COVER

Knowledge Shared

KEY FACTORS THAT MATTER TO FINANCIAL ADVISERS

Florbela Yates, Managing Director at Equilibrium takes a look at theses key elements.

THIS IS FREEDOM – SANTAM'S NEW CAMPAIGN

Explore Santam's new campaign, "Live in the moment, not in the worry," with Nondumiso Mabece.

CPD ACCREDITED

ADAPTING TO THE FUTURE

TECHNOLOGY, RISK MANAGEMENT, AND INNOVATION IN INSURANCE

OCTOBER EDITION

Renasa has always been the brokers' best friend.
Our entire business focus is exclusively on helping our intermediaries outcompete their competitors.

Now, as part of TIH, South Africa's powerful insurance group,
we commit to do even more for our brokers.

MAIN

STORIES

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Farming looks very different today. Shouldn't your insurance too?
As a market leader with over 105 years of experience and a nationwide infrastructure, you can count on Santam to adapt to whatever comes next.

To find out more about our agriculture insurance, speak to your intermediary or visit santam.co.za/products/agriculture.

santam

Santam is an authorised financial services provider (FSP 3416), a licensed non-life insurer and controlling company for its group companies.

EMBRACING THE FUTURE OF INSURANCE THROUGH TECHNOLOGY, RISK MANAGEMENT, AND COLLABORATION

By Tony van Niekerk

The insurance industry is at an exciting crossroads. We're seeing incredible advancements in technology, changing risk landscapes, and a growing demand for better, more seamless customer experiences. With all this change, one thing has become crystal clear: we need to adapt. Whether it's through innovations like embedded insurance, better use of data, or smarter ways to manage climate risk, our industry has to evolve. And the way forward is through collaboration and embracing new opportunities together.

Take embedded insurance, for example—it's one of those things that just makes sense. Imagine insurance being so seamlessly integrated into everyday life that you hardly notice it. In her article, Charlotte Koep from Root, summed it up perfectly: "It's about where risks are created and where it makes sense to add insurance as an offering." By weaving insurance into the natural flow of transactions, we're not only simplifying things but also reaching people and markets that may have been left out before. It's all about meeting consumers where they are, and at the right moment, with the right coverage.

Of course, the role of technology doesn't stop there. As Graham Harvey from Cardinal pointed out in his article, every business is now a technology business—including insurers. The ability to tap into business intelligence (BI) tools is a game-changer. With these tools, we can make smarter, faster decisions that improve the way we serve our clients. It's all about harnessing the power of data to stay competitive and, more importantly, to give customers what they really need.

But while innovation is key, we can't lose sight of the very real risks that we're facing. From the growing impacts of climate change to the ever-present threat of cyber attacks, our world is becoming more unpredictable. As Volker Von Widdern from Riskonet Africa states in his article: "Businesses and local governments must be proactive in managing these risks." It's not just about protecting the bottom line; it's about building resilience—whether that's through better infrastructure, preparedness, or continuous planning for the unexpected.

And then there's cybersecurity, which is on everyone's mind right now. With 65% of companies experiencing a cyber attack in the past year (according to Graeme Huddy from Mobius Binary), it's clear that we need to step up our game. The insurance industry has a big role to play here, both in terms of offering the right protections and educating our clients on how to safeguard themselves.

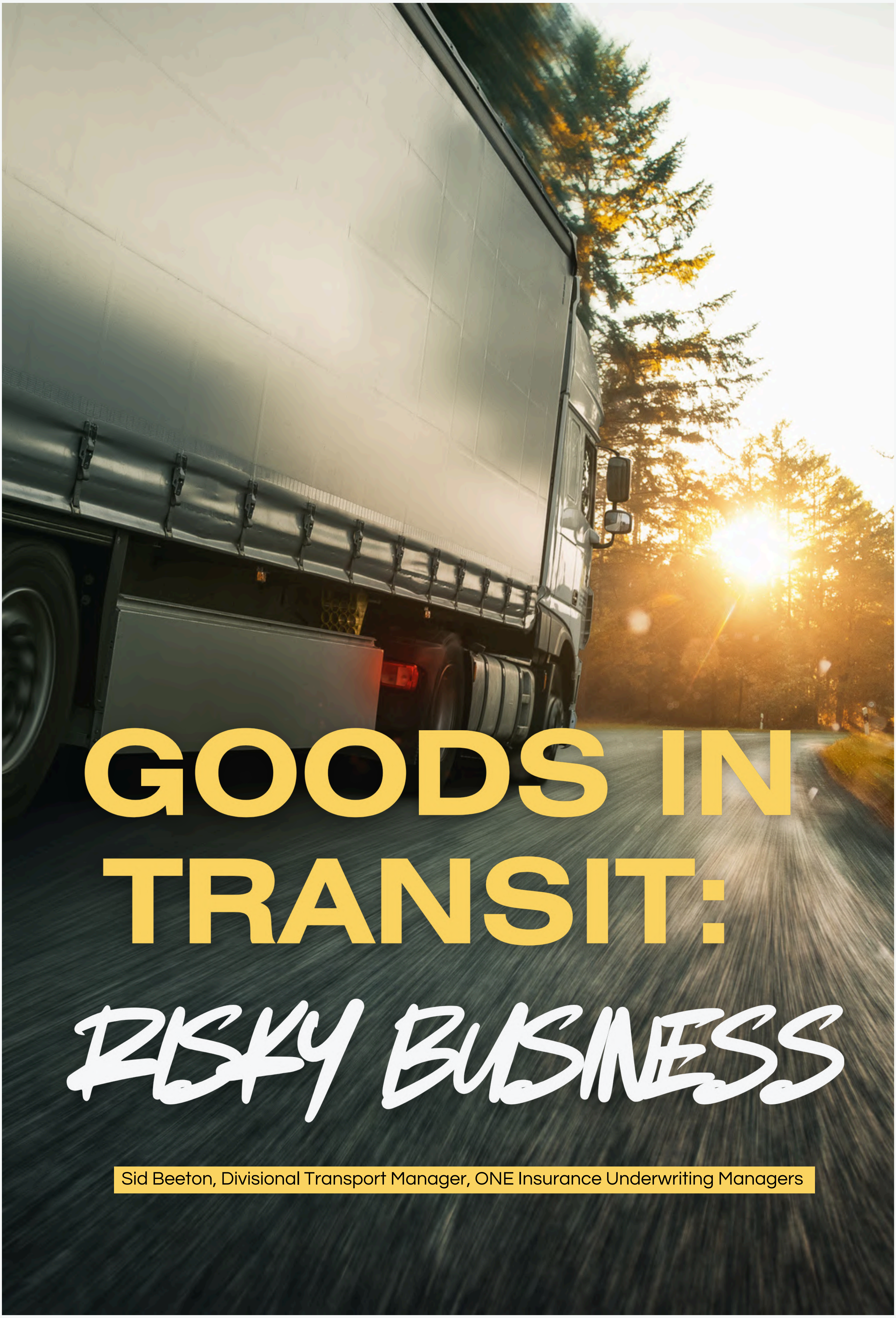
So, what's the takeaway? It's simple: the future of insurance is all about embracing change. We need to leverage technology, tackle the big risks head-on, and keep the customer experience front and center. By doing that, we're not only future-proofing our industry but also helping to build a more inclusive and resilient world for everyone.

Tony Van Niekerk, Editor & Chief at COVER Magazine

GOODS IN TRANSIT

“ Transport of highly valuable cargo by road is fraught with risk of theft by highly sophisticated syndicates... Load values run into millions, and most long-haul transport is undertaken by a single driver who is an easy target.”

Sid Beeton, Divisional Transport Manager, ONE Insurance Underwriting Managers



GOODS IN TRANSIT: RISKY BUSINESS

Sid Beeton, Divisional Transport Manager, ONE Insurance Underwriting Managers

One only has to see the long snaking line of tipper trucks carrying coal to Richards Bay to realise that Rail as a means of transport has almost completely collapsed and that the only way to ensure that commodities reach their destination is through our vast network of roads and Road Transport companies.

Transport of commodities and goods by road is not without its challenges. Some of the risks associated with Road transport are the following:

High Levels Of Crime

Even with state-of-the-art telematics and high-level communications between driver and operational control rooms, the transport of highly valuable cargo by Road is fraught with risk of theft by highly sophisticated syndicates who target cargo carried by road.

Load values run into millions and most long-haul transport is undertaken by a single driver who is obviously an easy target.

With the current level of extortion in the country, drivers must be particularly at risk as their family and own lives are easy targets so even if drivers are loyal, they might be forced to assist in load hijackings under threat from extortionists.

Target loads are copper and copper products including cables, electronics, cell phones, solar panels and other alternative energy components, tinned fish and other easily disposable foodstuffs although any load with commercial value is at risk.

Looting

Due to the high level of poverty and the lack of consequences for acts of violence and civil unrest, looting at accident sites has become commonplace. The result of this is that the average claims value has increased substantially. Even a small accident that causes very little damage to the load can become a total loss if there is no intervention at the accident site to prevent or stop looting by local communities .

Our claims division recently handled an incident where our insured client suffered a total burn out of the vehicle combination and load (insured elsewhere) when SAPS intervened at an accident site to stop looters, who then responded by setting the vehicle alight. The result was a total loss claim of vehicles and load running to R6million for a single loss event.

Even a breakdown on route can result in the looting of the load so vehicle maintenance and early response to such incidents are vital risk mitigation factors.

Vehicle accidents

This is the biggest cause of Goods in Transit insurance claims. During the lockdown as a result of the Covid epidemic, there was an exponential growth in online shopping and this led to the growth of Courier and Overnight Express Transport enterprises. The consequence of this development is that the level of road traffic that travels throughout the hours of darkness has increased and

Sid Beeton, Divisional Transport Manager, ONE Insurance Underwriting Managers

that brings in the factor of the effects of fatigue, not only of your own driver but also other motorists. Through our close association with a Telematics supplier, we see hundreds of interventions monthly where their control room interacts with drivers that are identified as suffering from fatigue, which is flagged by in-cab camera technology. As looting often follows an accident, particularly at night, prevention is vital to avoid these large loss events.

Load-shift

As most GIT and Marine insurers exclude losses that are caused by inadequate securing of the load, it is vital to ensure that the load is secured to a sufficient extent to withstand the normal hazards of the road which includes protection against poor road surfaces such as potholes and other road hazards such as the poor condition of secondary routes. We have found that some Transporters believe that Curtain Sides on Trailers are sufficient securing of the load, which is obviously not the case as the weight of a load against Curtain Sides will result in breaking of the securing clips or tearing of the canvas.

In many instances, customers secure the load themselves and on certain commodities such as alcoholic and non-alcoholic beverages which have many drop-offs points during a single consignment delivery, the load is not completely tied down as this would interfere with the efficient and timeous delivery. For such exposures, it is important to negotiate adequate load shift cover that considers the level of protection against load shift, which might not withstand the normal road hazards.

Climate Change

Extreme weather in our country has become more commonplace and the levels of protection against the ingress of water into loads needs to be improved to prevent rejection of wet load claims. We find amongst our client base that this is the most common cause for rejection of load claims. Consideration is given when the event is so extreme that even the highest levels of protection against weather related losses cannot prevent some level of penetration of rain /water into the load .

earnix

Unified Pricing, Rating, and Underwriting for Profitable Growth

The Innovation Platform for the Insurance Industry

<30
Minutes to change a pricing rule

+12x
Faster quoting

+22%
Policy revenue generation

+14%
Quote conversion rate

"The Earnix Rating Engine stood out with its ability to robustly integrate rating and pricing processes across Hollard. With the Earnix platform we expect to benefit from improved pricing controls, with real-time model deployment agility, in-platform modeling capabilities and advanced scenario planning features."

Michael Cheng
Chief Risk & Underwriting Officer, Hollard

Let us help you with your goals

Regular replacing of tarpaulins and constant maintenance on trailers and curtain sides plus additional covering of the actual load in addition to first line protection by load coverings and protections are the only risk mitigation factors.

The role of Telematics

As can be seen from the list of perils that face every load that ventures out into our road network, risk prevention and mitigation are vital requirements to reduce and control the financial loss that results from loss or damage events.

These are some of the Telematics options that are available :

- Technology that causes fuel starvation when Hijackers use signal jamming to interfere with the transmission of location data
- Route planning and reporting on route deviation of entry into No-go areas.
-
- In cab communications and panic button activations
- Trailer unlink notifications
- Independent trailer tracking units that have long life batteries
- Inexpensive passive load tracking units that can be secured to cargo
- Live camera feeds both in-cab and at strategic points on trailer and truck bodies or at cargo doors to prevent partial load thefts
- Fatigue camera technology that reports on common signs of driver fatigue
- Facial recognition technology
- Reporting on cell phone usage by drivers whilst driving, a major cause of accidents
- Reporting on unauthorised passengers.

Other forms of risk mitigation

Whilst the use of telematics can greatly reduce the risks associated with Road transport of goods by road, there are other risk control options such as armed guards either on the vehicle combination or in escort vehicles, travelling in convoys and the securing of accident sites by early deployment of Security companies.

Road transport is here to stay and will remain the first choice of goods distribution in South Africa and into our neighbouring countries for the foreseeable future.

NAVIGATING THE COMPLEX WORLD OF HCV AND GIT

Curtis Davey, Divisional Director at Natsure Underwriting Managers

The world of heavy commercial vehicles (HCV) and goods in transit (GIT) insurance is a vital yet often misunderstood aspect of the insurance industry.

It plays a crucial role in ensuring the smooth functioning of transportation and logistics, which are the lifeblood of many economies. Over the years, the industry has seen significant changes, and as someone deeply involved in this sector, I'd like to shed some light on the current trends, challenges, and opportunities within this fascinating field.

The evolving landscape of heavy commercial vehicle and goods in transit insurance

Over the past two decades, the transportation industry has undergone tremendous growth and transformation, primarily due to infrastructure limitations in alternative transport methods such as rail. The result has been an increase in demand for HCVs to move goods across long distances, making GIT insurance a crucial aspect of the industry. One of the most significant changes I've observed is the growing emphasis on risk management within the fleet owners' operations.

In the past, fleet owners often neglected risk management strategies, and if they faced problems with their insurance, they would simply switch to another insurer. However, this approach has evolved. Nowadays, insurers have tightened their criteria, making it harder for insureds to jump from one provider to another without addressing underlying issues. As a result, fleet owners have started to implement robust risk management measures, such as telematics, cameras, and other technologies, to improve their operations and reduce potential losses.

This shift towards greater risk management has had a profound impact on how we, as underwriters, assess and price insurance for HCVs and goods in transit. We no longer rely solely on a proposal form or a simple assessment of loss ratios, as was common in the past. Instead, we take a much more comprehensive approach.

We now examine how fleet owners manage their operations, including how they train their drivers, monitor fatigue levels, and maintain their vehicles. Additionally, we assess the technology they have in place—telematics systems, tracking devices, and onboard cameras—to gain a deeper understanding of their risk profile. These tools provide valuable insights into driver behavior, vehicle usage, and potential risks, allowing us to offer more tailored pricing and coverage options.

