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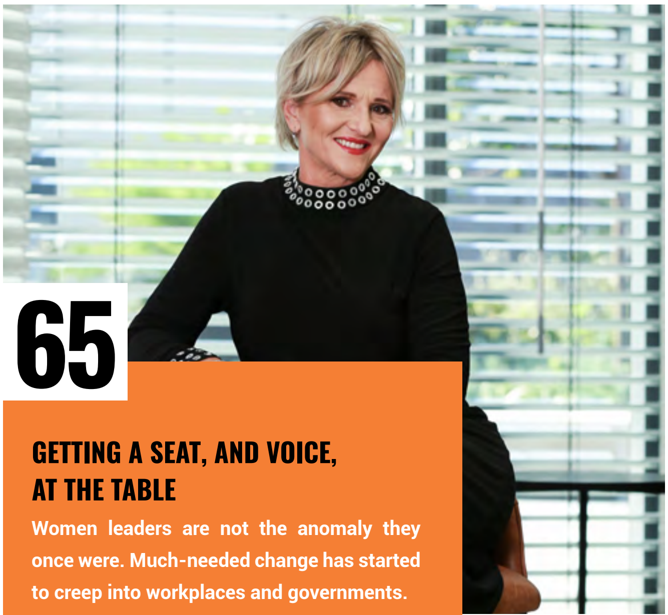

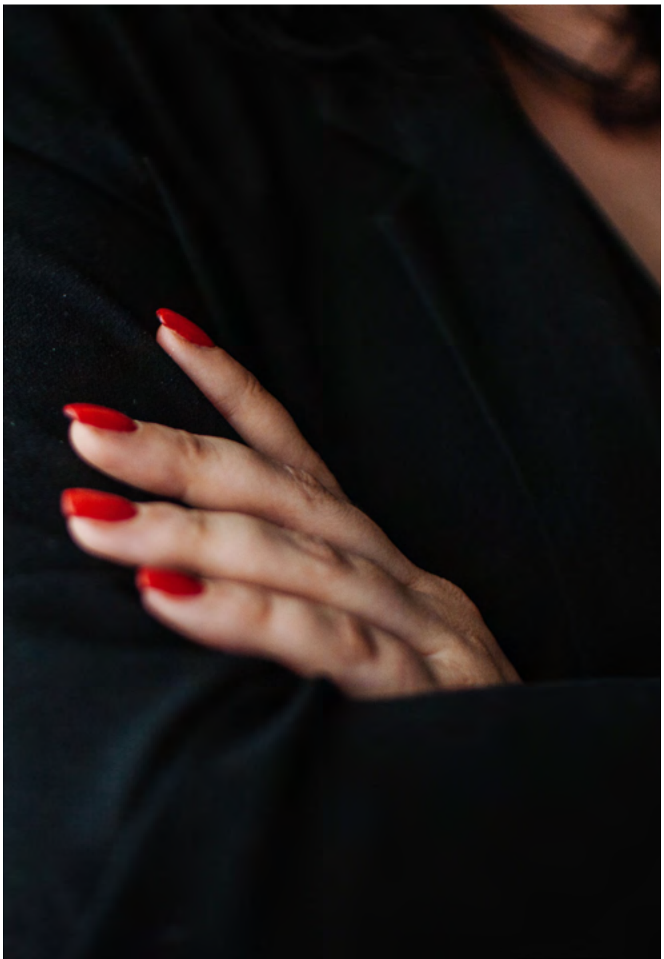

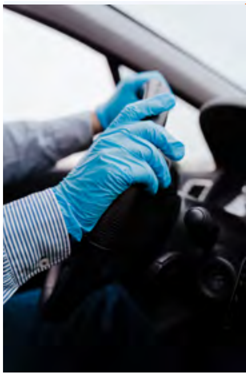

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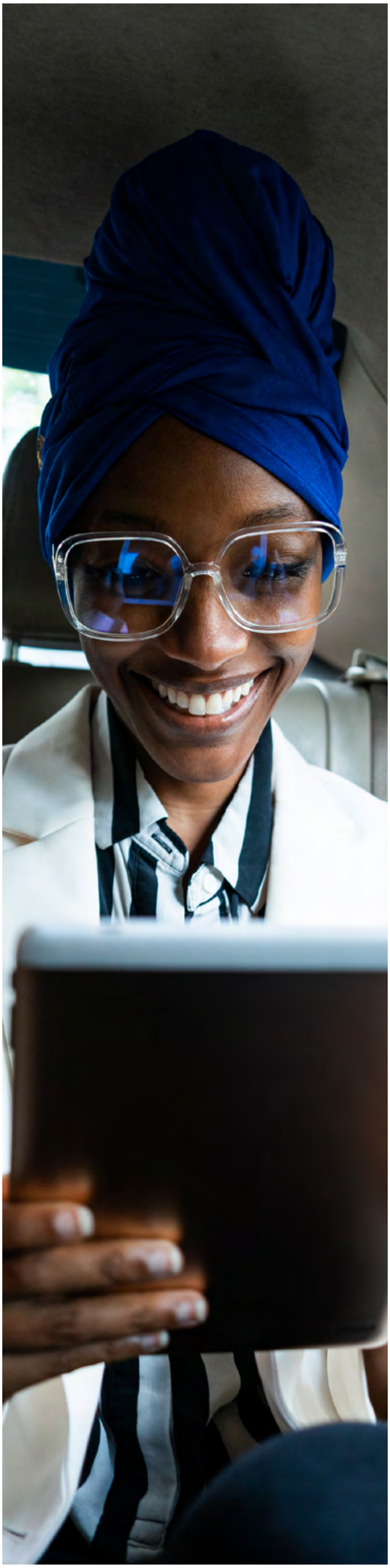

