.

To submit further comments on the matter, please contact karen@saia.co.za.

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

[Back to Index](#)

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

Protection of Personal Information Bill

The Protection of Personal Information Bill was heard before Parliament's Portfolio Committee at the Department of Justice and Constitution at a public hearing session on 13 and 14 October 2009. The SAIA represented the industry by raising and highlighting the concerns it has with the Bill.

SAIA raised two major concerns:

1. The time in which to comply with the Bill and,
2. The huge costs involved with compliance.

The Portfolio Committee noted these concerns and also noted that the SAIA recommended a five year period for implementation. The submissions made before the committee will be deliberated on during the end of October 2009 and a final outcome is said to be reached by 13 November 2009. The SAIA will provide members with feedback in the next issue of the Bulletin.

In the meantime, the SAIA Protection of Personal Information Bill Workgroup will continue to engage on the impact the Bill has on the industry and as such the SAIA seeks guidance from member companies as to the cost of compliance for each member company. Please contact Karen Naidoo with this information at your earliest convenience.

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

[Back to Index](#)

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

Policy Holder Protection Rules Variation Notice

All comments regarding the variation of Policy Holder Protection Rule 7.4 was submitted to the Financial Services Board (FSB) on 2 October 2009. However, due to system glitches at the FSB, the submission was received late and hence SAIA is still awaiting the feedback on its comments from the FSB.

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

[Back to Index](#)

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

3 TRANSFORMATION

Financial Sector Charter

The Financial Sector Charter (FSC) Council met with the Ministers of Trade & Industry and Finance during July in an attempt to establish whether or not the Ministers still see it appropriate to gazette the Financial Sector Charter under Section 9 of the Broad Based Black Economic Empowerment Act.

Following this meeting, the Board of the FSC Council met on several occasions in an attempt to resolve the major outstanding issues relating to ownership.

Despite the meetings, and the use of two facilitators, the FSC constituencies could not reach consensus on the outstanding issues. Furthermore, a meeting scheduled to take place with the Ministers on 16 October failed to take place, having been cancelled at short notice due to the unavailability of the Ministers.

It now seems uncertain that the FSC will be gazetted as a code. This would mean that financial institutions would have to report using the DTI Codes at the end of the current year.

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

[Back to Index](#)

SAIA Enterprise Development project

In order to assist SAIA members to meet the Financial Sector Charter Enterprise Development targets, and to assist with the creation of a transformed motor body repair sector, the SAIA has been developing a project proposal for an enterprise development project aimed at the upliftment of black panel shops.

The project was approved in principle by the SAIA Board in August 2008. SAIA was requested to provide a detailed project plan, including costs. To this effect, the services of a professional project consultant were sought and Seda Automotive Technology Centre (SATeC) was appointed. A project plan document was delivered to the SAIA Board in February 2009.

SAIA also deemed it prudent to get a written opinion from the Charter Council secretariat and the Department of Trade and Industry (DTI) on whether or not this initiative would enable members to score points under Empowerment Financing and Enterprise Development under the Charter and the DTI Codes. Positive responses have been received from the FSC Charter Council and the DTI in this regard.

The development of a detailed project proposal has now been completed, and this will be presented to the SAIA Board at its final meeting of the year, due on 18 November.

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

[Back to Index](#)

4 OTHER SAIA ISSUES

SAIA Consumer Education Initiatives

2009/10 Financial Sector Charter Initiative

SAIA is currently in the process of signing contracts with the chosen service providers as well as drafting the content for the consumer education material, especially with regards to the generic, short-term insurance specific information that will now be included in the material.

SAIA FSC Consumer Education Projects Report Back

The SAIA FSC Consumer Education Projects Report Back took place in the Terrace Room of the JHB Country Club in Auckland Park on Tuesday, 27 October 2009.

Below is the media release that was distributed after this event.

Millions spent on financial literacy and generic insurance education

The South African Insurance Association (SAIA) has spent over R40 million on consumer education to date, and today, reported back on the short-term insurance industry's recently concluded 2008/9 consumer education initiative. The initiative was aimed at Living Standard Measure (LSM) 1 – 5, black people as per the requirements of the Financial Sector Charter.

A total of R5 695 324.85 was pooled voluntarily by SAIA members in terms of their 0.2% commitment (for the financial year ending in 2008) to consumer education in terms of the Financial Sector Charter and the new SAIA Consumer Education Strategy. In addition, the Financial Services Board (FSB) contributed a total of R1 600 000 and the Association for Savings and Investments South Africa (previously the LOA), R2 214 442.13. "The SAIA believes that the value of collaboration with regards to consumer education cannot be over-emphasized as it increases the impact of the education as well as the reach," says SAIA Manager: Image and Reputation, Vivienne Pearson.