Moreover, we pay close attention to the type of vehicles in a fleet and the availability of spare parts. For example, if a fleet relies on imported vehicles with limited access to replacement parts, this can significantly drive up the cost of repairs and claims. By taking these factors into account, we can ensure that we provide appropriate coverage that reflects the actual risk exposure.

Assessing Full Value and Claims

When it comes to determining the value of a loss in the event of an accident or claim, we rely on a combination of documentation and technology. For GIT insurance, we use load limits specified by the insured to determine the maximum value covered during transit. In the event of a claim, waybills, loading weights, and other documentation help us verify the actual value of the goods at the time of the loss.

For HCVs and trailers, we determine the value based on retail values from trusted sources such as TransUnion. This approach ensures that we accurately assess the value of the vehicle or goods being transported and provide fair compensation in the event of a loss.

The Rising Challenge of Looting and Security Risks

One of the most pressing challenges facing truckers today is the risk of looting, especially when trucks are involved in accidents or breakdowns near residential areas or informal settlements. It's a distressing reality that, once a vehicle has been compromised, looting can occur within minutes, resulting in significant losses.

The lack of security on the roads makes it difficult for fleet owners to protect their cargo, and in many cases, drivers are left to fend for themselves. This situation is far from ideal, as it exposes drivers to potential harm and increases the likelihood of complete loss of goods. While tracking systems and telematics can help monitor routes and alert fleet managers of deviations, they are not always enough to prevent looting once an incident occurs.

Given the limitations of our current security infrastructure, fleet owners must be proactive in managing their risks. This includes using technology to create safer routes that avoid high-risk areas and employing real-time monitoring systems to track their vehicles' movements. Unfortunately, even with these measures in place, looting remains a significant challenge that the industry must continue to address.

The Vital Role of Brokers

Brokers play a crucial role in the value chain of HCV and GIT insurance, acting as the primary point of contact between insurers and fleet owners. They add value by educating clients about the various risk mitigation strategies and insurance options available to them. A knowledgeable broker can make a significant difference in helping a fleet owner implement effective risk management measures, such as installing cameras or telematics systems to monitor driver behavior.

Brokers also serve as an essential link in communicating with fleet owners about the importance of these measures. By providing clients with insights into driver behavior—such as speeding, harsh braking, or excessive cornering—they can help fleet owners identify and address potential risks before they result in costly claims. This proactive approach not only helps clients manage their risks but also supports insurers in maintaining more sustainable loss ratios.

Despite the challenges, there is still ample opportunity for growth in the HCV and GIT insurance industry. With the rail infrastructure struggling to keep up with demand, the reliance on road transportation will continue to increase. This creates opportunities for insurers, brokers, and fleet owners alike to expand their operations and explore new ways to manage risks.

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We are seeing a surge of new entrants in the industry, many of whom are securing business from larger contractors. This dynamic environment offers brokers a chance to develop new relationships, offer value-added services, and help clients navigate the complexities of risk management in the trucking and goods in transit space.

The heavy commercial vehicle and goods in transit insurance industry is an ever-evolving landscape filled with challenges and opportunities. As fleet owners become more sophisticated in their risk management strategies, and as brokers continue to play a vital role in guiding their clients, the industry is poised for growth and innovation.

At Natsure Underwriting Managers, we remain committed to adapting to these changes, offering comprehensive solutions, and working closely with brokers and clients to ensure they are well-protected in an increasingly complex world. By staying ahead of emerging trends, implementing effective risk management strategies, and embracing technology, we can continue to thrive in this dynamic and essential sector of the insurance industry.

STAYING AHEAD OF THE STORM

Our three-prong method

Tyler Botha, Head of Claims, VAPS Insurance

In a country riddled with crime, failing SOEs, growing population, and a weak currency, how can we as Transport insurers keep our heads above water? As Transport specialist insurers, we pride ourselves on staying in touch with the transport industry and the challenges they face. We have learned to adapt to the challenges and overcome them.

Underwriting and onboarding a client

We believe one of the most important rules to follow is to work as a team; insurer, broker, and client together. The days of underwriting a specialist product like a transporter policy without understanding the client's risk and challenges are gone. One can only supply the best policy and management of this policy by truly understanding the risk, and this is only possible if you work with your brokers and clients.

Monitoring and tracking

Then we get to an active policy, and it is all about monitoring. This needs to happen from all sides. As an insurer, we need to constantly monitor the policy and assist if the policy is not performing. The sooner action is taken, the better. This helps smooth the corrective action process, making sure clients do not suffer major financial loss.

Monitoring of drivers is essential. Trucks are getting more expensive, and there is extreme poverty in our country, so this leads to theft, and often drivers are involved. Monitoring of drivers also helps to ensure good behaviour whilst driving, reducing the risk of an accident.

The best way to do this monitoring is by using the vast variety of camera systems and AI that is available to clients. These systems also help us as insurers with 3rd party recoveries and liabilities.

Claims and cost control

As an insurer, we understand regardless of the risk and risk management, claims will happen. The trick is how to deal with claims when they occur. At VAPS, we believe in being efficient, economical, and making sure the standard remains high. This is why we only use specialised repairers, assessors, towing operators, and GIT agents. When you apply this type of procurement, you minimise claim leakage; this benefits the insured as well as stakeholders. As a UMA, we make sure we are hands on and oversee all processes in VAPS. This helps us micromanage a policy ensuring the best results.

Transport and Transport insurance are facing hard times, and at VAPS, we have mastered the art of specialised underwriting and procurement. Through this, we believe that this will carry us through hard times together.


Tyler Botha, Head of Claims, VAPS Insurance

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SHORT TERM

“ Santam’s latest campaign is about encouraging people to embrace the freedom to seize every day, knowing that they have the protection and security they need.”

Nondumiso Mabece, Head of Brand, Santam Insurance

THIS IS FREEDOM

SANTAM'S NEW CAMPAIGN

Tony van Niekerk, Editor and Chief of COVER

In a recent interview, I had the pleasure of speaking with Nondumiso Mabece from Santam, about their exciting new campaign and how it is transforming the way they engage with their clients.

This conversation illustrated the insurance industry's evolving landscape and how Santam is taking bold steps to ensure they remain a trusted partner for their clients. Their new slogan, "Live in the moment, not in the worry," perfectly captures the spirit of this transformation.

The Importance of Personal Relationships in Insurance

One of the key themes that emerged from my discussion with Nondumiso was the importance of establishing strong, transparent relationships between brokers and clients. In an industry often perceived as complicated and impersonal, Santam is committed to breaking down these barriers by making insurance more accessible and easier to understand.

Nondumiso emphasised the crucial role brokers play in the insurance process, serving as a bridge between Santam and their clients. "The interaction with a broker is so important," she explained. "It allows clients to sit down and discuss their needs, from home contents and vehicle insurance to other assets. Having that relationship with a broker ensures that clients have a clear understanding of what their insurance policies entail."

Brokers play a vital role in demystifying insurance for clients, especially when it comes to complex documents filled with technical jargon. Santam recognises that the average person can easily get lost in translation, and that's where the broker steps in—to simplify things and provide clarity. This ensures that clients not only understand what their policies cover but also know what they need to do from a risk management perspective, such as securing their homes or maintaining their properties.

The New Campaign: 'Live in the Moment, Not in the Worry'

Santam's latest campaign, centered around the slogan "Live in the moment, not in the worry," reflects the company's commitment to helping clients experience life without the constant anxiety of what could go wrong. Nondumiso shared that this campaign is about encouraging people to embrace the freedom to seize every day, knowing that they have the protection and security they need.

The campaign features a range of advertisements that will be broadcast across various media platforms, including television, radio, digital media, and billboards. What is particularly exciting is that the campaign will be available in multiple languages, such as Afrikaans, Zulu, Sotho, and Xhosa, making it more inclusive and accessible to South Africa's diverse population.

One of the standout advertisements showcases a farmer who is initially anxious about an impending storm and the potential damage it could cause to his crops. However, he soon realizes that he's at his daughter's wedding, surrounded by family and friends, and decides to be present in that moment rather than worrying about what is happening back at the farm. This ad perfectly embodies the message that Santam wants to convey—insurance is there to provide peace of mind so that clients can focus on what truly matters.

Another advertisement in the campaign focuses on small businesses, which are the backbone of the South African economy. These ads highlight how Santam is there to support and protect small businesses, ensuring that entrepreneurs can concentrate on growing their ventures without being weighed down by the fear of potential risks.

The Role of Technology and Innovation in Santam's Transformation

Nondumiso also touched on the exciting changes happening within Santam as part of this transformation. While the new campaign is a significant step forward, there is also a focus on enhancing technology and innovation within the organisation. This dual approach ensures that Santam remains a forward-thinking company that not only understands its clients' needs but also offers modern, efficient solutions to meet those needs.

The shift towards digital media and advertising, for instance, reflects Santam's understanding of how today's consumers interact with brands. By reaching clients through various channels, including radio, television, digital platforms, and billboards, Santam ensures that their message resonates with a wider audience.

"We're looking at billboards, digital media, and a full advertising campaign that will run for several months," Nondumiso shared. "It's not just about the adverts themselves but about showcasing how Santam is evolving to meet the needs of our clients in a rapidly changing world."

Transparency and Simplicity: Key Elements of Santam's Approach
A recurring theme throughout our conversation was the emphasis on transparency and simplicity. Insurance can be a complex and often intimidating subject for many people, which is why Santam aims to make the process as straightforward as possible.

Nondumiso explained that part of Santam's strategy is to remove the "veil" that often exists between insurers and clients, making it easier for clients to understand their coverage and what they can do to manage their risks effectively. This approach not only fosters trust but also empowers clients to make informed decisions about their insurance needs.

"For example, if your home is covered, what does that entail? What do we need you to do from a risk management perspective?" Nondumiso elaborated. "It could be something as simple as ensuring your gutters are clear to prevent water damage. Our brokers help clients understand these aspects so that there are no surprises when it comes to their coverage."

During our discussion, Nondumiso highlighted the importance of supporting small businesses and the agricultural sector, which are both vital to South Africa's economy. Santam's campaign underscores its commitment to being there for small business owners, helping them navigate the uncertainties of running a business by providing comprehensive insurance solutions.

By offering tailored policies and guidance, Santam enables these entrepreneurs to focus on growing their businesses, knowing they have a reliable partner to fall back on when things don't go as planned.

Similarly, the advertisement targeting farmers serves as a reminder that Santam understands the unique challenges faced by those in the agricultural sector. In a country where weather patterns can be unpredictable and the impact of climate change is increasingly felt, having an insurance provider that truly understands these risks is invaluable.

Nondumiso Mabece, Head of brand, Santam Insurance

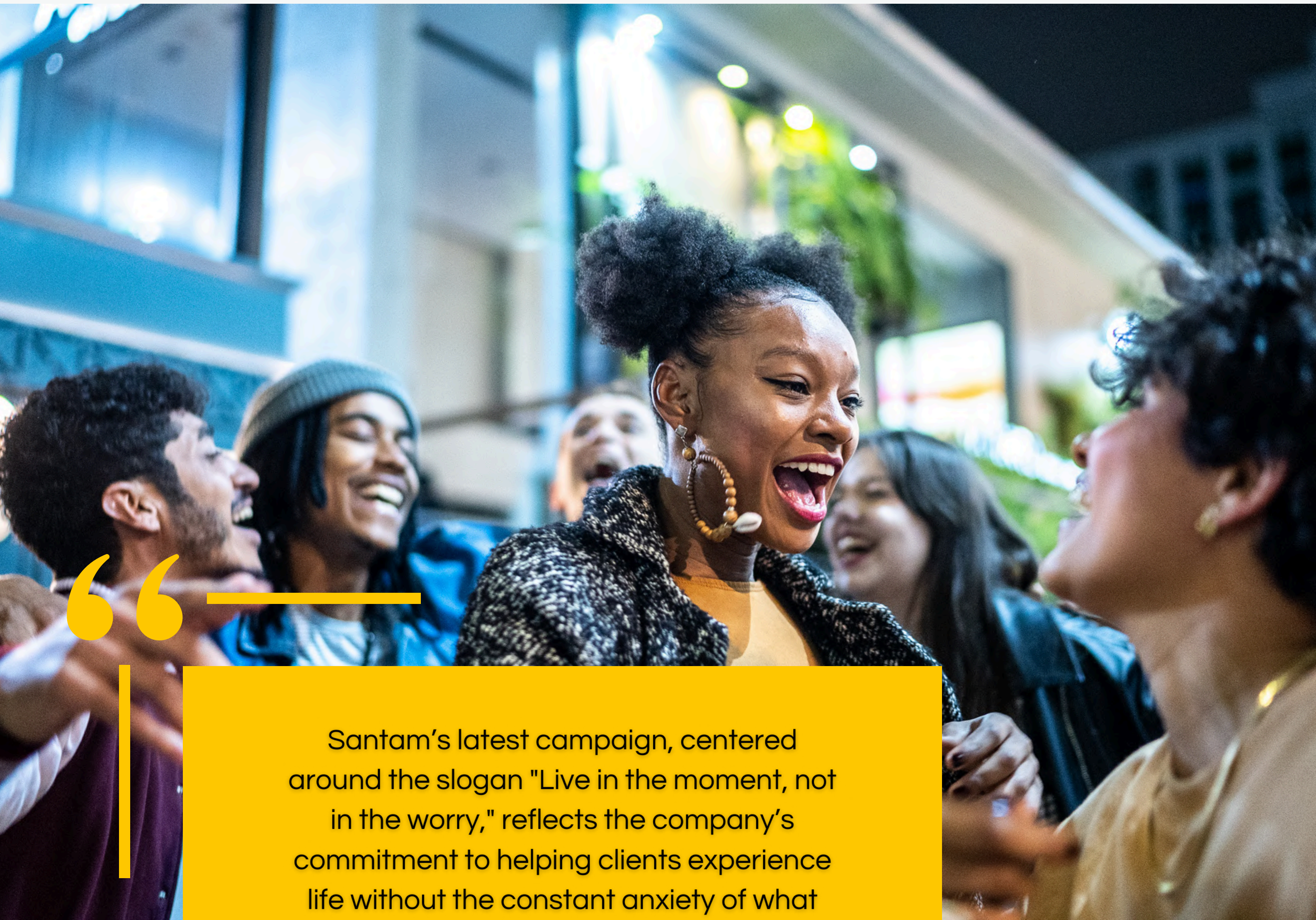
Living in the Moment, With Peace of Mind

As our interview drew to a close, Nondumiso reflected on the significance of Santam's new positioning. "We want our clients to have the freedom to seize every day, to live in the moment without the constant worry of what might happen. That is the kind of freedom that Santam is here to protect," she said.

This message is both powerful and timely, particularly in a world where uncertainty has become a constant in our lives. Whether it is protecting homes, businesses, or farms, Santam's mission is to provide the reassurance that comes from knowing that you are covered, no matter what.