Welcome to COVER

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Editor's Note

WOMEN'S MONTH

I recently read an article in our local paper about a couple who has been married for 60 years. The wife mentions in the article that her husband has brought her a flower every single day, whether a stunning bunch or just one, picked in the garden. That's putting your money where your mouth is. That said, I do believe that we should take time every now and then, to focus on highly important issues that affect our wellbeing and society as a whole. Women's month is one such occasion.

Although, as raised by so many women in this feature, and even more in our following e-book, the issue of gender equality and equity should be embedded in our personal and business culture, it is still amazing to stop once a year and celebrate what has been achieved, while addressing ways to improve. A big thank you to all the women who provided comment. Make sure you look out for our Women's Month E-Book, containing many more articles on the subject. In the words of Percy Sledge: "This is a man's world, but it is nothing without a woman". Let's make it a people's world.

TONY: EDITOR IN CHIEF


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FINANCIAL PLANNING

"Advisors do not realize that they need to consider themselves as professionals."

- FARZANA BOTHA, SANLAM

COVER

THE FUNERAL FEEDING FRENZY: BEWARE THE DARK SIDE OF SA'S DEATH SECTOR

Death is big business and 'big business' usually comes part and parcel with some degree of rot beneath the surface. However, the past few years have revealed a particularly dark side to South Africa's 'death sector', with exploitation and fraud increasingly rife across the local funeral industry. Among many African societies, death is seen as an especially poignant rite of passage laden with tradition and ritual, where the deceased's spirit is prepared to pass on to the next realm.

LIEZEL GORDON

Client Engagement Team Lead at Metropolitan

The degree of fanfare that accompanies a loved one's passing is seen as a sign of respect for the deceased, and families that host funerals which do not live up to their community's expectations often fear losing their social status. Funerals are perceived to be and often are expensive.

One research paper which analysed the average cost of funeral arrangements in KwaZulu-Natal revealed that families, on average, spent the equivalent of a year's income on an adult funeral, finding that "households that cannot afford a funeral commensurate with social expectations must borrow money to pay for the funeral."

Given the high costs often associated with burial, funeral policies are the most popular category in the country's insurance sector. The Financial Sector Conduct Authority (FCSA) found that of the 60% of South Africans reported as having at least one insurance product, the vast majority of this group (41%) comprised of those with a funeral policy – bearing in mind that this figure doesn't account for the informal sector.

FUNERAL FRAUD A GRAVE AFFAIR

Given its scale, it should come as no surprise that the sector is ripe for exploitation by unscrupulous players. The Association for Savings and Investment South Africa (ASISA), reported that in 2020, 2282 funeral insurance claims were fraudulent or dishonest, accounting for more than 80% of the total number of fraudulent claims in the risk category for that year. Economic upheaval catalysed by the pandemic certainly ramped up society's collective desperation, which often increases unethical behaviour and crime.

There's been a renewed emergence of syndicates that are well-versed in insurers' policies and processes. These syndicates take out funeral insurance on behalf of already deceased people or, tragically, may even resort to taking the lives of those they insured. "Syndicates, particularly in the Eastern Cape, look for every opportunity to exploit and there has been upward trend with unnatural deaths in the last few years," noted ASISA. There have also been cases where syndicates have purchased corpses from mortuaries, using the body to claim against policies fraudulently taken out. Fraudsters phish personal information from their victims, and then use that data to take out a policy or to include on a fake death certificate.

So how can consumers protect themselves? When it comes to suspected fraud, I advise contacting your insurer immediately if you suspect fraud or find that a policy has been taken out in your name, to ensure that any attempt at fraud is stopped in its tracks. Interrogate your bank statement and be on the lookout for transactions or debits you did not authorise. All fraudulent activity whether suspected or confirmed should always be reported to your bank, the insurer in question, and the authorities.