“We would like to thank our partners in this initiative, the FSB and the Association for Savings and Investment South Africa (previously the Life Offices Association) and the service providers for their involvement in assisting SAIA to make sure that these projects continue to be implemented so successfully,” said Ronnie Napier, Chairperson of the SAIA Board, at the report back event that was held at the Johannesburg Country Club in Auckland Park.

The SAIA member companies who pledged funds towards 2008/9 projects were: Guardrisk Insurance, Santam, Emerald Insurance, Guardrisk Life Insurance, Hollard Insurance, Allianz, African Reinsurance, AIG SA, AIG Life, Mutual & Federal, HDI Gerling Insurance, SASRIA, Zurich Insurance, Dial Direct, Auto & General and Lloyds.

“The image and reputation of the short-term insurance industry can be negatively influenced by a lack of important insurance knowledge, which is why SAIA aims to effectively educate consumers of short-term insurance as part of its Image and Reputation Strategy,” said Mr Napier.

“One merely has to look at the current state of the economy to realize that financial literacy is important at all levels to assist individuals to make informed decisions about their finances. It is therefore quite satisfying to be able to say that the SAIA, together with its members and partners, have been very active in the field of financial literacy education in South Africa for the last five years,” he added.

The projects implemented in 2008/9 were:

- A community workshop project aimed at specific communities within the target group during which financial education were facilitated, delivered by Inzala. A total of 12 022 people participated in the workshops nationally. This was a project in cooperation with the Community and Labour constituency in the Charter arena, jointly sponsored by the SAIA and the Association for Savings and Investment South Africa (previously the LOA).*
- A commuter financial literacy awareness programme was implemented by ComutaNet and was aimed at reaching commuters using taxis, trains and busses. The FSB partnered with the SAIA on this project.*
- An important intervention at school level was implemented in partnership with the FSB. Bright Media was re-commissioned to extend the successful Grade 10 and 11 projects which developed an innovative multimedia teacher education programme for financial literacy, into Grade 12 in 2008/9. The Bright Media concept utilizes a combination of both printed and multimedia resources mediated directly in the vital face-to-face teacher training element and the education is aligned to the new and compulsory Mathematical Literacy subject.*

“Financial literacy is extremely important, especially as it quite possibly has a direct link to financial access,” says Mrs Pearson.

According to Mr Napier, a recent SABC Radio All Media Product Survey (AMPS) found that, of the approximately 30 million African Language Stations (ALS) listeners in South Africa, 3.2 million people have funeral cover, 1.3 million people have life cover, 484 000 people have retirement annuities, 404 000 people have medical cover and only 186 000 people have insurance cover.

“Interestingly enough, SABC Radio’s core market falls mostly within the LSM 1-7 bracket, the ideal market for lower income short-term insurance products. However, according to SABC radio, short-term insurance is usually seen as a grudge purchase as people do not easily buy something that they do not understand. Our efforts in providing basic financial literacy and recently also generic insurance education in the lower income market are therefore extremely valuable to assist our member companies to create a footprint for their products in this largely untapped market by helping the lower income market understand how short-term insurance works and how it can benefit themselves and the ones they love,” concluded Mr Napier.

FEF project

The Financial Education Fund grant project is in its early stages of implementation. The workshop with interested SAIA members took place on 15 October 2009. The service provider Bright Media,

including the script writer of the radio drama as well as the research specialist appointed on this project, also attended this workshop. At this workshop, members were given a background about the project, information about the opportunities for participation, as well as about the goals of the project. Members also gave input with regards to the content development of the story line.

We have received commitments to participate from a few member companies. We invite SAIA members to again read the circular sent to member companies in this regard, SAIA General Circular SG 2009/055, and should anyone else wish to participate in this golden opportunity to reach the lower income market (LSMs 1 – 7) to contact Vivienne Pearson or Adèle Joubert at the SAIA.

We thank those SAIA members who participated in the workshop for their enthusiastic contributions, and those who are going to participate in the project for their willingness to become involved.

SAIA Consumer Credit Insurance Initiative

A SAIA Consumer Credit Insurance Task Team meeting took place on 6 October 2009. At this meeting, the content for the SAIA Consumer Credit Insurance pamphlet was discussed in order for the pamphlet to explain Credit Insurance in easily understandable language. The first draft was circulated to the attendees and the comments received were integrated into the original draft.