My conversation with Nondumiso Mabece revealed how Santam is not only evolving as an insurance provider but also redefining what it means to be a trusted partner in safeguarding what matters most to their clients. By focusing on transparency, simplicity, and a deep understanding of their clients' needs, Santam is encouraging everyone to "live in the moment, not in the worry."

Whether you are an individual, a small business owner, or a farmer, Santam's message is the same: they are here to help you seize every moment, with the freedom and security you deserve.



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THE POWER OF STRATEGY IN A CONSTANTLY EVOLVING MARKETING LANDSCAPE

Elliot Schwartz, Founder and Principal, Elliot Schwartz Consulting

Marketing is often a world full of buzzwords, and one of the most frequently misused terms is "strategy."

I've seen countless businesses talk about strategy, but when you ask them to define it, what you often get is a description of a planning process. There's nothing wrong with that, but we need to dig deeper into the purpose of strategy, particularly in marketing. Strategy is about delivering consistent profitability—getting your customers to choose you over the competition and ensuring that decision is sustained over time.

Marketing is not just about selling a product. It's about creating the conditions that allow a business to sell effectively. Customers don't buy products they don't understand, and they certainly don't buy from people they don't trust. That's where strategy steps in. It's about aligning your business to consistently meet customer needs in a way that differentiates you from others. Whether through a unique product, a customer-centric approach, or a targeted focus on a specific customer group, differentiation is essential.

Understanding Customer Needs

To understand marketing's role in strategy, let's start by acknowledging this: people don't buy products for their own sake. Products are merely a means to an end. For instance, airlines sell seats on planes, but customers are buying transportation from point A to point B. Similarly, insurance is a tool to mitigate risk, and no one truly wants to buy insurance—they need it to protect their assets. It's crucial to understand why customers need your product and how it satisfies their specific needs.

The next step is understanding why they should buy it from you. There are generally three ways to differentiate yourself: through unique products, how you do business, or by owning a specific type of customer. Unique products are rare in most industries, including insurance, where many offerings are commoditised. So, you can stand out through exceptional service or by building a strong relationship with a specific customer segment. PPS, for instance, focuses on degree-holding professionals, owning that customer group by delivering tailored products that meet their specific needs. Their focus is on customer lifetime value, which means fostering long-term loyalty.

Executing the Right Strategy

The hardest part of strategy is not deciding what to do but what not to do. You can't go down multiple roads at once. Businesses must make hard decisions and sacrifice one opportunity to excel in

another. This applies regardless of the size of your business—whether you're a large corporation or a small broker. You need to focus on doing one thing exceptionally well.

For example, Renasa Insurance, a company I've advised for over two decades, built its business by focusing on one key segment: independent intermediaries. While their products may be similar to those of other insurers, their differentiation lies in how they serve brokers. Renasa developed a strategy centered on understanding and supporting independent intermediaries with technology and personal service. We didn't have a large marketing budget, so we focused on being consistent in our messaging, advertising consistently with key trade media outlets to ensure brokers knew who we were and what we stood for.

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The Value of Consistency

One of the biggest mistakes businesses make is constantly changing their marketing. Often, marketing managers or directors feel the need to put their personal stamp on the brand by revamping campaigns, logos, or slogans. While it may seem like a quick win, all it does is reset the hard-earned brand equity and trust you've built. Instead, consistency is key. It takes time to build trust with your audience. At Renasa, we've been using the same cartoon characters, Archie and Roger, in our advertising for 20 years. It's a strategy that has helped us build strong recognition in the insurance market, particularly with brokers.

In the end, brand building is not a short-term activity. It's about staying in the market consistently, not trying to time it. You need to hammer your message home over time in a way that resonates with your audience. While digital platforms have made it easier to test messaging and get immediate feedback, the fundamentals of marketing haven't changed. Customers need to know you, understand your offering, and trust that you'll deliver on your promises.

Conclusion

The fundamentals of strategy and marketing remain the same, even in an environment filled with new platforms and evolving tools. As businesses, we need to be clear on our unique value proposition, differentiate ourselves from competitors, and consistently deliver on that promise over time. For brokers and small businesses, focusing on what you do best and sticking with it will yield far better results than constantly chasing the latest trend or trying to be all things to all people.

In today's marketing landscape, those who succeed are the ones who combine a clear strategy with a relentless focus on execution. The world may change, but the principles of business success remain the same: deliver value, earn trust, and stay the course.

NAVIGATING THE RISKS OF SOUTH AFRICA'S CONSTRUCTION INDUSTRY

Sphamandla Stemela & Tshepo Mofubetsoana, Aon South Africa

In an industry beset with shrinking margins, rampant project delays and extortion, payment delays, serious price competition and increasing materials costs, South Africa's construction industry faces a challenging risk landscape, where appropriately scoped insurance and risk management are fundamental to survival and ensuring a sustainable business.

A concerning trend at the moment is the undercutting of insurance cover due to cost pressures. This is according to Sphamandla Stemela, a broker at Aon South Africa, who says that while the principal contractor takes full construction risk cover, sub-contractors are only securing minimal contractors' liability insurance instead of full cover.

"There seems to be a misinterpretation from many contractors on how liability is triggered, which can open a can of worms when the sub-contractor is operating on behalf of the principal contractor, not only during the construction period but also during the defects period," says Sphamandla.

"Principal contractors require confirmation of insurance before appointing a sub-contractor. We find that sub-contractors confirm insurance cover and request the policy wording or coupons to submit to the principal contractor as proof of cover, but then fail to pay the premiums or cancel the cover. On paper, everything looks above board, but these contractors are essentially entering a legal agreement with no cover in place that can have dire consequences down the line," Sphamandla warns.

Tshepo Mofubetsoana, senior broker at Aon South Africa's construction & engineering division, says the insurance industry has a great deal of ground to cover in stemming this trend and it starts with educating the parties involved on the risks they face, not just from a perils perspective but also from a legal point of view, where matters often end in a bitter and costly legal battle.

The insurance agreements put in place before the commencement of a project are often the only viable means of ensuring that a project stays on track. "The insurance aspect of a construction project is well documented during the risk management process and has influence as a means to guide risk during the design and feasibility of a project. Each participant in the project faces their own risks in the conduct of their business and it is imperative for each entity to carefully consider the risks that can be offset against insurance solutions and to implement an effective risk management programme that will protect assets, improve stability and long-term profitability, ultimately safeguarding future opportunities," Tshepo explains.

During this process, the magnitude of risk can often be indeterminate, but we can determine the proportion of real versus perceived risks, the monetary quantification of risks and the real import and the impact of a type of risk.

Aon highlights seven of the key risks the industry needs to consider:

1 Adverse weather

According to Aon's latest Client Trends Report, extreme weather and a changing climate are impacting many of the risks businesses face today. Organisations will need advanced climate and natural catastrophe models and expertise that can assess chronic and acute risks. The adoption of a robust Business Continuity Management (BCM) plan is key to addressing the issue and finding workarounds.

2 Cash flow or liquidity risk

Most construction work is done by sub-contractors who often lack the experience, resources and cash reserves of multinational contractors. When a principal contractor faces financial trouble due to a problematic contract or poor performance, it has a knock-on effect across suppliers, main contractors and especially subcontractors. It is also no secret that the construction industry has one of the longest payment cycles of all industries, creating risk at every level. Slow payments disrupt cash flow, increasing the risk of default, often leading to legal disputes from contractors and suppliers seeking unpaid amounts.

Common causes of payment disputes include:

- Work performance disputes
- Financing delays
- Change orders
- Back-charges

3 Contractual Obligations

Documentation errors or missed deadlines can lead to delayed payments and contractual disputes, especially when change orders are not properly vetted and approved, outlining the cost and schedule adjustment, before commencing with the work.

Contractual risk management provides a clear structured approach in addressing responsibilities to insure construction projects. Risk transfer using contractual liability is one of the most important risk management tools available to construction companies. Ideally, the parties, in their contract, will assign the risks and liabilities to the party best suited to manage and minimise the risks. It ultimately serves as a framework of the law between the parties involved and will establish which party has assumed or negated a particular risk in connection with the project.

4 Construction Mafia

The construction mafia refers to highly connected individuals or businesses within communities that extort a 'protection fee' or a percentage of the infrastructure cost from contractors or demand that associated members be recruited to work at the site. This trend is estimated to cost the South African economy R68b1 by delaying and even preventing construction projects by creating safety concerns for staff members on the ground. Building a robust Business Continuity Management (BCM) programme around this is key while adding clauses into contracts from a liability perspective.

5 Defect in design

From an engineering perspective, defect in design is usually tied to costly legal liabilities and can severely damage the reputation of the engineer(s) and/or construction companies involved. An example is a bridge that is not adequately designed to span a river or is not sufficiently enforced to carry the weight. Many construction companies are paying closer attention to contractual wording related to engineering contracts and are including liability clauses for defect of design, which in turn highlights the need for Professional Indemnity cover for professionals in the field.

6 **Specialised plant or machinery**

It refers to 'yellow metal equipment' which is designed and built for specific tasks or functions such as excavators, bulldozers and cranes. These types of equipment are often costly to manufacture and purchase, and they require specialised knowledge and training to operate. Needless to say, cover for these items often needs to be very specific and bespoke taking into account the replacement value of the item; especially in instances where a piece of equipment was designed to fulfil a specific need and cannot be easily replaced.

7 **Crime**

Construction materials procured for a construction project are subject to the risk of theft or damage to property, with materials such as copper wire and other high-value items frequently targeted. Many insurance policies are specific on how items need to be stored in addition to having security personnel on-site.

"Construction insurance needs to be more than just a tick-box exercise and it is at this junction where a well-rounded insurance and risk management program is intrinsic to the success of a construction project and the livelihood of the contractors involved. Speak to an insurance broker who will be able to advise on everything from contractual obligations through to current risk trends in the market to ensure that your next construction project runs smoothly," Tshepo concludes.

CHEMICAL SAFETY AND COMPLIANCE:

ESSENTIAL FOR RISK ADVISERS AND THEIR CLIENTS

Karen Rimmer, Head of Distribution at PSG Insure

Handling chemicals comes with significant risks, not just for the safety of employees but for maintaining comprehensive insurance coverage. For businesses that regularly work with hazardous materials, ensuring chemical safety and regulatory compliance is essential to avoid insurance claim disputes or repudiations. Failing to meet these requirements could have serious financial consequences. Here’s what risk advisers should be informing their clients to ensure they stay compliant, safe, and fully insured.

Compliance with Legislation

When advising clients, stress the importance of adhering to relevant legislation. This forms the foundation of both operational safety and insurance compliance. Insurers typically assess a business's adherence to laws and regulations when evaluating claims, making it crucial for clients to be fully transparent about their processes and chemicals used on-site.

Providing comprehensive and accurate information is not just best practice but a requirement for effective insurance coverage. Risk advisers should help clients understand and meet compliance requirements, guiding them through legal standards and making sure all chemical-related operations are fully disclosed to insurers.

Documentation and Licensing

Up-to-date licenses and permits are a must. Accurate documentation proves that a business complies with regulations, making it easier to navigate any potential claims process. As part of risk management, encourage clients to maintain regular fire safety checks, inspections, and accurate records to demonstrate ongoing compliance with both local and industry-specific legislation.

Demonstrating compliance is key. Keeping your licenses and permits current is non-negotiable when working with hazardous materials. Advisers need to ensure their clients are diligent in maintaining and updating these records.

Minimizing Risk

Chemical storage needs to be carefully managed, with premises equipped to handle hazardous materials. Risk advisers should help clients evaluate their storage facilities, considering factors such as fire protection systems, ventilation, and appropriate stacking of chemicals.

Improper storage of chemicals could lead to disaster, and insurers will look for evidence that best practices were followed when reviewing claims. Clients must adhere to building safety standards, with tailored fire suppression systems in place to mitigate potential risks.

Preparedness is Key

One area often overlooked by clients is contingency planning for spills and emergencies. As a risk adviser, ensure your clients have spill response strategies in place, including trained personnel, safety equipment, and access to spill response experts. Encourage them to provide ongoing training to staff and maintain the necessary safety equipment to handle emergencies swiftly.

Having contingency plans for chemical spills is non-negotiable. Risk advisers should check whether clients have adequate safety systems such as fire walls, separate storage areas, and proper ventilation systems, which all contribute to enhanced risk management.

Don’t Overlook Home Risks

Chemical safety extends beyond the workplace. Risk advisers should remind homeowners that common household products, including non-stick sprays, insect repellents, and pool chemicals, also present hazards. Improper storage can lead to accidents, fires, or even health risks.

One often-overlooked risk is leftover paint stored in the garage. These products are highly flammable and should be stored away from heat sources and direct sunlight. Advisers should stress the importance of keeping chemicals, especially flammable products, in a cool, dry, and well-ventilated area, to reduce the risk of fire or accidents.

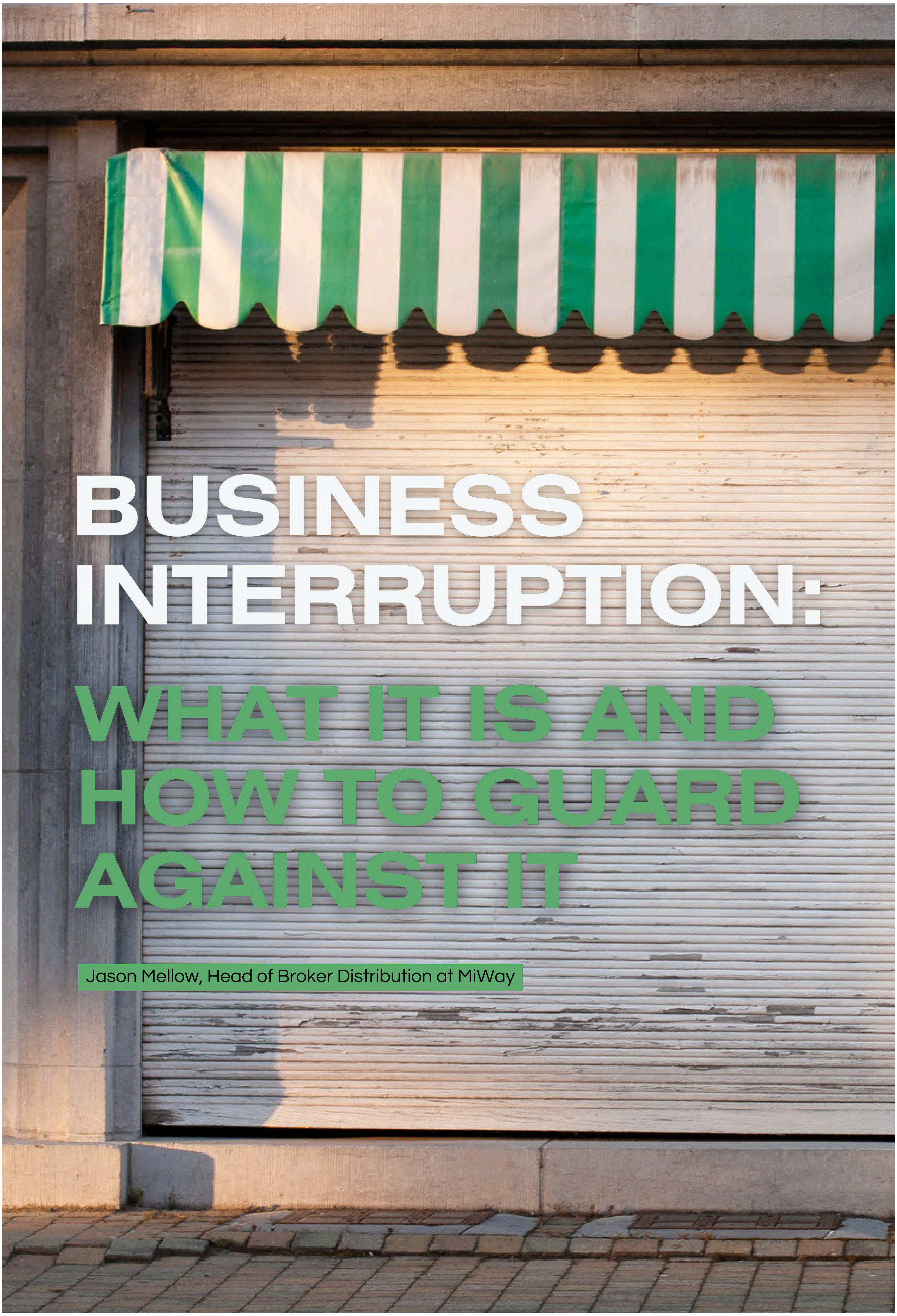
Engage Regularly with Insurance Advisers

The role of risk advisers is crucial in helping clients regularly review and update their insurance policies to reflect their current operations. Whether it's a business storing industrial chemicals or a household storing paint, insurance policies need to be tailored to their specific risks. Encourage clients to engage with their insurance advisers frequently, ensuring that coverage remains comprehensive and aligned with any operational changes.