INSURERS DYING TO SELL MORE

On the other side of the cemetery, there are a rising number of insurers and intermediaries that are far from innocent bystanders in the funeral feeding frenzy. Insurance sales agents, eager to earn commission, may be tempted to 'over-sell' bells-and-whistle benefits or advise clients to take out multiple policies with little difference between products. This is generally not in the clients' best interests.

Clients are often unable to afford these expensive practices monthly and, in the end, their policies may lapse. If tragedy strikes and the policy has lapsed, the client has nothing to show for it. When it comes to taking out cover, I suggest shopping around for a financial product that gives you exactly what you are looking for. The bells-and-whistles add up in cost, and depending on what you're looking for, may not always be necessary.

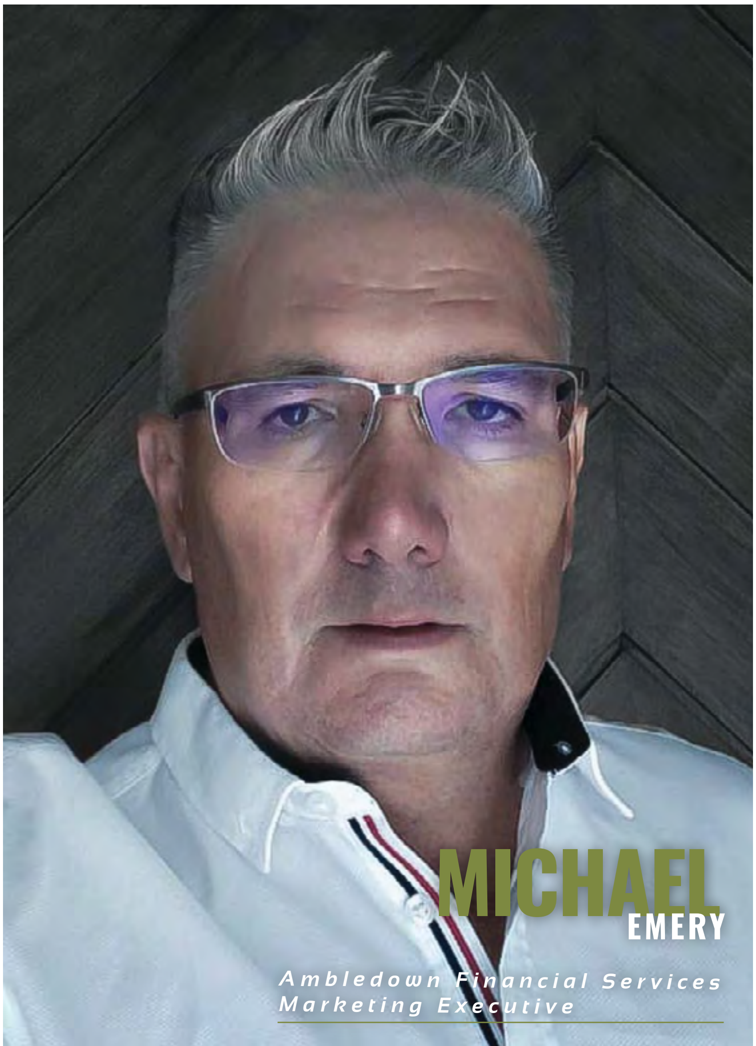
A clever approach is to consider what you believe a dignified burial to involve and work out a rough cost estimate. There are funeral planners available to help you with this. Once you know what you need, get a quote from a few providers, and go with the one that you can afford, and which offers you the best value. You can always add to your policy at a later stage but if you cannot afford the monthly premiums, you will not benefit. If you already have funeral cover in place, make sure that you are not over-insured. You can often save money by consolidating multiple policies into one plan, which offers all the cover you need for you and your family.

FUNERAL INDUSTRY LETTING US DOWN

We're also seeing some funeral directors overcharging for services or taking advantage of grieving and emotional clients by encouraging them to spend on luxuries they can ill afford. South Africa's funeral services industry is still largely unregulated yet growing at a rate of around 12% annually, and it's projected that its revenue will amount to approximately $272.6 million by 2023. This rapid 'mushrooming' has pathed the way for opportunists.

A loved one's passing is an emotional time and emotions can influence spending behaviour. If you find yourself struggling to make decisions because you're grieving, rather than be led to spending on an elaborate casket or expensive service, ask a trusted, financially-savvy friend or family member to assist you.

UNDERSTANDING GAP COVER AND HOW TO IDENTIFY WHAT SUITS YOU BEST



Two years of a pandemic and the spike in holiday road accidents have served as a grim reminder that medical insurance is a must-have, to ensure the best possible medical care in the event of an accident or illness.

But often, medical aid schemes do not cover the full costs of specialist and hospital treatment. Gap cover is a form of short term insurance that shields you and your family from unexpected shortfalls on medical expenses for in-hospital procedure and specific out-patient procedures, helping avert potential financial catastrophe after a major medical event.