SAIA will print a substantial amount of these pamphlets before the end of 2009. Members who are interested to receive some copies from SAIA and later order their own copies are requested to contact adele@saia.co.za.

Please note that the information contained in any SAIA Consumer Education material can be used by SAIA member companies as long as SAIA is acknowledged.

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

[Back to Index](#)

Image & Reputation Strategy: SAIA targeted publicity campaign

The SAIA targeted publicity campaign for 2009, as approved by the SAIA Board Committee: Image and Reputation as well as the SAIA Board, is planned for November 2009. The radio campaign with consumer education messages for current policyholders will be broadcast on SA FM and Radio Sonder Grense from 16 November to 29 November 2009. A half page advertorial on the important consumer education projects that were implemented in 2008/9 and are planned for 2009/10 is planned for publication in The Star on 4 November 2009.

The SAIA targeted publicity campaign for 2010, together with its proposed budget implications, was approved by the SAIA Board Committee: Image and Reputation at its meeting on 27 October 2009. This proposal and budget will be submitted to the SAIA Board for consideration in November 2009.

The targeted publicity campaign is aimed at current policyholders, higher income groups, and using national mediums, as we are reaching the low income group through our foundation consumer education projects (previously known as Financial Sector Charter projects) and our Financial Education Fund (FEF) consumer education project.

For more information, contact Vivienne Pearson or Adèle Joubert at the SAIA.

☞ **Further information : Vivienne Pearson**
✉ vivienne@saia.co.za

[Back to Index](#)

Request to participate in a short-term educational survey to be published in Finweek on 26 November 2009

The SAIA is collaborating with Finweek on a short-term insurance educational survey that will be published on 26 November 2009. The survey will contain information of the various options of short-term insurance focusing on motor, home, household contents, and travel insurance; how to assess insurance needs; and the do's and don'ts of short-term insurance, especially ahead of the summer holiday period.

As the SAIA is a section 21 not-for-profit company, we are dependant on our member companies' advertising support in this survey. The survey will be an excellent marketing opportunity for SAIA member companies to raise their profile in this market, while supporting the SAIA to provide much needed short-term insurance education for existing policyholders on behalf of its members.

Angela Michael from Finweek will be coordinating the survey. She will be contacting SAIA member companies individually during early November 2009 to assist each company with its requirements for this unique opportunity. Her details are: Tel (011) 263 4817/ mobile 083 228 6866 and email: angela@finweek.co.za.

The SAIA urges members to participate in this worthwhile effort to educate current and potential customers with a view to contribute to a positive image and reputation of the industry.

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

[Back to Index](#)

SAIA Code of Conduct

The Task Team working on the proposed new SAIA Code of Conduct finished its important work, and the draft SAIA Code of Conduct was submitted to the SAIA Board Committee: Image and Reputation at its meeting on 27 October 2009. This Board Committee approved the draft SAIA Code of Conduct, with a few minor amendments. The draft Code will now be submitted to the SAIA Board at its meeting in November 2009 for final approval.

☞ **Further information : Vivienne Pearson**
✉ vivienne@saia.co.za

[Back to Index](#)

2009 SAIA Committee Lunch

The 2009 SAIA Committee Lunch will take place on Friday, 13 November 2009 from 12:00 for 12:30 at the Randpark Golf Club (Setperk Street, Randpark, Randburg).

The invitation was distributed on 20 October 2009 and invitees were requested to RSVP before Monday, 9 November 2009 by sending the RSVP form to amanda@saia.co.za.

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

[Back to Index](#)

Annual SAIA Board / FSB / National Treasury Liaison Lunch

The SAIA / FSB / National Treasury Liaison Lunch will take place at the Leriba Lodge in Clubview, Centurion (245 End Street) at 13:30 for 14:00, after the next SAIA/FSB/National Treasury Liaison meeting on Tuesday, 10 November 2009.

The liaison meeting is a quarterly meeting attended by the SAIA Board Chair and/or Deputy Chair and SAIA management. It has become customary that the last meeting of the year is followed by a lunch attended by senior officials from the FSB and National Treasury, as well as by the SAIA Board and management.

Delegates were invited by means of the SAIA Circular MD 2009/014 notification that was distributed on 20 October 2009 as well as with an invite distributed on 21 October 2009. RSVP forms should be emailed to amanda@saia.co.za before Friday, 30 October 2009.