Proactive engagement with insurance professionals is essential for ensuring adequate coverage. By prioritising safety and maintaining compliance, both businesses and homeowners can mitigate risks and be better prepared for any incidents.

Safety and Compliance Ensure Coverage

Risk advisers have a vital role in helping clients align their safety practices with insurance requirements. Ensuring compliance with legislation, implementing safe storage practices, and staying informed about insurance conditions are critical steps. For businesses and homeowners alike, safety and compliance don't just protect against accidents—they ensure that insurance coverage remains intact when it's needed most.



BUSINESS INTERRUPTION: WHAT IT IS AND HOW TO GUARD AGAINST IT

Jason Mellow, Head of Broker Distribution at MiWay

Running a business comes with its fair share of uncertainties. No matter how carefully you plan, there is always the risk of unforeseen events disrupting operations. These disruptions can range from minor setbacks to major events that halt business entirely, threatening your financial stability.

This is where business interruption insurance comes in. Business interruption insurance protects your business from the financial fallout caused by disruptions to operations. Unlike general property insurance, which covers physical damage to a business premises or equipment, business interruption insurance focuses on the loss of income and the additional expenses incurred while your business is unable to operate normally.

By covering the loss of revenue during a business closure, business interruption insurance ensures that you can meet ongoing expenses such as salaries, rent, and utility bills even when your business isn't generating income.

In cases where a business needs to temporarily relocate, the policy can also cover the additional costs incurred during the relocation process.

When it comes to what events business insurance typically covers, the list is extensive.

Businesses can claim for the impact of natural disasters like floods or earthquakes, fires, explosions, and even cyber-attacks. Coverage can also extend to events like government-mandated shutdowns, supply chain disruptions, or utility outages.

It's worth noting that policies may also cover civil disturbances, such as protests or riots, if these prevent access to your business premises. But not all policies are the same, so it's vital to clarify with your insurer exactly what is covered in your particular policy.
That said, there are some events that business insurance won't cover. It won't pay for physical repairs to property, which are typically covered by property insurance. Nor will it cover losses resulting from slower business periods due to economic downturns or decreased demand. Additionally, it does not cover losses caused by pandemics unless specifically included in the policy, which many insurers excluded following the COVID-19 outbreak.

To ensure your business has the right level of coverage, the importance of conducting a detailed risk assessment cannot be understated. Identify the specific risks your business faces, whether they're natural disasters, technological failures, or market-related issues. Then, calculate your potential revenue losses and ongoing expenses- both fixed and variable- to assess the financial impact of any operational standstill. Based on this evaluation, determine the right coverage limits and regularly review your policy as your business grows or changes to stay protected against evolving risks.


Jason Mellow, Head of Broker Distribution at MiWay

Finally, there are several misconceptions about business interruption insurance that can prevent business owners from fully appreciating its value.

One common confusion is that small businesses don't need it, when in fact, they are often more vulnerable to financial collapse during disruptions due to tighter margins.

Another assumption is that it's too expensive, but the premium is often a small fraction of the potential revenue loss from an extended shutdown. It's also important to understand that the cost of coverage can vary based on your industry, location, and specific risks. The costs of not having it vastly outweigh the premiums of having it in place.

Given the unpredictable nature of life, understanding business interruption insurance is key to safeguarding your company's future. Don't wait for the unexpected to happen; consult with your insurer today to tailor a policy that meets your needs and ensures you're adequately covered against potential disruptions.

CLIMATE CHANGE AND AILING INFRASTRUCTURE

A double-edged sword for SA's insurance industry

Cedric Masondo, CEO, PSG Insure

Is South Africa's infrastructure able to withstand the rapid increase in fire and flooding-related incidents being caused by changes in weather patterns? The increasing frequency and intensity of storms, floods and drought have wreaked havoc on poorly maintained, ageing infrastructure, which has unfortunately become commonplace in South Africa.

Infrastructure which is proving to be the most challenging in this context includes poorly maintained roads, which pose flooding risks due to poor drainage. Certain areas have also become overly built-up with little or no retaining walls, making these buildings more susceptible to damages caused by flooding. In addition, specific regions have become more susceptible to fire hazards and damage, due to there being little or no access to critical water infrastructure, which fire brigades and fire services need access to, in order to quickly address and extinguish outbreaks of fire.

For insurers, these events have warranted more stringent underwriting policies and derisking exercises, and for advisers. It means forming closer partnerships with clients in assisting them to mitigate the emerging risks.

Severe weather-related risks as the new normal

Over the past three years, extreme weather events have increased, both in terms of their reoccurrence in certain regions as well as in areas that do not have a track record of severe weather. Examples of this have been seen in the reoccurrence of storms throughout the Western Cape, with coastal regions being buffeted by high waves and strong winds during the colder months. Margate in KwaZulu-Natal, an area that has no history of extreme weather, was hit by a storm this year that resulted in loss of life as well as extensive damage to public infrastructure.

This upsurge in natural disasters is a global phenomenon, but its impact on South Africa has been exacerbated by the deteriorating state of infrastructure. This has become particularly evident at municipal level where resources are limited and there is a major backlog in fixing infrastructure.

These challenges have been magnified by the building of new developments in areas that have not been properly assessed in terms of environmental risk. Furthermore, many of these new developments, especially in coastal regions are surrounded and serviced by infrastructure that has not been maintained to account for the increasing frequency and intensity of disasters such as floods.

The challenges presented by lack of maintenance is not only limited to flooding risks, but we have also seen water scarcity challenges in some municipalities. The lack of water due to drought and poor infrastructure has threatened the ability of municipalities to fight fire incidents.

Insurers respond to new market challenges

Naturally, the combined impact of these compounding forces has been brought to bear on the local insurance industry, which has seen a noticeable increase in the size and number of related claims over the past few years. This has in turn introduced a new level of complexity to the risk modelling process. In response, reinsurers have increased their CAT and risk deductibles, leaving insurers to absorb all non-CAT claims.

For insurers, adapting to these new exposures cannot be solved by increases in pricing alone and in many cases, insurers have been forced to derisk or reduce their risk appetite in certain geographical regions. As a result, insurers and their underwriters have become more particular about their capacity to insure properties in areas that are now known to be prone to natural disasters, especially in cases where infrastructure in those areas is also neglected or run-down. In some cases, certain insurers have withdrawn their capacity in those areas and are no longer writing such business.

The lack of maintenance and investment in water infrastructure has worsened the supply of water. In the past, the risk of fire was largely mitigated by the availability of water to fight these fires and curb the extent of the damage. Now, faced with a lack of access to water, fire hazards are a much greater threat, with total loss and destruction being a very real possibility. Previously, insurers were able to offer clients a discount depending on the relevant municipality's fire-fighting capabilities. Today, fire-related risk in the affected regions is simply too great to warrant any substantial reduction in pricing.

The knock-on effects of this sector-wide derisking for clients is that insurers can be expected to be more selective in terms of the areas in which they deploy their capacity, how much capacity they deploy and under which conditions. Generally speaking, policy conditions will become more stringent and will ultimately require clients to bear a relatively larger duty of care in preventing and mitigating risks.

> For insurers, adapting to these new exposures cannot be solved by increases in pricing alone and in many cases, insurers have been forced to derisk or reduce their risk appetite in certain geographical regions.

The vital role of knowledgeable advisers

Faced with a changing insurance market, clients will need to lean on the expert knowledge and guidance of advisers. It will therefore become increasingly important for advisers to be widely read and educated on the trends in climate change that directly impact the businesses of insurers and reinsurers. Equipped with this knowledge, advisers will play a pivotal role in helping clients to navigate new and emerging risks.

It has become equally important for advisers to gain an accurate overview of the sectors that are of the greatest concern to insurers as well as those that they will no longer service soon.

In addition to developing a good sense for the risk appetite of insurers and how it changes as the market evolves, advisers work closely with their clients to understand the unique needs of their businesses.

For some businesses, now may be a crucial time to implement better risk mitigation strategies such as reinforcing retaining walls to resist excess water flow and erosion or provide fire-fighting training programmes for employees. There have been cases where the most viable option for large corporates was to uproot their operations and move to a municipality with more developed infrastructure.

In these cases, advisers will continue to be invaluable sources of information and direction that can help business become futureproof and resilient, supporting clients through these uncertain times.

Cedric Masondo, CEO, PSG Insure

NAVIGATING THE COMPLEXITIES OF ENGINEERING CLAIMS

Tony Van Niekerk, Editor & Chief at COVER Magazine

In a recent discussion with Tony Van Niekerk of COVER, the Firedart Claims Team delved into the evolving nature of engineering and construction claims. Shelly-Ann Whittaker, Claims Manager, and Tlotlego Teffo and Kami Joas Tarima, Claims Specialists, shared their experiences and insights on the current state of claims management and the growing challenges within the sector.

The conversation highlighted the significant impact of the COVID-19 pandemic on the construction industry and the increasing need for tailored claims management protocols to address the complexities of today's engineering landscape.

A Surge in Claims - Shelly-Ann Whittaker began by emphasising the rising complexity of engineering claims, attributing this trend to the slow recovery of the construction sector post-COVID-19. The financial pressures faced by contractors have led to an increase in claims, as many seek financial relief regardless of the event's nature or the quantum involved. This environment has also seen a surge in disputes, particularly when claims are not fully covered or when settlements are contested.

Tailored Claims Protocols - Building on Shelly-Ann's points, Tlotlego Teffo highlighted the need for tailored claims protocols as engineering projects grow in complexity and value. With numerous stakeholders involved in construction projects—from contractors to insurers and clients—there's a growing emphasis on setting customised claims processes upfront. By agreeing on specific procedures, such as how losses will be reported and adjusted, all parties can significantly speed up the claims process.

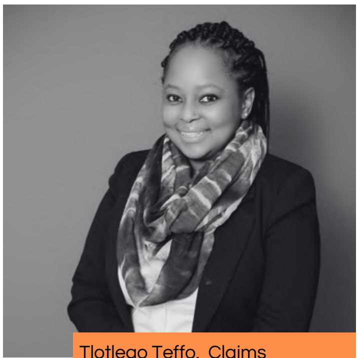
These tailored approaches not only streamline the claims lifecycle but also improve overall customer experience. "It's about creating a more efficient and responsive claims environment that benefits all stakeholders," Tlotlego explained. He underscored the importance of collaboration and transparency in establishing these processes, as they help mitigate disputes and align expectations from the outset.

Staying Ahead in a Dynamic Environment - The discussion also touched on how claims professionals adapt to the complex environment. Shelly-Ann emphasised the importance of self-learning and staying updated on industry developments. "We have to keep our finger on the pulse," she said, noting that the team regularly reads legal opinions and industry publications.

Tlotlego highlighted the value of internal knowledge-sharing among the team's experts. "There's a lot of learning happening within the team," she said, explaining how this helps them anticipate changes in the market.

Shelly-Ann Whittaker, Claims Manager, FireDart


Kami Joas Tarima, Claims Specialist Firedart


Tlotlego Teffo, Claims Specialist, Firedart

Kami added that curiosity and collaboration with external specialists also play a role. "It's about always looking for ways to improve," he said.

While self-development is key, the conversation remained focused on practical ways to manage complex claims. Tony suggested COVER's podcast for further insights, and the team agreed that continuous learning is essential for navigating these challenges.
The Impact of the 'Construction Mafia' on Claims - One of the most intriguing points discussed during the interview was the role of the 'construction mafia' in influencing engineering claims. This term refers to groups that use intimidation and criminal activity to disrupt construction projects. These disruptions pose a significant challenge for insurers because, while policies typically cover physical damage, they often do not cover the losses associated with delays caused by such criminal activities.

Addressing this challenge requires a more comprehensive understanding of how to structure insurance policies to fill these gaps, and it's an ongoing conversation in the market. This issue is a clear example of the evolving risks and complexities faced by the engineering claims sector, reinforcing the need for claims professionals to stay informed and adaptable.

The Future of Infrastructure Projects - As the conversation concluded, Tony touched on the future of infrastructure projects and the opportunities they might present for claims professionals.

With the South African government's focus on reviving infrastructure, the demand for efficient and effective claims management is likely to increase.

The Firedart team remains optimistic about the role they can play in this environment. "Infrastructure development is crucial for the country, and as the sector revives, there will be more projects coming up," Shelly-Ann noted. Tlotlego and Kami echoed her sentiments, expressing enthusiasm about contributing to the sector's growth and ensuring that claims processes are adapted to meet the evolving needs of the market.

The discussion with the Firedart Claims team highlighted the complex and dynamic nature of the engineering and construction claims sector in South Africa. Post-pandemic recovery, criminal disruptions, and the growing value of projects have all contributed to an environment where tailored and efficient claims management processes are essential.

The Firedart team's proactive approach—focusing on collaboration, continuous learning, and self-development—positions them well to navigate these challenges and support the sector's growth in the coming years.

As infrastructure projects increase, the expertise and adaptability demonstrated by professionals like Shelly-Ann, Tlotlego, and Kami will be critical in ensuring that claims are managed efficiently, allowing for smoother project execution and improved customer satisfaction.