Gap cover is not a medical scheme, the cover is not the same as that of a medical scheme and it's not a substitute for medical scheme membership. Gap Cover is only available to medical scheme members and helps members pay the shortfall that often occurs between what a medical scheme will cover for services and what medical professionals actually charge for services.

Gap cover has become an increasingly important safety blanket, which can achieve a balance between your medical scheme plan and your shortfall medical expenses, as procedure costs rise.

WHY MEDICAL AID IS NOT ENOUGH

Many people discover too late that while their medical aid will cover 100% or 200% (a few schemes will cover 300%) of their tariff for the procedure, the true costs of procedures could be far higher, resulting in a shortfall which the patient or their families must pay.

To keep up with inflation, medical scheme fees go up each year while benefits tend to increase at a lower rate. Co-payments may be increased and limitations placed on specific treatment or procedures. This reinforces the significance of gap cover.

In addition to rising medical scheme contributions and benefits increasing at a lower rate, many people are still experiencing hard economic times and often insurance policies and medical aid is reviewed as a way to cut monthly expenses. Most medical scheme plans allow members to downgrade their plans during the year – but generally, you are only allowed to upgrade at the start of the new year/contract period. If you are changing medical scheme plans to cut costs, make sure you are still covered in the case of any medical emergency and avoid getting into heavy financial stress to cover medical expenses.

CHOOSING GAP COVER

Not all gap cover is equal, so it is important to talk to a financial advisor to help you choose a gap cover plan that complements your medical scheme. The right level of cover should minimise shortfalls with gap cover of up to 600% less than the medical

"Many people discover too late that while their medical aid will cover 100% or 200% (a few schemes will cover 300%) of their tariff for the procedure, the true costs of procedures could be far higher, resulting in a shortfall which the patient or their families must pay."

scheme reimbursement rate. It should assure members of the latest, correct overall limitation as stipulated by the regulator. Top end gap cover will also help you pay major medical hospital admission co-payments, and offer cancer cover and dread disease benefits. In addition to simply covering expense shortfalls, gap cover should be reliable, available when you need it, and should be backed by service excellence and empathetic support.

It is important that gap cover providers are easily accessible to you when you need them most, so look for a gap cover administrator that offers easy registration and claims through online or mobile technologies, and which has a solid track record of paying claims quickly. Ideally it should allow you to register or submit a claim quickly and easily via your mobile phone and offer access to 24/7 ambulance medical assistance. Additionally, a Covid-19 self-assessment screening and support line would be helpful.

Taking a moment to secure the right levels of medical and gap cover can make all the difference between settling for what treatment you can afford, and the financial security to get the most effective therapy to make a full recovery. For more information and to find a gap cover solution to suit your specific needs, go to www.ambledown.co.zat

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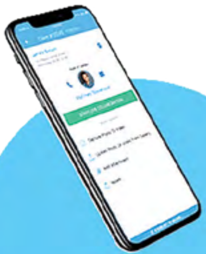

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THREE KEY IMPERATIVES

FOR THE MODERN CFO

Ignatius Richards, Business Manager: Financial Planning and Analysis at Decision Inc.

Digging into the evolution of the CFO's role and how this can leverage value and growth for the organisation

The role of the Chief Financial Officer (CFO) changed significantly over the last decade. From being the financial gatekeeper to a vital strategic partner, the CFO is now a business enabler and one of the primary drivers of future development and success. As part of the executive, the CFO is jointly responsible for the vision and mission of the business and, as McKinsey highlights, they are taking on an increasingly critical role.

The research firm also found that CFOs need to be more collaborative, that they focus on digitisation initiatives, and that they leverage both expertise and technology to achieve these mandates. Ultimately, it is the CFO that can ensure digital initiatives are transformative and relevant, and that investments align with the core values of the business. The latter is more than just the products and services, now these values include the ideals of making a difference to the customer's life, to the community, and to the workforce.

Many CFOs, like me, may look back and reflect on past decisions that influenced the direction of their business. About whether or not a certain decision was the best one given the information available at the time. Ultimately, information is key when making impactful business decisions. We need to plan for the future and direct resources to the correct initiatives to make an impact and support the business to fulfill its vision and mandate. The challenge is that there is only one certainty – and that is uncertainty.

How can the CFO plan for a future that's seemingly impossible to predict? The answer is complex. First, you can't just have one plan for the future. Adaptability has become an essential tool in any CFO's toolkit. The Office of Finance needs to plan for numerous possible scenarios, given all the variables that influence business outcomes in the modern global economy.

CFOs also need to be ready to change and adjust those plans at short notice when the playing field changes and those original plans become redundant.