We urge all SAIA Board members to attend this lunch if at all possible as it is the ideal opportunity to strengthen relationships with the key people at senior level at these two very important stakeholders for the industry.

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

[Back to Index](#)

5 GUEST ARTICLES

TransUnion: TransUnion launches new consumer website

TransUnion has launched a new consumer website with enhanced features to provide credit education, assistance and servicing for consumers across the country.

The revamped website is designed to serve as an important access point for South Africa's 17.6 million credit active consumers, a population that TransUnion is focused on making more aware of their credit status in the months and years ahead. The website is also intended as a way for not-yet-credit-active consumers to learn more about the important role credit can one day play in their lives and how they, in turn, can responsibly manage their use of credit when that time comes.

"Hard as it is to imagine, many South Africans don't even know that they have a credit report on file," said Chris van Rensburg, Executive of TransUnion Interactive, "That's why we're dedicating significant resources to make consumers aware of their credit status by providing access to a free credit report once every 12-months via our website and by actively promoting that accessibility through our marketing efforts. We are driving the number of free credit reports going to market and have set a target of 500 000 by the end of 2010."

In addition to viewing your credit report, mytransunion.co.za, features an expanded list of products services, educational resources and a new user-friendly format that makes it easier for consumers to get the answers and information they seek. It also gives consumers access to information they need to ensure trouble-free buying or selling of a motor vehicle, including verification and valuation reports.

For more information, visit www.mytransunion.co.za.

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

☎ **Further information : Jenny Theunissen**
✉ jtheunissen@transunion.co.za

[Back to Index](#)

INSETA: Employment equity could be hampered by the recession

Data just released by the Insurance Sector Education and Training Authority (INSETA) has revealed that the insurance sector in South Africa is largely weathering the worst effects of the economic recession – but there is still a danger that transformation imperatives could be put on the back-burner as training budgets are cut.

This poses a potential threat to employment equity in the sector and INSETA is moving to ensure the empowerment agenda remains a top priority, even during tougher economic times, said INSETA CEO Sharon Snell.

“Our recently released Sector Skills Plan (SSP) report shows that the recession has hit the insurance industry unevenly – the general trend across the sector is one of growth and employment stability, however, some of the major global companies have reported retrenchments.

“In addition, the full effects of the recession are still not 100% clear and the industry is understandably taking a cautious approach. This means that many companies have frozen new appointments, cut back on training budgets and are even scaling down training programmes or putting them completely on hold for the time-being, which obviously poses a threat to employment equity in the sector,” said Snell.

The SSP serves as a comprehensive overview of the insurance sector in South Africa, including the demographics of its employee base, and indicates where training needs to be stepped up.

According to its data, the insurance industry – which accounts for 8% of the total employment in South Africa’s financial sector – has generally done well in terms of empowerment, but there is still a shortage of black talent, especially black females, in senior management positions.

“With reference to the scarcity of skills in the sector, there is a need for mostly African female workers in the management, professional and sales worker occupations. The degree of scarcity for managers and professionals becomes more serious for occupations requiring higher NQF Level qualifications,” said the Report.

Snell said that, significantly, this skills gap could only be addressed through sector-specific training programmes and by up-skilling existing employees – a key focus for INSETA.

“Despite higher graduation rates in recent times, and more people entering the sector, consultation with our stakeholders reveals that there remains a problem with the quality and appropriate qualifications of these graduates. Often they do not perform to expectation or are not work-ready,” explained Snell.

“This means that companies need to initiate training programmes to help new recruits reach the required level, or to help existing employees make the leap to more senior roles,” she added.

“INSETA’s top priority, in response to the Report, will now be to accelerate funding for training to push forward the transformation agenda in the sector,” said Snell.

“It must be noted that companies have spent a lot of money and have generally done quite well in terms of employment equity. The danger is that now, with less money around, they will not place training and transformation too high on the agenda. We want to ensure this does not happen and will be accelerating our funding in response to this concern. After all, skills development is a key driver of transformation in the sector, and we want transformation to quicken, not lose momentum,” Snell said.

Mutual & Federal is but one INSETA member that is continuing to prioritise skills development during the tougher economic climate. Their success proves that with INSETA’s support, companies need not cut back on training at this time.

Hannes Smith, Group Manager Human Capital Development at Mutual & Federal, said the company has made “optimal use” of INSETA’s support in recent months to continue its training, which is managed independently within the company.

“INSETA’s support has continued to help us during this uncertain period and we are using our relationship with them to train and develop a pool of talent who are ready to work at Mutual & Federal,” said Smith.