PROACTIVE CLIMATE RISK PLANNING NOW CRUCIAL FOR BUSINESS AND LOCAL GOVERNMENT

Volker Von Widdern, Risk Principal at Riskonet Africa

In response to the unprecedented snowfall across parts of KwaZulu-Natal and the Free State, leading risk management company Riskonet Africa is urging both business leaders and local government officials to take immediate steps to enhance their risk planning and preparedness strategies for climate change.

The heavy snowfall, which resulted in two tragic hypothermia deaths, disrupted transportation, damaged infrastructure, and affected local communities, underscores the urgent need for comprehensive climate risk management.

These extreme weather events are becoming more frequent and intense due to climate change, and businesses, as well as local governments, must be proactive in their approach to managing these risks. It's not just about responding to disasters as they happen but planning ahead to mitigate their impact.

The Importance of Resilient Infrastructure

Many roads, bridges, and power lines in the affected areas were not built to withstand such unusual weather conditions. We need to conduct thorough assessments of our existing infrastructure to ensure it can cope with extreme weather patterns. This will require significant investment and collaboration between the private and public sectors.

Business continuity planning

This is another critical area of focus. Companies need to have robust business continuity plans in place to manage disruptions caused by unexpected events like these snowfalls. This includes ensuring supply chains are adaptable, having remote working capabilities, and maintaining clear communication with employees and stakeholders.

Local Governments Role in Emergency Response Coordination

Local governments have a pivotal role to play. Effective emergency response relies on pre-established plans and coordination between businesses, municipalities, and community organisations. This ensures that when an event occurs, everyone knows their role and action can be taken swiftly.

Regular Scenario Forecasting and Utilisation of Technology and Data

Regular weekly weather scenario forecasting is also crucial once extreme weather conditions develop. This approach allows businesses and local governments to fine-tune their response plans based on the evolving situation, ensuring that resources are optimally deployed, and communities are adequately supported.

We must utilise the latest forecasting technology and data to stay ahead of the curve, enabling real-time updates to response strategies and minimizing the impact on people, infrastructure, and business operations. This dynamic and proactive approach not only improves resilience but also helps identify potential vulnerabilities before they become critical, allowing for timely interventions.

Riskonet Africa also advocates for regular climate risk assessments. Understanding the specific vulnerabilities of our regions is key. This allows us to prioritise actions and allocate resources more effectively, reducing the long-term impact of such events.

Community engagement and education

We must empower our communities with the knowledge and tools they need to prepare for and respond to climate-related risks. Preparedness is not just the responsibility of businesses and governments—it involves everyone.

As South Africa continues to experience the growing impacts of climate change, proactive risk planning and collaboration will be crucial in safeguarding both communities and economies against future disruptions.

FINANCIAL PLANNING

“ By prioritising these factors—time-saving tools, real-time data, and access to reasonable fees—advisers can enhance their efficiency and provide valuable advice aligned with their clients' goals.“

Florbela Yates, Managing Director at Equilibrium

SARS INTENSIFIES FOCUS ON CRYPTO TRADERS

Cor Kraamwinkel, Partner, Lenee Green, Partner, Lerato Lamola, Partner, Margaret Vermaak, Senior Associate & Mieke Vlok, Senior Associate at Webber Wentzel

SARS is increasing its scrutiny of crypto traders by issuing tax notices and clarifying exchange control regulations. Traders must immediately comply to avoid penalties.

Recent developments have seen the South African Revenue Service (SARS) turn its attention toward crypto traders, who are now receiving notices that their tax affairs are under review. These notifications are based on information obtained from various crypto asset exchanges, signalling a significant escalation in SARS's efforts to enforce tax compliance within the burgeoning crypto sector. Following South Africa's move to regulate financial service providers who provide financial services related to crypto assets, licensed crypto-asset exchanges are now required to provide certain information to regulators.

SARS has cautioned traders that failure to provide requested information could be deemed a criminal offence under the Tax Administration Act. This move underscores the tax authority's 'leave no stone unturned' policy in its pursuit of revenue collection by any means necessary and taxable profits from crypto trading are no exception.

To crack down on non-compliance, SARS appears to be leveraging artificial intelligence (AI) technology. However, the full extent of AI's implementation in identifying non-compliant crypto traders remains uncertain. This innovative approach reflects SARS' commitment to modernising its enforcement mechanisms to address the complexities of digital asset trading.

The South African Reserve Bank (SARB) has also clarified its stance on the matter, particularly concerning exchange control regulations. According to the SARB, neither the Currency and Exchanges Manual for Authorised Dealers, nor the Currency and Exchanges Manual for Authorised Dealers in foreign exchange with limited authority, allow for cross-border or foreign exchange transfers for the explicit purpose of purchasing crypto assets. From an exchange control perspective, the Financial Surveillance Department is unable to approve any transactions of this nature.

However, SARB does allow individuals to use their single discretionary allowance (an allowance of up to an overall limit of R1 million per calendar year) or foreign capital allowance to acquire crypto assets. This provides a legal pathway for South Africans to invest in cryptocurrencies within the boundaries of existing financial regulations, however, the Foreign Direct Investment dispensation does not permit investments in crypto assets. While this provides some clarity for natural persons the position of juristic entities remains challenging.

The increased scrutiny from SARS, coupled with the regulatory stance of SARB, signals a new era of accountability and transparency for crypto traders in South Africa. Those engaged in crypto trading must now navigate a more complex regulatory landscape, ensuring they remain compliant to avoid severe penalties and legal repercussions. The era of flying under the radar is swiftly coming to an end, and traders must adapt to these regulatory changes to safeguard their financial interests.

FINTECHS MUST OVERCOME REGULATORY BARRIERS TO PROVIDE FINANCIAL SERVICES TO UNDERSERVED COMMUNITIES

Nikki Kettles, Executive: Licences and Payments Regulation at Mukuru

Genuine financial inclusion is vital if we are to bring millions of unbanked and underserved communities in Africa into the mainstream economy. This doesn't just benefit the communities, it has a knock-on effect for economies, regions and the continent.

Financial services are tightly regulated, and this presents a challenge for fintechs — how do you innovate while working effectively within differing regulatory frameworks on the continent? While these frameworks may differ substantially, there are common barriers fintechs need to overcome.

Before we get there, it is important to start at the beginning. Not many people understand what financial inclusion actually means. There is a misconception that financial inclusion means giving someone access to a bank account. Nothing could be further from the truth. Imagine someone being paid $100 into a bank account, and drawing out all the cash minus the bank charges, the second they're paid, before engaging with the informal economy. That's not financial inclusion.

Genuine financial inclusion is bringing marginalised people into a formal financial services environment. This is the best chance at breaking the cycle of poverty. When underserved people start using formal products their income is protected, which is the opposite of having no security in the informal sector. They can also incrementally start making use of more digital financial services.

Each country and region on the continent has its own set of regulations, frameworks and implementation requirements. These are designed to protect the financial integrity of the financial system. Grey listings in the region have also naturally impacted regulations.

In this context, Fintechs need to craft solutions to address the regulatory hurdles that limit access to financial services for low-income populations. At Mukuru, we are passionate about constructively working within regulations, which is why we sponsored a recent Fintech Association Botswana Power Breakfast to unpack, as an industry, regulatory barriers faced by fintechs. It was rewarding to see that everyone, from the central bank, to the investment community, the country's innovation hub and all the banks, are aligned on the importance of fintech in driving meaningful financial inclusion.

At a high level, central banks want to ensure two pillars: the integrity of the financial system and the protection of customer funds. We all want this because it is good for customers, businesses, the economy, trade, the country, regions and the continent. Ask yourself this question: Why would I give my cash to any institution that is not looking after my money for me? That cannot give me my money when I need it?

It is important to appreciate the mandates of regulators when looking at regulatory barriers, which aren't new and certainly not something only fintechs face. The first is onboarding. This is an expensive exercise and needs to follow a risk-based approach. The second is protecting customer funds. This includes trust accounts and safeguarding the money in the system. Again, this carries a cost burden, especially as a fintech scales. Then, there is great complexity in data protection and data control and processes. Many countries demand in-country data storage and processing. A multinational business needs to navigate this effectively and compliantly.

“ At a high level, central banks want to ensure two pillars: the integrity of the financial system and the protection of customer funds. We all want this because it is good for customers, businesses, the economy, trade, the country, regions and the continent. Ask yourself this question: Why would I give my cash to any institution that is not looking after my money for me? That cannot give me my money when I need it?

Regulatory sandboxes drew great debate at the breakfast. They support innovation. Fintechs need them to test value propositions, new products, new solutions and new ways of engaging with customers in a live, but ring-fenced, environment.

However, sandboxes need solid business cases because a fintech cannot run in a pilot long term without being formally licensed and paying the licence fees. And licences, as we know, come at no small cost. Mukuru has 49 licences in 15 countries, enabling send, store and spend functionality for our customers, providing international money transfers, wallet solutions as well as insurance offerings. Each regulator has different pain points and it is complicated terrain to navigate.

So, what can fintechs do to make the process of navigating regulation easier and more efficient? The first is to understand that customers really don't care how fancy or flashy a solution is. They want to know they are getting the service they actually need. They don't want to be told what they should need. They want the right product, at the right place, at the right time, at the right cost, and it must solve a challenge for them and improve their lives. Always put the customer first, with simple products and simple customer interfaces. Then, grow with the customers as they incrementally need more sophisticated products.

This has a direct bearing on navigating the often-complex landscapes of different countries. It's also why sandboxes need to be very carefully designed coupled with solid business cases. Working with regulators, you can arrive at a reasonable place of what needs to be done, and how to develop new products.

Relationships with regulators should be mutually beneficial. Aren't all relationships the same? At Mukuru, we work closely with regulators, and in good faith, because we genuinely want to understand the challenge and why the regulations areas drafted so that we can implement accordingly.

Finally, if all this innovation is to drive financial inclusion then we, as an industry, need to benchmark ourselves. Enough with the talking. We need to be able to show how our products are genuinely bringing neglected and underserved communities into a formal financial services environment.

Nikki Kettles, Executive: Licences and Payments Regulation at Mukuru

CAN THE JSE STEM THE TIDE OF DELISTINGS – AND WHAT THIS MEANS FOR SA INVESTORS?

Adriaan Pask, Chief Investment Officer at PSG Wealth

The number of listings on the Johannesburg Stock Exchange (JSE) has declined by more than half since the 1990s. Today, many of the larger companies on the JSE are dual-listed on overseas exchanges, such as those in London and New York, to access cheaper finance. This dual-listing trend reduces the free float or the available universe of investible stocks on the JSE.

In the 1990s, the JSE had approximately 850 listed companies. This number dropped to around 400 by 2012 and has now fallen below 300. This decline is attributed to several factors such as significant costs associated with compliance, reporting, legal and administrative requirements.

Being a listed entity also comes with various obligations that exert short-term pressure on board members and businesses to perform well consistently. Equities are generally a long-term investment and this short-term pressure can disincentivise businesses.

The reality is that while the JSE's world-class regulatory environment ensures investor safety, overregulation can make the market unattractive to businesses due to rigid and significant reporting requirements.

Both investors and businesses weigh the benefits against the drawbacks of listing on the JSE and currently, the balance seems to be out of kilter. Moreover, the reality is that market conditions have not been favourable. The JSE has been struggling and it's not the most obvious place for businesses to seek funding.

This environment has resulted in popular South African companies being acquired by foreign investors and subsequently delisted. Examples include Heineken acquiring Distell, and Pepsi acquiring Pioneer. These acquisitions occurred because foreign investors saw value in these companies and acquired them at favourable prices.

The other reality is that the declining number of listings on the JSE means fewer investment opportunities, leading investors to look abroad for alternatives.

A common misconception is that these delistings are solely due to South Africa's tough economic environment. While the local environment plays a role, delistings are a global phenomenon, affecting many exchanges from Frankfurt to New York. A key reason for
this trend, as is the case for the JSE, is the heavy compliance burden, which makes stock exchanges less attractive for funding.

For instance, the London Stock Exchange (LSE) has not only seen several delistings, its aggregate market capitalisation has declined. In the US, the number of listings dropped from just over 8,000 in 1996 to around 4,000 today, with valuations now concentrated in the mega-cap space.

In the JSE's case, we've seen the number of delistings rise, but that trend has been quite stable over the past 10 years. However, while the trend hasn't accelerated, the reality is that there are no new listings coming through.

The JSE is aware of these challenges and is actively communicating with the broader community and investment space about initiatives to attract investors and make it easier for businesses to list.

It has launched initiatives to simplify processes, such as plain-language documentation and compliance support, to address these issues. The challenge is to simplify without compromising investor safety. While there is no concrete proof that adequate adjustments have been made to reverse the trend, the JSE's efforts are a step in the right direction.

Looking ahead over the medium-term, it's PSG Wealth's view that if interest rates decrease, we might see some appetite for listings. However, improvements to lighten the regulatory burden are necessary.

The global delisting trend has also resulted in increased activity in private markets, due to fewer demands. However, it is our view that there is still significant opportunity on the JSE. One doesn't need thousands of stocks to build a decent portfolio. Simplifying requirements will support the JSE, but the impact will only be known over time.

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Adriaan Pask, Chief Investment Officer at PSG Wealth

The key factors that matter to FINANCIAL ADVISERS

Florbela Yates, Managing Director at Equilibrium

To effectively serve their clients, advisers need certain essential elements to streamline their operations, enhance client interactions, and provide access to accurate and up-to-date information. There are seven key factors that can contribute to their success and in delivering top-notch financial advice:

1. Saving time

By using efficient tools, technology, and streamlined processes, advisers can minimise administrative tasks and focus on providing valuable advice to their clients. Time-saving measures can include automated data inputs and analysis, streamlined client onboarding, and efficient portfolio management systems.

Advisers can also look to a discretionary fund manager (DFM) like Equilibrium to find ways to enhance the value of their advice practices.

Some of the benefits that a DFM brings are in aligning portfolios across advisers in a practice or network, establishing a fund list, helping advisers with succession planning, and even the alignment of books during an acquisition.

2. Making conversations with clients easier

Advisers need tools and resources that facilitate seamless communication with their clients, such as secure messaging platforms, video conferencing capabilities, and client portals. This is especially important during times of increased market uncertainty and high volatility. Over the past three years, the demand for real-time communication and access to underlying holdings in the portfolio has increased substantially. Since advisers don't typically have access to this information, they rely on us to provide regular updates literally at the touch of a button.

3. Access to real-time information, manager insights, and portfolio information

Access to real-time information is crucial for advisers to make informed decisions and provide accurate advice. Having access to market data, economic insights, and portfolio performance analytics allows advisers to stay ahead of market trends, identify investment opportunities, and provide timely advice to their clients.

4. Access to portfolios that tie in with their advice process

Advisers require access to a range of investment options and portfolios that align with their unique advice process. This includes diversified portfolios, model portfolios, and customisable investment solutions. By having access to a wide range of investment options, advisers can tailor their recommendations to meet their clients' financial goals.