THIS IS A MAMMOTH TASK THAT NEEDS TO CONSIDER THE FOLLOWING THREE ELEMENTS:

1. ANALYTICS: YOUR KEY TO GAINING FINANCIAL INSIGHTS

First, you need to know what happened in the past and why it happened. Modern analytical technologies can gather information and data from across the entire business and bring all of it together into one trusted and comprehensive data set. This is where algorithms can highlight patterns, previously hidden in those pesky spreadsheets. Dashboards and graphs can track performance in every area of the business: sales, manufacturing, staff performance, market trends, and more. A whole new industry has evolved around the richness and ubiquity of this data, with data engineers and data scientists fulfilling this function. Data and analytics have been the great game changer over the last decade, and huge investments are still being made to improve our insights into what happened, and why.

2. SCENARIO PLANNING: PREDICT EFFORTLESSLY

The second component is looking to the future and planning for the "what if" scenarios. It is also here that technology has come a long way. Modern planning technologies can use past data and predict any number of future scenarios. Predictive analytics is not an unfamiliar term anymore and the power of machine learning and artificial intelligence (AI) has made this task more simple and faster. Businesses can run multiple what-if scenarios based on any number of drivers and variables, compare these scenarios with each other, and even assign probability scores to future scenarios based on historical trends. We are fortunate to live in an era where most of the guesswork has been removed from planning for the future.

The real value is that it brings the past and the future together in one harmonized set of data where plans and actuals can be compared to anaylse performance. Here adaptability is imperative as well. These plans need to be updated quickly and easily using drivers and assumptions. There are many technologies that enable this function, and to see the investment in the space excites me about what the future may hold.

3. A KEY STRATEGIC TECHNOLOGY PARTNER

The third component, and in my opinion the most important, is a technology partner that can accompany you on this digital journey. You need to have a partner that understands the technology landscape and shares your values. A partner that understands your vision and mission and your business and goals. When you have a technology partner of this calibre, you will gain insight into the art of the possible and ensure that all systems are best in class and fit for purpose.

The path of digital transformation is one of constant change and evolution. As the CFO, you need to focus on driving your business to a better, more successful, and sustainable future. Having a technology partner you can trust is an absolute necessity that can have a measurable impact on the success of your digital transformation agenda.

"Evaluate your partner options based on shared values, aligned vision, competency, and capability. This is one of the most important relationships you will have on your journey, so choose wisely."

SOUTH AFRICAN RESERVE BANK SIGHTS FIRMLY SET ON CRYPTO REGULATION

In just a few years, the adoption of cryptocurrencies as well as the entry of new players into the market has skyrocketed.

In just a few years, the adoption of cryptocurrencies as well as the entry of new players into the market has skyrocketed. However, in evaluating cryptocurrencies, it is important to distinguish between technological advances and potential improvements to the payments system, as well as the hype. This is according to Kuben Naidoo, deputy governor of the South African Reserve Bank (SARB) and a member of the Monetary Policy Committee, who spoke at the most recent PSG Think Big webinar.

Naidoo highlighted that the SARB's thinking on cryptocurrencies has evolved, and that it now views it as a type of asset and believe it should be regulated as such. However, he elaborated that the role of the SARB as it looks to regulate the industry is not purposed towards helping users to mitigate market risks, or to "pick winners and losers".

The ups and downs of the market fall outside the concerns of the regulatory framework in a free market, and investors are free to choose which assets to invest in. Instead, the SARB is primarily concerned with implementing a regulatory framework that ensures anti-money laundering legislation and exchange controls are adhered to, just as they are for investment and trading in other financial assets.

Naidoo does not see cryptocurrencies as being a likely challenger to the authority of the South African Reserve Bank as the technology is still developing and digital currency is still too volatile to be widely used as a means of payment. However, the use of crypto for money laundering and other illicit activities is a source of concern. He explained that 90% of transactions involving cryptocurrency in the US is for the purchase of opioids or gambling tokens. "Another unfortunate reality is that crypto is being used by cyber criminals to demand ransoms, and to fund cross-border kidnappings and other international crimes."

Therefore, the SARB and Intergovernmental Fintech Working Group is actively considering taking two immediate steps to reduce the risk of cryptocurrencies being used to evade existing regulations. As Naidoo explains, the first port of call will be to bring crypto into the regulatory regime under the auspices of the Financial Sector Conduct Authority, and for the Financial Intelligence Centre to list it as part of a schedule under the Financial Intelligence Centre (FIC) Act. Secondly, a regulatory framework needs to be developed for exchanges and platforms which includes KYC (Know Your Customer) protocols, as well as exchange control and the applicable taxation laws. In addition, cryptocurrencies should come with a 'health' warning, indicating that the potential to lose money should be taken seriously and that owning cryptocurrency is not the same as making a bank deposit.

According to Naidoo, this approach is welcomed by most of the industry, with many players indicating that greater crypto regulation will help to legitimise the use of the technology. In Naidoo's opinion, it will also go a long way in curbing the impact of money laundering and helping platforms to build systems that are safe and trustworthy. Developments in this regard are occurring slowly but surely, as the SARB awaits the amendment of Schedule 1 of the FIC Act by the Minister of Finance. However, rather than expecting a "big bang" approach, the public should expect a steady and consistent influx of regulatory measures within the coming months as the industry regulation begins to take shape.