“Our strategy for skills development is closely aligned with INSETA’s and we have no plans to cut back on our training,” he said.

Smith added that between April 2008 and April 2009, Mutual & Federal had trained 255 people – mainly black unemployed matriculants – on their in-house learnership and internship programmes. Of the 255, 180 were given permanent employment at the company. The company has also shown commitment to training and hiring more people with disabilities, he said.

Other key findings from the SSP highlighted that the insurance market in South Africa is extremely saturated, and that any future growth will have to come from the lower end of the market – a traditionally difficult market for insurance companies to break into.

“Another trend brought about by the economic downturn is that many insurance sector workers – particularly those in commission-based sales positions – would be earning less money, even if their job positions remained relatively secure,” said Snell.

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

☞ **Further information : Sebolelo Mabye**
 ✉ sebolelom@inseta.org.za

[Back to Index](#)

6 PRESS CLIPPINGS

Publication	DN	Subject
Cover September 2009	#75446	Consumer Protection Act 68 of 2008 (‘The CP Act’)
Fire Protection September 2009	# 75996	Association news: Chairman’s report
Money Marketing September 2009	# 76001 # 76002	Short-term survey: <ul style="list-style-type: none"> • Motor vehicle crashes more damaging than vehicle crime • Santam addresses the challenges facing the short-term insurance industry
RiskSA 2009	# 75537	<ul style="list-style-type: none"> • New SAIA strategy: SAIA made good progress by implementing the new strategy as identified by the SAIA board in 2007/08 • Fighting the Impact of crime on short-term insurance costs
Nose week September 2009	# 74322	Updates: Pair used INSETA as ‘personal piggy bank’
Business Report 1/09/09	# 74703	National Health Insurance (NHI) to rely on income tax and VAT to succeed
Business Day 1/09/09	# 74705	New Corporate Governance: King 3 tightens rules for nonexecutives
Business Day 1/09/09	# 74706	National Health Insurance (NHI): Private healthcare ‘likely to implode’
Business Report 2/09/09	# 74730	National Health Insurance (NHI): parliament to grill private schemes over exclusivity
Business Report 2/09/09	# 74733	Bonita’s opposes single-payer National Health Insurance (NHI) system
Business Report 2/09/09	# 74734	Road Accident Fund (RAF): New accident fund ‘to end lawyers’ greed’
FAnews 2/09/09	# 74725	The climate risk challenge -The role of insurance in pricing climate-related risk
Business Report 3/09/09	# 74735	National Health Insurance (NHI): Who speaks for BHF in health insurance debate?

Star 3/09/09	# 74736	Medical schemes council awaits clarity
Business Day 3/09/09	# 74737	National Health Insurance (NHI): Discovery keeps the recession at bay
Business Day 3/09/09	# 74738	National Health Insurance: State sets a tight deadline for national health plan law
Business Day 3/09/09	# 74739	Insurers cagey over National Health Insurance (NHI)
Business Day 3/09/09	# 74740	Recession may drive consolidation in medical scheme industry
Financial Mail 4/09/09	# 74843	Santam: Hedging builds solid base
Business Day 7/09/09	# 74831	State of the market: Insurance industry holding up well
Business Day 8/09/09	# 74830	Accounting standards: Firms face new wave of accounting rules
Beeld 10/09/09	# 74973	Consumer Protection Act: Verbruikerswet gaan partye meer vir premies laat opdok
Star 10/09/09	# 74965	Ambitious plan to roll out National Health Insurance (NHI) soon
Business Report 10/09/09	# 74962	State of the market: Insurers concerned at losses of small firms
Star 14/09/09	# 75115	Negative implications of National Health Insurance(NHI) hidden from public eye
Business Day 15/09/2009	#75148	State of the market: Shrink in short-term insurance 'worrisome'
Business Day 15/09/2009	#75149	Consumer Protection Act: Insurance firms urged to align with new act
Citizen 15/09/2009	#75150	Towing industry: Tow truck operators under fire
Beeld 17/09/2009	#75193	Santam Ecocentric Journey Conference: Business is "sleeping" when it comes to climate change – insurance industry especially will suffer –droughts / storms etc: Sake 'sit en slaap' oor klimaatsverandering
Star 17/09/2009	# 75211	Pebble Bed Modular Reactor (PBMR): Fleet of nuclear reactors will power SA
Beeld 17/09/2009	#75192	Staat trap rem met Pebble Bed Modular Reactor (PBMR)
Business Report 17/09/2009	#75200	US to co-operate in Pebble Bed Modular Reactor (PBMR) development
Business Day 17/09/2009	#75201	Hogan positive about Pebble Bed Modular Reactor (PBMR) in SA
FAnews 21/09/2009	#75294	Sasria celebrates its 30 th by paying tribute to the "Class of 76"
FAnews 22/09/2009	#75322	SAIA: Short-term insurance focus for 2010
FAnews 23/09/2009	#75335	SAIA: An early start to your 2010 networking programme
Business Report 22/09/2009	#75328	Stolen vehicle recovery: Recovery terms of stolen vehicles 'anti-competitive'
Financial Mail 25/09/2009	#75440 # 75441 # 75442	Corporate report: Deneys Reitz: <ul style="list-style-type: none"> • New Companies Act: A clearer direction • Insurance regulations: Tightening process • New Companies Act: A class act
Financial Mail 25/09/2009	#75443	OUTsurance: Advertising: Sneaky withdrawal