5. Reasonable fees

Advisers understand the importance of providing value to their clients while ensuring their services remain affordable. Offering reasonable and transparent fee structures builds trust and reinforces the adviser-client relationship. It is essential for advisers to communicate their fee structure clearly and demonstrate the value they provide in exchange for their fees.

6. Access to a human being

Despite advancements in technology, the human touch remains invaluable in the financial advisory industry. Advisers appreciate having access to dedicated support teams and experts who can assist them and enhances the adviser's ability to deliver high-quality advice.

7. Access to data and other information

Accurate and comprehensive data is necessary to make informed decisions and provide reliable advice. Access to reliable market data, research reports, economic indicators, and industry insights enables advisers to stay informed and offer well-informed recommendations. Additionally, access to educational resources and industry updates helps advisers stay up-to-date with the latest trends.

Conclusion:

By prioritising these factors, advisers can enhance their efficiency, improve client interactions, and provide valuable advice that aligns with their clients' goals and objectives.

To find out more about Equilibrium and how we bring improved balance into your financial advice practice, visit eqinvest.co.za.

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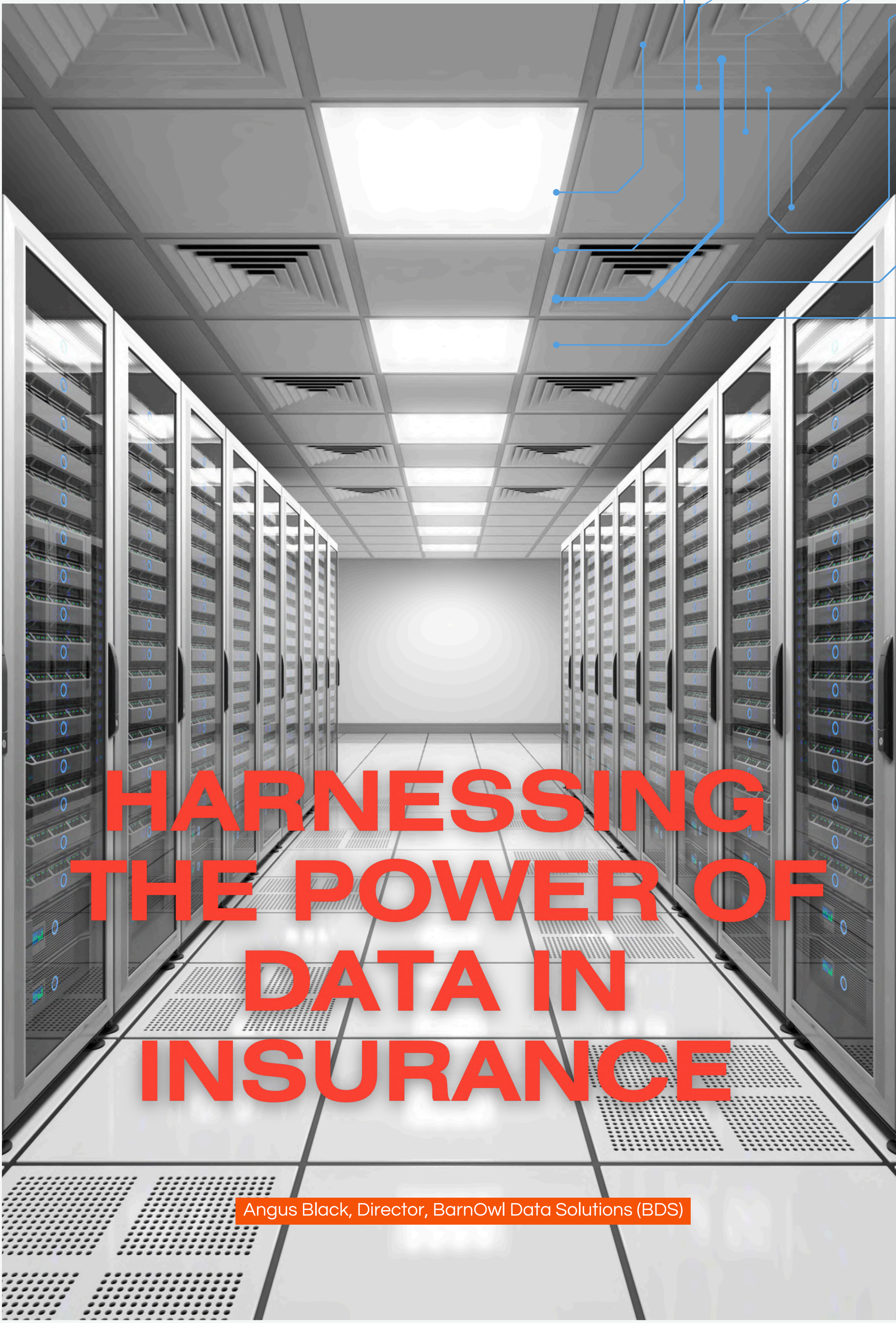
TECHNOLOGY IN INSURANCE

“ Every business is a technology business... Technology is intrinsic to their operations, enabling businesses to scale, innovate, and respond to evolving customer needs."

Graham Harvey, CEO, Cardinal



HARNESSING THE POWER OF DATA IN INSURANCE

Angus Black, Director, BarnOwl Data Solutions (BDS)

I have experienced firsthand how essential data has become in the insurance industry. Over the past 16 years, Barnowl has grown significantly, and the variety of people and teams we work with has expanded as well.

Initially, we focused primarily on the financial side of things—helping companies understand their policies, the risks they had on cover, and premium amounts. But as the insurance landscape has evolved, so too have the demands placed on data. Today, we support a wide range of teams, each with distinct needs and priorities.

Multiple use cases

One of the most interesting aspects of working with data is seeing how different teams within the same organisation use it in completely different ways. Early on, our primary clients were finance teams. They relied on the data to audit processes, ensuring that there was consistency between the bordereaux data and the policies. It was all about making sure the numbers added up. Today, underwriting and actuarial teams are also major users of our data, using it to assess premiums, calculate solvency, and model reinsurance structures. The accuracy and granularity of the data are critical in their work, especially when it comes to managing risk.

Another area that has become increasingly important is compliance and regulatory reporting. As the industry has become more regulated, compliance teams have had to become even more data driven. Whether it is for internal audits or external regulatory reporting, ensuring the accuracy of data is crucial. We have also seen more involvement from broker relationship managers, who use our data to engage with brokers and ensure that everyone is aligned. Claims and fraud detection teams also rely heavily on the data, particularly when they need to assess claims during major catastrophes or investigate potential fraud cases.

Evolving trends

What makes this landscape so exciting is that it is constantly changing. The needs of these different teams evolve over time, and we must be prepared to keep up. One way we do this is by maintaining strong relationships with our customers. Often, they give us a heads-up about upcoming regulatory changes, which allows us to prepare in advance. We then engage with the relevant source systems to ensure that the data needed to meet these new regulations is available. If the data isn't already in place, we work with these systems to include it in future updates.

Internally, we have several tools and processes to ensure we are delivering the highest quality data possible. For example, we have implemented automated validations and checks that run on every data set we process. These checks help us catch any errors early, and we also perform reasonability checks to identify any large variances in the data from month to month. Data mapping is another critical part of our process, as it allows us to standardise data across different systems, ensuring that everything is clean and consistent.

Increased value added

At BDS, we do not just stop at providing data. We are always looking for ways to add value beyond the core service. I believe we

Angus Black, Director, BarnOwl Data Solutions (BDS)

do this through four key pillars: automation, analytics, integration, and reducing manual capture. Automating processes like syncing policies or capturing bordereaux data not only improves data quality but also reduces manual errors, saving our clients both time and effort. We also provide deep, granular insights through our analytics tools. These tools give our clients access to detailed data right down to individual policy items, which can be incredibly useful for assessing performance and making informed decisions.

Integration is another area where we add value. We have built integrations that allow insurance companies to improve their data quality and streamline their processes. For example, by integrating with their systems, we can automate the collection and validation of data, ensuring that it is accurate and readily available. This has been especially helpful for policyholders, as it ensures that their policy data is always up to date and available to insurers when needed at claim time.

Lastly, we work closely with brokers to make their lives easier. Collecting data can be a time-consuming and error-prone process, but by automating much of that work, we can reduce the reporting burden on brokers. This allows them to focus on more strategic tasks, like engaging with insurers and providing better service to their clients. The result is a more consistent and reliable flow of data, which is essential for building trust between brokers and insurers.

The value of data in the insurance industry can't be overstated. I have often heard people describe data as "the new oil," and that is certainly proven true. Once you start digging into it and using it effectively, you realise just how much a business pivots around data—how it is managed, how it is used, and the insights that can be drawn from it. It touches every part of the business, from financial audits to risk management, and even customer relationships. I hope that more people, particularly brokers, begin to see the value in the data they have at their fingertips.

At BDS, we are constantly pushing the boundaries of what is possible with data, and I am excited to see where the future takes us. We are already working on some innovative new solutions, and I believe the future of data in insurance will be even more integrated and impactful.

EVERY BUSINESS IS A TECHNOLOGY BUSINESS

Graham Harvey, CEO, Cardinal

In today's dynamic insurance environment, technology has firmly established itself as a key driver of business transformation. What was once relegated to a back-office function has now taken center stage in boardrooms, shaping decision-making and business strategies.

"Every business is a technology business," is a sentiment that particularly resonates in the insurance industry, where technology enables businesses to scale, innovate, and respond to evolving customer needs.

When reflecting on the shifts in technology's role, the perception of IT has evolved. Back in the nineties, IT was a department that did not really get airtime in the boardroom. Today, it is front and center, as businesses realise that technology is intrinsic to their operations. This realisation has pushed organisations, including insurance firms, to embrace more comprehensive technology ecosystems, moving beyond standalone systems to integrated, flexible platforms.

Our latest venture into business intelligence (BI) reflects this shift. Initially, Cardinal was a policy administration system handling policies and claims. However, as insurance businesses transitioned into larger ecosystems, Cardinal adapted by integrating more sophisticated products and services, aligning with the evolving needs of its clients. We realised we needed an ecosystem of technology. This transformation included taking a stake in Codeplex, a service provider management tool, and collaborating with other technology companies to enhance their offerings.

A key partnership that has emerged from this shift is with a BI specialist, who has worked with Cardinal over the last eight years to harness the power of data for decision-making. Leveraging tools like Qlik Sense, QlikView, and Power BI, they've helped visualise data for robust decision-making. This collaboration has added a new layer of value to Cardinal's insurance software, helping clients leverage their data more effectively for reporting and analysis.

With data becoming an increasingly critical asset for insurance companies, BI tools are essential for interpreting vast amounts of information. BI tools help visualise and analyse data, enabling more informed decision-making. These tools allow organisations to manage large datasets efficiently, especially when data is stored across different platforms, and to derive actionable insights that can improve business performance.

Recognising the importance of BI in the insurance space, we have taken a controlling stake in the BI company to ensure our collective technology roadmaps align. This move will enable both Cardinal and our clients to maximise the benefits of BI, integrating it with Cardinal's existing technology ecosystem to create a seamless experience for end users. By taking control of the roadmap, we can ensure that we are aligned for our common clients, sharing learnings, and delivering value across the board.

There are many challenges in working with external tech companies, especially when trying to align our priorities with those of a shared client. By acquiring a BI company, we eliminate the finger-pointing that often arises from conflicting timelines and deliverables. It is tough trying to get two tech businesses to align. Now, the process has become more streamlined and efficient.

When looking at the broader landscape of data management and BI, it is important to note that, while data management focuses on collecting and securing data, BI is about interpreting that data and turning it into actionable insights. This distinction is critical in the insurance industry, where timely and accurate data analysis can lead to better business decisions, improved risk management, and consistent customer satisfaction.

For business analysts, BI represents an exciting opportunity. BI could be seen as an upgrade to the business analyst role, with BI tools complementing analysts' work. There is no reason BI could not be a valuable skill for business analysts to have. As companies accumulate more data, the ability to make data-driven decisions becomes increasingly valuable.

As Cardinal continues to grow its ecosystem, we see tremendous potential for future developments in BI and AI, especially in the areas of innovation and operational efficiency. We are still learning what AI can do for us, but in the short term, BI is already playing a key role in helping our clients manage their businesses. With this integration we are positioning ourselves at the forefront of insurance technology, empowering clients to harness the full potential of their data.

Rather than relying on external companies unfamiliar with insurance-specific processes, Cardinal's BI company now brings both expertise in BI tools and a strong understanding of insurance concepts. This combination ensures that clients receive tailored solutions that address their unique challenges.

Cardinal's venture into BI is not just about adding another tool to our offering. It is about creating a comprehensive ecosystem that enables insurance companies to thrive in an increasingly data-driven world. Business intelligence is playing a crucial role in helping our clients make better decisions. And with the future integration of AI, the possibilities are endless.

Graham Harvey, CEO, Cardinal

EXPLORING THE FUTURE OF EMBEDDED INSURANCE

Tony Van Niekerk, Editor & Chief at COVER Magazine

In today's rapidly evolving insurance landscape, embedded insurance has emerged as a key strategy for expanding distribution and closing the protection gap. I had the pleasure of speaking with Charlotte Koep, CEO of Root, to discuss the concept of embedded insurance, how it is transforming the industry, and Root's role in this exciting space.

Embedded insurance is a hot topic in the insurance world right now. It's a revolutionary approach that seamlessly integrates insurance products into everyday transactions, creating a convenient way for consumers and businesses to protect themselves from unforeseen risks. As Charlotte explained, "Consumers or businesses enter into transactions every single day. Those transactions themselves create a level of risk which has an economic reason to be covered."

In essence, embedded insurance means incorporating insurance products into the process of purchasing other goods or services. For example, when you buy a new smartphone, you might be offered insurance coverage as part of the transaction, ensuring immediate protection. The key is to offer this insurance at the point of need, seamlessly integrating it into the customer journey so that it feels like a natural part of the transaction. "It's about where those risks are created, where it makes sense to add insurance as an offering," Charlotte explained. This makes the insurance purchase feel effortless, providing instant coverage for risks that customers may not even be fully aware of.

The Opportunity in Embedded Insurance

Charlotte highlighted that embedded insurance is highly opportunistic, but it's also strategically planned to align with consumer needs. "It's a seamless integration of insurance into another journey of buying a product or service and covering the risk that's created by that transaction," she emphasised. This integration provides a way for insurance companies to tap into new markets and reach customers who might not seek out insurance independently.

So, who are the big players in the embedded insurance space, and what products are being presented to consumers in this way? According to Charlotte, the biggest player in South Africa is currently Guardrisk insurance and the large brands they support. This market has led the way in pioneering embedded insurance solutions by integrating products into non-insurance channels. This approach has opened the door for other types of insurance to be introduced into consumer journeys, like motor insurance and asset protection.

Charlotte explained that every day, as consumers, "We are creating risks that we might not even be aware of. When you purchase a loan or buy a bicycle, there's an asset here that poses a risk to your financial well-being." Embedded insurance creates an opportunity to close the insurance protection gap by making consumers more aware of these risks and offering coverage options when and where they need them most.