Naidoo also discussed the issue of the SARB issuing a central bank digital currency. In furthering these ambitions, the SARB is intimately involved with Project Dunbar an initiative that brings together the Reserve Bank of Australia, the Central Bank of Malaysia, the Monetary Authority of Singapore and the South African Reserve Bank for a cross border central bank digital currency.

Naidoo says the SARB's aim is improve the efficiency of the local payment system – bringing down costs and the time that it takes to clear and settle in the payment system. He predicts that a central bank digital currency would most likely be used for cross border payments, either for goods and services or remittances, but this will take several years before it becomes a reality.

ENABLING SUSTAINABLE PRACTICES IN

THE NEW REGULATORY ENVIRONMENT

Fairbairn Consult was started in 2020 in response to a number of new and emerging regulations most notably the CoFI Bill and the RDR proposals.

Fairbairn Consult was started in 2020 in response to a number of new and emerging regulations most notably the CoFI Bill and the RDR proposals. While these regulations are going to result in better outcomes for customers, they pose a number of questions around existing business models for advisers, and Fairbairn Consult has been built specifically to enable advisers to run sustainable practices in this new regulatory environment.

The business has two divisions retail and institutional. The retail division consists of Advisers and Planners and Fairbairn Consult Financial Planning. The institutional division is called Old Mutual Corporate Consultants, which was acquired from Old Mutual during 2021.

On the retail side, Advisers and Planners helps advisers build sustainable practices. It is an innovative and modern business that leverages true partnerships to enable advisers and planners to focus on their clients, rather than on the increasing compliance requirements.

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We also offer Franchise opportunities, and advisers have the options of starting their own Franchise or moving into an existing Franchise should they want to. Owning a Franchise is a fantastic option for an entrepreneurially minded person who wants to build a business within a business. In a Franchise, you remain in control of your infrastructure, how your advisers run their practices and how they get paid.

This means that you can create an environment that your advisers love. All Franchises can be co-branded with Fairbairn Consult. Fairbairn Consult Financial Planning (FCFP) is a new division that brings professional financial planning to all clients. Until now, this was only available to a relatively small group of high net worth clients through boutique Wealth Management firms. All our advisers are CFP® professionals and are paid salaries rather than commission. We follow a holistic advice led philosophy, that we tailor for the individual needs of each of our clients.

The institutional division is an established business, which has engineered a full suite of consulting services that deliver a host of compelling benefits. Trustees and Management Boards enjoy the confidence that they are equipped to fulfil their fiduciary duties. Members are exposed to optimal investment strategies designed to meet their unique retirement savings needs.

Our advice philosophy is built on the cornerstones of extensive industry experience, solid business insights, and a deep understanding of the needs and requirements of retirement fund members - all of which is underpinned by ongoing research, international best practice and appropriate member education and assistance.

PLANNING FOR THE PROFESSIONAL

Certified Financial Planners are professionals and their own financial planning needs should receive the same attention as their clients. Farzana Botha, Segment Solutions Manager, Sanlam discusses.

FARZANA BOTHA

Segment Solutions Manager, Sanlam

Tony: Your savings is quite an interesting concept; one always wonders how many people understand the difference between savings and investments and just the general thing about savings being a decision that you must make and to stick to et cetera.

Now, when it comes to financial planning, financial services, and of course investments and savings, clients are quite different. The needs of clients are different from segment to segment, but also from person to person. In the case of professionals or high net worth clients, they would have specific needs.

So, just as background from a Sanlam perspective, how do you define the professional or a high net worth individual?

Farzana: From a very technical level, a professional is someone who has an honours degree, so that would be four years of studying or they if they have two, three-year degrees or belong to a professional body.

The type of occupation that they do causes them to register with a professional body. So, that would be your accountants, lawyers, doctors and even now our financial advisor through CFP. That would be the technical definition in terms of our professionals, those who have studied for a certain period and offer professional service in terms of what they do for a living.

Tony: How do their needs differ from people that you do not classify as professionals?

Farzana: For the very reason that you mentioned about how people are different in different segments, as well as on an individual basis. If you consider that a person who studied 3, 4, 5 or even six or seven years, like your doctors, they invested a lot in terms of their intellectual capability. They are now offering a very specialized service to the community and to the working world because of this investment and because of what they can offer, they come at a specific price.

So, their earnings related to their intellectual capacity and their potential to earn is generally bigger or greater and grows rapidly as well. So, with that in mind, when a person is considering their financial position and their financial planning, those variables need to be considered.

If you have invested in yourself, if your ability to earn income is greater because of your specialization or your education - most of these people who have the specialized function are self-employed and so their ability to work directly depends on them showing up every day- if you take into consideration that lifestyle, that intellectual ability, their financial planning needs to mirror that, and to protect them in those instances where they are unable to show up.