Sunday Times, Business Times 27/09/2009	#75403	<u>Ombudsman for Short-term Insurance:</u> Care of your home is not insurer's job
Business Report 29/09/2009	#75409	<u>Pension funds</u> fail scorecard test
Business Report 29/09/2009	#75410 #75411	<u>Specialist underwriters:</u> <ul style="list-style-type: none"> • Weathering the claims storm • Impact of Consumer Protection Bill on insurers
Beeld 30/09/2009	#75427	<u>Alcohol Testing Centre:</u> Gauteng kry sy 2de toetsentrum wat drank gou raaksien
Business Day 30/09/2009	#75429	<u>Road Accident Fund (RAF):</u> Road victims want to join case
FAnews 30/09/2009	#75757	Public Private Partnership Launches <u>Alcohol Testing Centre</u> in Randburg

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

7 RADIO, TELEVISION ONLINE AND OTHER COVERAGE

Radio 2000

Live telephonic interview with SAIA and BACSA on drunk driving and the implementations of driving under the influence (post the Alcohol Testing Centre Opening end of September).
 20 October 2009

FA News (Online)

30 September 2009

Public Private Partnership launches Alcohol Testing Centre in Randburg

Lotus FM

30 September 2009

Dragar Centre

Money Marketing

30 September 2009

Motor vehicle crashes more damaging than vehicle crime

RSG

30 September 2009

Dragar Centre

Daily Sun

1 October 2009

Now its war on drunk drivers

Sowetan (Late Final)

1 October 2009

Drunk Drivers Beware

Sowetan (Online)

1 October 2009

Drunk drivers beware

Soweto TV

1 October 2009

Dragar Centre

Star

2 October 2009

Booze testing centre opened in Randburg

Auto Dealer (East, North East, North West, North, South and West)

5 October 2009

Drunk-driving cup runneth over

Randburg Sun

9 October 2009

Alcohol testing station opens

☞ **Further information on the above-mentioned coverage : Sonja Etsebeth**
✉ sonja@saia.co.za

8 CIRCULARS

The following circulars were issued during the month of September 2009: (Number of circular, title, date issued and contact person)

SAIA

SG 2009/052 Regulation 4, Section 45 of the Short -Term Insurance (Act 53 of 1998) Register of the Status of Credit Intermediaries (1/09/09)
Contact: Princess Mlambo

SG 2009/053 SAIA FSC Consumer Education 2008/9 Initiative – Final Report (1/09/09)
Contact: Adèle Joubert

AMUSA

AM 2009/051 Countries under United Nations Sanctions (7/09/09)
Contact: Barry Scott

AM 2009/052 Casualty Report: mv “SELI 1” (8/09/09)
Contact: Barry Scott

AM 2009/053 Casualty Report: “PACIFIC” (21/09/09)
Contact: Barry Scott

AM 2009/054 Casualty Report: “CEMREM” (29/09/09)
Contact: Barry Scott

SAIA MD (Managing Directors)

MD 2009/012 SAIA FSC Consumer Education 2008/09 Initiative – Final Report (1/09/09)
Contact: Adèle Joubert

MD 2009/013 SAIA Board Minute 4 August 2009 (2/09/09)
Contact: Barry Scott

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

[Back to Index](#)

IMPORTANT NOTICE

Should you know someone 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
www.saia.co.za



COPYRIGHT WARNING NOTICE

Copyright subsists in this Bulletin. No part of the Bulletin may be reproduced, transmitted or downloaded in any form or by any means, without the permission of SAIA. © 1999-2009

#76072