The "insurance protection gap" is another growing concern that embedded insurance helps to address. As Charlotte noted, this gap is the difference between the amount of insurance coverage that's economically needed and what is actually in place. "There is a bigger economically feasible risk that should be covered, but the actual cover being provided relative to that risk is quite small," she said.

Embedded insurance has the potential to significantly narrow this gap by reaching customers at the right moment, making them aware of the risks they face, and offering a simple, convenient way to obtain coverage. By embedding insurance into everyday transactions, Root and similar companies are helping to make insurance more accessible, affordable, and relevant to consumers' lives, ultimately helping them to be better protected.

Root's Role in Enabling Embedded Insurance

As an operating system and an API-first platform, Root plays a pivotal role in enabling insurance companies to integrate embedded insurance strategies into their offerings. Charlotte described Root as an adaptable platform that can easily integrate with other systems, making it possible for insurers to implement embedded insurance even if they have older, less agile core systems. "Being an operating system and API-first platform means that we really play with a bigger ecosystem around us, whether that's other systems or value-added partners in that ecosystem," she explained.

Often, insurance carriers have legacy systems that aren't designed to handle the agility and flexibility required for embedded insurance. In such cases, Root runs alongside the core system, communicating with it to ensure seamless data flow while enabling the insurer to operate a more nimble and agile insurance book on the side. This allows insurers to explore new distribution strategies without being hampered by outdated infrastructure.

Charlotte Koep, CEO of Root

Root's ability to work with an insurer's existing systems means that companies can adopt embedded insurance strategies without a complete overhaul of their technology stack. This flexibility makes it easier for insurers to adapt to the changing market and reach consumers in new and innovative ways.

When asked about Root's plans for expansion into Africa, Charlotte shared that the company is already working with a client in Mauritius and is actively exploring other opportunities on the continent. She noted that in many African countries, especially in Southern Africa, the unsecured credit market presents a significant opportunity for embedded insurance. "The unsecured credit market offers quite a good opportunity for embedded credit life because it acts as the security for the credit," Charlotte explained.

This connection between credit and insurance is a pattern seen throughout southern Africa and is often the genesis of insurance operations in non-insurance companies, such as retailers. For instance, retail giants like TFG, Mr. Price, or HomeChoice have over the years built out a full suite of insurance products that align with the needs of their customer bases and the goods they are buying.

In Mauritius, for example, Root's client has been focused on credit insurance for years on motor credit, which is now leading to opportunities for embedded motor insurance products. This is reflective of the fact that the embedded insurance model can be tailored to different markets, depending on the local consumer behaviors and industry needs.

While Root hasn't fully delved into the East African market yet, Charlotte acknowledged the "lots of opportunities" that exist there, particularly given the region's appetite for digital solutions.

The Future of Embedded Insurance

As we wrapped up the conversation, it became clear that embedded insurance is more than just a buzzword—it's a transformative trend that's reshaping how insurance is bought and sold. It offers an opportunity to close the protection gap, make insurance more accessible, and reach consumers where they are already transacting. With companies like Root leading the way, the future of insurance looks more integrated, customer-focused, and responsive to everyday risks.

Charlotte Koep and her team at Root are at the forefront of this movement, helping insurers adapt to a changing landscape and enabling them to tap into new opportunities. As Charlotte and her team continue their work in Africa and beyond, it will be exciting to see how Root helps redefine the insurance experience for consumers and businesses alike.
In conclusion, embedded insurance is not just about selling policies; it's about meeting customers where they are and providing them with the protection they need in a seamless, efficient way.

As Charlotte Coep's insights show, the future of insurance lies in integration, and the possibilities are truly limitless

CYBER

" Many successful hacks start with social engineering—tricking individuals into divulging information or performing actions that compromise security."

Praleena Mudley, Associate Portfolio Specialist at Morningstar South Africa

WE MITIGATE CYBER RISKS WHEN WE CHANGE CYBER BEHAVIOUR

Brent McDaniel, Group Chief Solutions Architect, Cardinal Insurance Management Systems

In today's dynamic insurance environment, technology has firmly established itself as a key driver of business transformation. What was once relegated to a back-office function has now taken center stage in boardrooms, shaping decision-making and business strategies.

Brent McDaniel, Group Chief Solutions Architect, Cardinal Insurance Management Systems

I know it might be a basic question, but it's a fundamental one. Despite the firewalls we have today, the antivirus software, the intrusion detection, and all the world's technical cybersecurity tools; human error is still a top cause of data breaches.

Secure Your Environment

That said, the most complex of passwords isn't going to do much good if your environment isn't secure in every possible way. This is why ISO 27001 compliance is becoming increasingly important. For us, it's a way of showing that we have one of the most sophisticated information security management systems (ISMSs) available. It's really about how Cardinal secures itself. And by securing ourselves, we are securing our clients too.

Data protection is paramount, especially in the world of insurance technology, and you want nothing less than the most advanced software, loaded with enhanced security measures. One crucial layer of protection, for example, is the encryption of sensitive data. At Cardinal, we've designed our insurance management systems to ensure that personal and financial information remains secure and indecipherable to unauthorised parties.

Network segmentation is another strategic approach that isolates critical systems and data from the rest of the network and restricts an attackers' access to sensitive areas. We're obviously also hyper-vigilant about our cybersecurity protocols, security audits, and frequent updates, and when it comes to human error, the technology of automated reporting is another invaluable tool.

Check Your Access Management

When it comes to human error and cyber behaviour, it is also imperative that only the right people have access to each environment. Again, the ISO 27001 is an outstanding framework regarding the control of access to organisational data. Essentially, each user is provided access only to the specific information they need to perform their role within the organisation.

Not only is this role-based access control (RBAC) firmly in place at Cardinal itself, but we also tailor this access control and authentication mechanisms for each client to help them ensure that employees have access only to the data necessary for their specific roles, which minimises the risk of internal breaches and unauthorised access.

Access management goes far beyond restricting certain levels of information, networks, and resources. It starts, in fact, with hiring procedures and onboarding policies, and extends to creating a sense of individual accountability through ongoing communication, highly detailed contracts, and the "one user, one ID" principle – so that every user of every system is trackable – and more than that, responsible for their own actions.

And then of course we layer that with tools like two-factor authentications, protection software on all PCs and laptops, encryptions, and software that checks shared folders – all these things can be centrally managed from one ecosystem. At Cardinal we've also partnered with BCX, so we have their controls in place too. Their network architecture, their fortigate routers, their intrusion detection, and the team that actively monitors it all 24/7. Sometimes it feels like you're living in a spy movie, but that's what it takes these days.

Take Your Corporate Password Policy Seriously

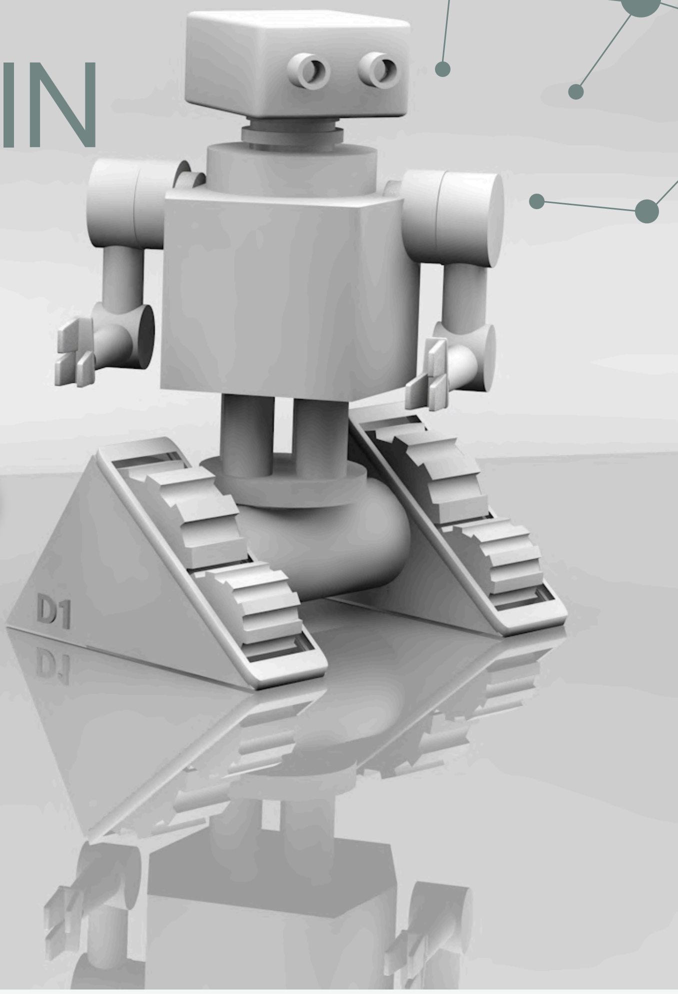
And finally, we come to the question of the password. If we all remembered the story about how it used to take years to crack an eight-character password but now it takes only 37 seconds, we'd probably be a lot more vigilant about our choice of passwords and how we store them.

No matter how powerful computers become, the best defence against brute force algorithms, AI snooping, and immense databases of dictionaries and possible password entries, is a rigorous corporate password policy. I'm sure you already have one – you just may not be enforcing it. Added to that, I would caution that random passwords are not always quite so random when it comes to brute force. In fact, I like to suggest creating long phrases of up to 80 characters because they can be a nightmare to reengineer.

The best practice is to enable the password security features that come with the software, like Cardinal's C360. I know that it means you have to keep up with the unavoidable necessity of creating more hard-to-guess yet still memorable passwords than you feel like you have the time for, but it's the nudge we all need towards developing more responsible and safer cyber behaviour.

ARTIFICIAL INTELLIGENCE IN INSURANCE:

OPPORTUNITIES, CHALLENGES, AND THE ROAD AHEAD



Tony Van Niekerk, COVER

The integration of Artificial Intelligence (AI) is set to transform the UK insurance industry, particularly in areas like claims processing and underwriting.

As AI technology evolves, insurers must recognise its potential to streamline processes, enhance decision-making, and improve customer experiences. However, careful planning is required to address potential technical, cultural, regulatory, and ethical challenges. A survey conducted by The Insurance Network (TIN) and Sapiens in August and September 2023 explored these opportunities and obstacles, capturing insights from senior executives in IT, claims, underwriting, and data management across the general insurance and London markets.

Understanding AI and Its Role in Insurance

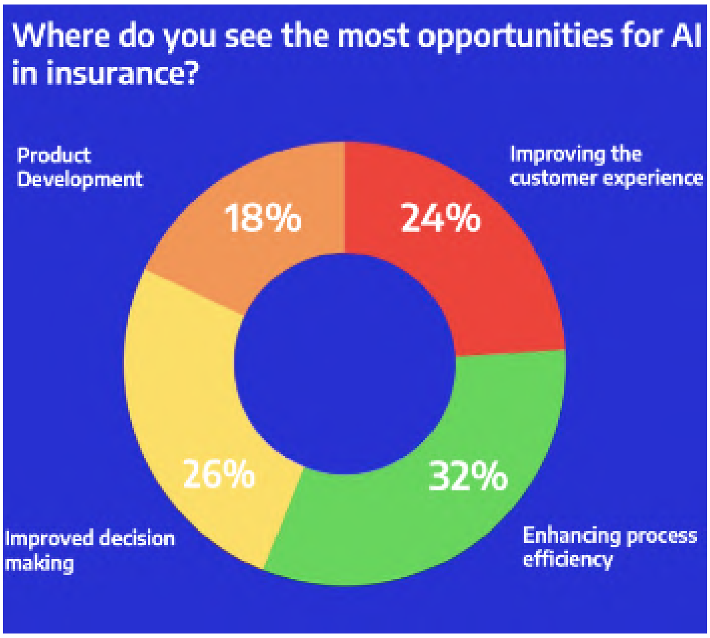
The survey begins by differentiating traditional AI and generative AI. Traditional AI, or Narrow AI, specialises in specific tasks within a defined framework, such as voice assistants or recommendation engines. It works within set algorithms and predefined rules to make informed decisions. Generative AI, on the other hand, marks a leap forward by using patterns from large datasets to generate new content, making it a transformative force in the insurance industry. This advanced form of AI can reshape the entire insurance value chain, impacting everything from product development to risk assessment, fraud detection, and customer engagement.

Key Opportunities Identified

The survey asked participants to identify the most significant opportunities for AI in insurance:

- Process Efficiency: The most prominent opportunity is enhancing efficiency across the product lifecycle. AI can standardise and automate processes like document and data retrieval, significantly reducing manual input. For instance, AI's ability to extract and analyse data enables automated decision-making, provided the data's accuracy is high.
- Improved Decision-Making: AI also offers support in data analysis, enhancing insurers' ability to validate models and make better-informed decisions. Participants emphasised how AI's ability to classify and summarize large volumes of data is crucial for intelligent decision-making.
- Customer Experience: AI can enhance customer service through self-service options, such as chatbots, reducing human touchpoints while providing timely support. Although this was not the highest-ranked opportunity, it demonstrates AI's potential to revolutionise customer interactions.

- Product Development: Although this ranked fourth, respondents acknowledged AI's role in driving innovation by analysing large datasets to develop new insurance products.



AI's Impact Areas in Insurance

Participants were also asked which areas AI impacts or will impact most significantly. They ranked the following:

- Document Interrogation: Respondents highlighted AI's ability to process large, complex legal contracts and claims files quickly, enhancing efficiency in document handling. This capability is particularly valuable in the London market, where rapid document analysis supports better client outcomes.
- Pricing & Underwriting: AI's capacity for predictive accuracy and automation is seen as critical in underwriting. By analysing vast datasets (e.g., property details, historical claims, weather data), AI can create detailed risk profiles, aiding in precise underwriting and personalized policy pricing.
- Claims Processing: AI's applications in claims processing include automating queries and payments, pattern recognition for fraud detection, and optimizing settlement recommendations. These capabilities enhance efficiency, resulting in quicker resolutions and improved customer satisfaction.

Current and Future Use Cases for AI

The survey revealed that 52% of respondents already have AI use cases in their organisations.

Examples include:

- Analytics for Pricing & Underwriting: AI is used to improve data analytics and pricing strategies.
- Broker Efficiency: AI enhances the efficiency of broker interactions by streamlining processes.
- Document Ingestion: Automating document handling reduces manual labor and boosts efficiency.
- Data Validation: AI supports the transition from Word-based to digital policies, ensuring accuracy in policy management.
- Customer Interaction: AI enhances customer engagement through automation in voice and online channels.

Future potential use cases cited by respondents include:

- Claims Automation: Automating straightforward claims and categorizing complex ones using AI models.
- Advanced Pricing Models: Personalised pricing models and competitor analysis through automated data gathering.
- Enhanced Document Interrogation: Using natural language processing for compliance checks and policy verification.
- Marketing & Communications: Personalized customer communications and real-time sentiment analysis using AI-driven tools.
- Onboarding: Automating data extraction and centralising documentation for faster onboarding processes.