Where their minds are impacted due to disability or illness, the financial consequence of that needs to be considered in light of what they do and what they have the potential to do.

Tony: Now, in terms of the amount involved, because they are professionals and they probably have more stability in their income, they are valuable clients to our industry. Then to a large extent, the fact that they are valuable clients to our industry, it makes it possible for us, just from a social perspective, to be able to deal easier with people who do not have that much money.

So therefore, we must incentivize the people with lots of money and stability in their income, to do business with us and to stay with us. In Sanlam's case, you obviously do the same. I know that you have specifically aimed at professionals, what you call a wealth bonus booster, and that is one of your carrots, to get them in and to get them to stay with you. Can you explain to me what that is all about?

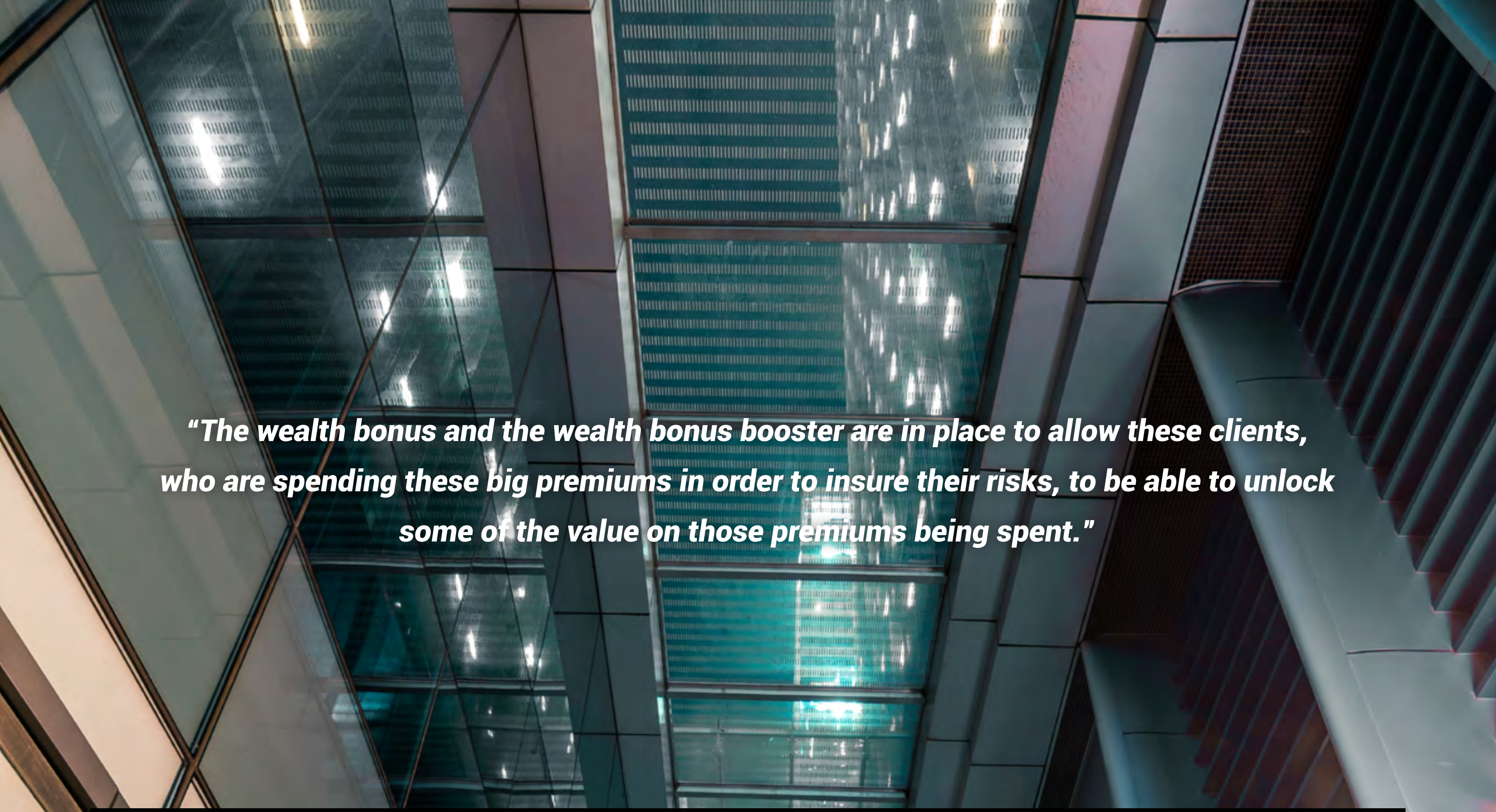
Farzana: The rationale behind it, is partly what you said, we want to treat them well because they are the big money spenders. There is good value in that, but at the same time, the reason we have the professional offering at Sanlam is to show a very good understanding of the professional client.