AI's Implications for Insurance Operations

Respondents were asked to evaluate statements on AI's impact on insurance operations:

- Efficiency and Job Roles: Most agreed that AI would enhance efficiency, potentially reducing headcount but also transforming job roles. AI is expected to shift work away from repetitive tasks, allowing employees to focus on higher-value activities like customer service and strategic decision-making.
- Bias and Decision-Making: A consensus emerged that AI could reduce data entry errors and improve decision-making accuracy. However, concerns about AI-induced biases remain, emphasising the need for robust monitoring and governance to ensure compliance with ethical standards.
- Regulation and Automation: Respondents advocated for a hybrid approach, where AI systems recommend actions that humans review, maintaining accountability and transparency in decision-making.

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Challenges in AI Implementation

The survey identified several obstacles to AI adoption:

- Data Quality: Ensuring high-quality data is critical for successful AI deployment. Inaccuracies in data could undermine trust in AI systems.
- Skills and Capabilities: Attracting and retaining skilled professionals is essential for leveraging AI's potential.
- Data Accessibility: A robust data infrastructure is necessary for AI-driven decision-making.
- Budget Constraints: Financial and stakeholder buy-in challenges persist in AI implementation.
- Legacy Technology and Regulation: Outdated systems and regulatory compliance complexities add layers of difficulty to AI adoption.

Despite these challenges, respondents remain optimistic. Many highlighted the importance of step-by-step integration and a measured approach to building trust and ensuring regulatory compliance.

Conclusion

The survey underscores AI's transformative potential in the UK insurance industry. While it offers numerous opportunities to enhance efficiency, decision-making, and customer experiences, careful attention must be paid to ethical, regulatory, and operational challenges. As insurers continue integrating AI, a balanced approach that combines technology with human oversight will be essential to maximise benefits while minimizing risks.

By addressing these obstacles strategically and thoughtfully, insurers can position themselves to harness AI's capabilities, ensuring competitiveness and resilience in an evolving marketplace.

UNDERSTANDING CYBER RISK AND CLOSING THE PROTECTION GAP

Spiros Fatouros, CEO Marsh McLennan, Africa and South Africa

In recent years, cyber risk has emerged as one of the most pressing threats for businesses worldwide.

The complexity and evolving nature of this risk were highlighted in the recent report by Marsh McLennan and Zurich, which underscored a worrying reality: 99% of the economic losses caused by cyber incidents are not insured. This statistic reflects the growing challenge of adequately managing and mitigating cyber risk in today's increasingly digital world.

When we talk about economic loss in the context of cyber incidents, it's important to differentiate between what is insurable and what is not. In general, losses are considered uninsurable for two reasons. First, there may be a lack of appetite or capacity from insurers to accept certain risks at a feasible premium. Second, certain losses may be uninsurable because they conflict with public policy.

For instance, a large-scale malware attack that disrupts business operations may be covered under a cyber insurance policy. However, a cyberattack targeting a public utility with widespread downstream impacts would typically be excluded. This is a key distinction, as it highlights the limitations of current insurance products in addressing the full scope of cyber-related economic losses.

Cyber risk is a constantly evolving landscape, with new threats, such as ransomware and vulnerabilities in cloud infrastructure, emerging rapidly. The report emphasises that the widening gap between economic losses and insured losses is driven in part by the inability of insurance products and risk management strategies to keep pace with these evolving risks. This is not unique to cyber risk; the same phenomenon occurs in response to natural disasters like hurricanes, where insured losses often fall short of covering the full economic impact.

In South Africa, small and medium-sized enterprises (SMEs) are particularly vulnerable when it comes to cyber incidents. Many SMEs remain underinsured or entirely uninsured against cyber threats.

This stems from a perception that cyber risks are primarily a concern for larger companies, such as banks or those handling sensitive data. However, this mindset overlooks the indirect risks that SMEs face, especially when their businesses rely on third-party services and infrastructure that could be compromised in a cyberattack.

A cyber incident affecting cloud services or essential digital infrastructure can have devastating consequences for small businesses, even if they are not the direct targets of an attack. As such, the risk for SMEs often lies in the potential disruptions to the services they depend on rather than being targeted by cybercriminals themselves.

Encouragingly, there has been a growing awareness of cyber risks and a corresponding increase in the uptake of cyber insurance. In recent years, more South African companies have recognised the need to safeguard against cyber threats, leading to increased purchases of insurance policies and higher coverage limits. This shift reflects a broader trend in which cyber risk is no longer viewed as a niche issue but as a critical concern that warrants attention at the highest levels of business leadership.

Cyber risk is now firmly on the agenda of boards and CEOs, with companies increasingly integrating cyber risk management into their overall business strategies. This change in perspective is essential. Cyber risk can no longer be siloed as a purely IT issue—it must be embedded into the broader risk management framework alongside market risk, operational risk, and credit risk.

From an insurer's perspective, there is an ongoing challenge to keep pace with the fast-evolving nature of cyber threats. The development of cyber insurance products often lags the emergence of new risks because insurers rely on historical data to price and structure policies. This delay means that while insurers are continuously adapting, there is always a gap between the appearance of new threats and the availability of tailored insurance solutions to address them.

Nevertheless, the insurance industry has made significant strides in establishing minimum standards for cyber protection. Just as fire safety standards are a fundamental requirement for property insurance, certain baseline cyber protections, such as multi-factor authentication, identity and access management, and immutable backups, are becoming standard prerequisites for obtaining cyber insurance coverage. These measures help ensure that businesses meet a minimum level of cyber resilience, thereby reducing their exposure to risk.

In conclusion, cyber risk is a business risk that must be integrated into a company's overall risk management strategy. The days of treating cyber as a standalone IT issue are over. Instead, businesses must view cyber risk as an inherent part of their operations and take steps to mitigate it accordingly. Collaboration between the public and private sectors will also be crucial in addressing the most significant cyber threats, particularly those targeting national infrastructure.

By working together, we can build a more resilient response to the growing cyber risk landscape.

earnix

Increased Cybersecurity Concerns

As insurers embrace new digital channels, avoiding ransomware, data breaches, and other cyberattacks is their top priority. Survey results from the Earnix 2023 Industry Trends Report: Insurance Operations in a Changing Industry and additional statistics provide even more insights.

40% of survey respondents named "growing cybersecurity risks" as their top concern.

24% of actuarial and pricing executives ranked cybersecurity as the most important trend impacting their business.

The global market for cybersecurity insurance is expected to grow to **$20.4B** by 2027.

Only **19%** of organizations have coverage for cyberattacks over $600,000.

Cyber insurance payouts increased by **200%** in a three-year period ending in 2021.

Survey participants believe that cybersecurity risks will have the most significant impact on insurance operations in the next two years. This was the top answer cited, ahead of other trends such as AI, climate change, and even inflation.

Find out more

CYBERSECURITY IS A BIG DEAL, BUT WHY SHOULD I CARE?

In conversation with Mobius Binary

By Praleena Mudley, Associate Portfolio Specialist at Morningstar South Africa

In today's rapidly evolving digital landscape, safeguarding digital boundaries is more critical than ever.

Mobius Binary, a leading cybersecurity firm, provides comprehensive services to protect mobile apps, web apps, infrastructure APIs, and users from cyber-attacks. Operating globally, with a presence in Mauritius, South Africa, and the UK, Mobius Binary has a unique perspective on the regional cybersecurity landscape.

In a recent presentation, Graeme Huddy, a director at Mobius Binary, shared insights from their annual cybersecurity survey, which reflects the experiences and concerns of industries like banking, technology, financial services, and insurance. He pointed to a few key highlights from the survey:

- Cyber Attacks: 65% of respondents reported their company had been a victim of a cyber attack in the preceding year. Although this was down from 73% the previous year, 65% is still very high.

- Types of Attacks: The most common attacks were social engineering, data exfiltration, malware, ransomware, and business email compromise. Notably, most of these attacks are post-exploitation techniques, meaning the breach has already occurred.

- Root Causes: 65% of respondents cited a lack of security awareness as the root cause of cybersecurity weaknesses. Other causes included inadequate third-party controls, poor identity and access management, and insufficient monitoring of cyber threats.

A positive takeaway was that 61% of respondents indicated cybersecurity was a board-level concern. The main drivers behind this were reducing damage to reputation and trust, minimising business interruptions, and increasing pressure from external third parties.

The presentation also addressed significant challenges, such as the absence of threat profiles tailored to specific organisations, inadequate third-party controls, and legacy system vulnerabilities. These findings underscore the importance of strategic alignment and proactive measures in bolstering cybersecurity defences.

To provide a real-world context, Rob Len, an ethical hacker at Mobius Binary, shared his take on practical cybersecurity measures and their impact, offering valuable insights into how organisations can effectively navigate the complex cybersecurity landscape.

What is an ethical hacker?

In essence, ethical hackers infiltrate organisations, uncover vulnerabilities, demostrate how data could be stolen (like emails and sensitive information), and then provide guidance on how to fix these security gaps. This process aims to protect organisations from actual malicious attacks, ultimately saving them from significant reputation or financial loss.

The Types of Hackers

To understand the threat landscape, it's helpful to categorise hackers:

1. Script Kiddies: These are individuals with minimal technical skills who use pre-written scripts or tools to perform attacks. They can still cause considerable damage despite their lack of expertise.
2. Lone Wolves: These are skilled hackers who operate independently, often for personal satisfaction or challenge rather than monetary gain.
3. Hacktivists: Groups like Anonymous fall into this category. They hack to promote political ends, functioning as judge, jury, and executioner.
4. Organised Crime: These hackers are highly organised and financially motivated. They often engage in activities like ransomware attacks, where they lock data and demand payment for its release.

The Importance of Cybersecurity for Everyone

While reading this article, you may think "Why would hackers target me?" The answer is that attacks are often opportunistic rather than targeted. Hackers use automated tools to scan for vulnerabilities across the internet, akin to a shotgun approach rather than a targeted rifle shot. This makes everyone a potential target. Services like SHODAN and Censys scan the internet for connected devices and their vulnerabilities (the Google equivalent for connected devices). Hackers can use these tools to identify and exploit weaknesses without knowing anything about the specific victims.

Praleena Mudley, Associate Portfolio Specialist at Morningstar South Africa

their vulnerabilities (the Google equivalent for connected devices). Hackers can use these tools to identify and exploit weaknesses without knowing anything about the specific victims.

Protecting Your Network

Basic cybersecurity measures are critical. Firewalls, for example, are not optional; they are essential. However, having a firewall does not guarantee safety. It's crucial to protect against both incoming and outgoing threats. For instance, an attacker can send a crafted email that, when opened, leaks password hashes. These hashes can be cracked to reveal actual passwords. Techniques like password spraying—where common passwords are tried across many accounts—can also yield access to a network.

The Human Element in Hacking

Many successful hacks start with social engineering—tricking individuals into divulging information or performing actions that compromise security. Social media is a goldmine for gathering personal information that can be used in targeted attacks.

Mitigating Cyber Threats

To mitigate such threats, it's crucial to make cybersecurity a senior management priority. Often, the weakest passwords belong to the most senior individuals. Implementing strong, unique passwords and multifactor authentication (MFA) across all access points is essential.

Furthermore, regular training and awareness programs can also help reduce the risk of social engineering attacks. Employees should be cautious about the information they share online and be trained to recognise phishing attempts and other malicious activities.

In conclusion, it's vital for organisations to proactively secure their systems and educate their employees. Cybersecurity is an ongoing process that requires vigilance, investment, and commitment from all levels of an organisation in order to be carried out successfully.

EVOLVING CYBER RISKS AND BEST PRACTICES FOR STRENGTHENING CYBERSECURITY

In a recent conversation with Santho Mohapeloa, Senior Cyber Specialist at Allianz Commercial, he revealed key insights from the Allianz Cybersecurity Resilience Report for 2024.

The report highlights significant trends and risks in cybersecurity, particularly focusing on ransomware, data breaches, and emerging threats that organisations face today.

Ransomware: An Ongoing Threat

Despite a slight decline in ransomware incidents, it remains a critical concern for businesses. The report indicates that ransomware attacks account for 58% of claims exceeding one million euros. While the pandemic of ransomware may have subsided, its impact is still profoundly felt across various sectors. "The fact that ransomware is still present is alarming," stated Mohapeloa, underscoring the ongoing need for vigilance.

The Rise of Data Breaches and Exfiltration

Alongside ransomware, there has been a noticeable increase in data breaches and class action lawsuits in both the U.S. and Europe. A shift has been noted in criminal tactics, moving away from encryption-based ransomware attacks to data exfiltration. This change allows cybercriminals to steal sensitive information, giving them leverage to demand higher ransoms. "The value is in the data," explains Mohapeloa, highlighting the importance of protecting organisational data from unauthorised access.

High-Profile Incidents

Recent high-profile breaches, such as those involving MGM Grand, T-Mobile, and Snowflake, underscore the growing threat landscape. These incidents not only result in substantial financial losses but also pave the way for increased class action lawsuits. With the U.S. legal system favouring consumer rights, organisations face heightened legal risks following data breaches.

Understanding Non-Attack Data Breaches

Non-attack data breaches occur due to improper data collection or storage practices. These breaches can lead to significant legal repercussions, especially in light of stringent data protection regulations in the U.S. and Europe. The report reveals that the fallout from such breaches is extensive, often resulting in costly litigation for organisations.

Santho Mohapeloa, Senior Cyber Specialist at Allianz Commercial

Claims Management and Risk Mitigation

From a claims management perspective, Allianz utilizes threat intelligence to predict and mitigate risks. Mohapeloa stated, “We have a global outlook on these claims, allowing us to preemptively address potential attacks.” This proactive approach includes advising clients on best practices for cybersecurity.

Best Practices for Cybersecurity

The report identifies several best practices for organisations to strengthen their cybersecurity posture:
Employee Training: Regular training and simulated phishing attacks can significantly reduce the likelihood of successful cyberattacks.

Multi-Factor Authentication (MFA):

Implementing MFA policies adds an essential layer of security to protect sensitive data.

Disaster Recovery and Business Continuity Plans:

Organisations should develop and routinely test these plans to ensure preparedness in the event of a cyber incident.

Data Breaches:

Entities can prevent and mitigate privacy breaches by using Data leak prevention tools, user behaviour analytics, data destruction policies and maintaining good data governance.

By adopting these best practices, companies can lower the impact and severity of potential claims. Clients who have implemented these strategies have fared better during the ransomware pandemic than those who have not.
Collaboration with Brokers

Brokers play a crucial role in the effective implementation of cybersecurity strategies. The importance of collaboration cannot be emphasised enough, brokers who embrace Allianz’s recommendations help clients mitigate risks more effectively. “Those that work with their brokers to manage risks experience the best results,” stated Mohapeloa.

Conclusion

The Allianz Cybersecurity Resilience Report serves as a vital resource for brokers and risk managers, providing insights into current trends and future anticipations in the cybersecurity landscape.

As cyber threats continue to evolve, the importance of remaining informed and prepared cannot be overstated. Organisations must take proactive steps to safeguard their data and mitigate risks in an increasingly complex digital environment.

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