The offering is tailored to that professional client and one of the things that we understand about them is that if they are spending big premium, and they want to see value for that money that they are spending. Unfortunately, with your risk policies and your retirement continuities, for example, the value is not immediately materialized, even though a lot of money is being spent.

The wealth bonus and the wealth bonus booster are in place to allow these clients, who are spending these big premiums in order to insure their risks, to be able to unlock some of the value on those premiums being spent. Now, the booster aims to afford professional clients who are spending money on both a risk policy, as well as a retirement annuity, if they happen to have those two qualifying plans with Sanlam, they will then get an additional reward that can be unlocked by that client, in rand value, that they can access and materialize some value. So, that is the rationale behind it, the client can feel like there is some material reward to the money that is being spent towards these policies.

Tony: You alluded earlier on, that financial planners, CFPs, are included in this, and this has been one of the successes of our industry over the last two decades. The professionalization of the financial planning sector and specifically the advisors in that sector and the CFP and the financial planning Institute played a huge role in achieving that. But there is that saying that a cobbler's children are the worst shot and financial planners regularly forget about looking after their own financial planning and applying a professional method to that.

Now you included CFPs in your segment as professionals, what has your experience been with the financial planners in terms of taking up their role as professionals and applying it to themselves?



"The wealth bonus and the wealth bonus booster are in place to allow these clients, who are spending these big premiums in order to insure their risks, to be able to unlock some of the value on those premiums being spent."

Farzana: One of the things that I have experienced, and it is a good platform that we are having this discussion on, is that advisors do not realize that they need to consider themselves as professionals.

Now, in the earlier part of our discussion, I mentioned the investment that goes into their intellectual ability and then being able to offer professional service and add value in that way. And the advisors managing the professionals' financial planning, they are offering a very specialized service and they are offering a very intellectual kind of service.

They often forget that intellectual ability is something that adds value, it is monetized, and they forget to see themselves as a professional. And it is also because outside of Sanlam, they are not necessarily considered professional.

So, it is not an immediate thought to think I am a professional, I have these similar consequences, I have the similar situation and I need to take this kind of outlook towards my own finances. So, the first thing is that they have not framed it correctly in their minds. They have not necessarily looked at their finances the same way they would look at their professional clients.

So, we encourage them to start at home because they do not realize that those same risk assessments that they are doing for their client applies to them in the greatest scheme of things. The other thing is just a matter of neglect, advisors are so busy and there are so many moving parts when they're managing other people's finances and doing financial planning and assessments, that they forget to take a moment and say; it's a new year I should review my situation based on last year's earnings, my current health status and look at where I need to be at the start of the year so that I can still be the key person in my business and carry on this business and provide the service as well. So, they need to do a bit of stock take the same way they do review with their clients.

Tony: Yes, my own way of doing it, because I also qualified as a CFP many years ago, was to approach another CFP with myself as the client. That took it away from myself and placed it on him and after 20 years, I am still with the same financial planner, and he still looks after me as my professional advisor.

Farzana: That's a great thing, Tony, because you are also sharing the risk and the responsibility. So, you have another professional person with skills and insight looking at you and making sure that you cover yourself extensively and your family know they have someone to contact in your absence so that they are taken care of.

It is very important that, with peer-to-peer discussion, that the CFP advisors make sure that they connect with other like-minded and skilled advisors to look at their own and use yourself as a case study. Every time you look at yourself and you have a conversation with your peer advisor, the both of you are looking, analysing, and seeing new opportunity that you can then translate into business within your own client base as well.

Tony: Exactly, a little bit of objective perspective. We all need that. Farzana, thank you so much for your insights it was great chatting to you, and a valuable point is that the cobblers should look after their own kids' shoes.

Farzana: Definitely, likes attracts so if you are in a great position, you will definitely attract those professionals to you.

INCOME PROTECTION INSURANCE: WHY PROVIDERS' FUTURE SUCCESS DEPENDS ON FLEXIBILITY

Financial advisers have long acknowledged income protection insurance's place on the list of essential life insurance products. Despite this, lump sum-based disability solutions have historically stolen the limelight. This has changed in recent years, however, with increasing market recognition of the value of income protection insurance.

Some of this change is related to the pandemic, which has led a much wider client base to consider the importance of income protection insurance many for the first time. According to findings from GlobalData's 2020–21 UK Insurance Consumer Surveys, over 50% of people responding to a survey in the UK in 2021 said that the pandemic had influenced their decision to buy income protection insurance, up 15% from 2020. In South Africa, studies suggest that almost 35% of income protection insurance claims in 2020 were related to the physical and mental effects of Covid. These visible benefits have gone on to spur interest among new clients. A second key contributing factor is that income protection products are increasingly tailor-made to suit clients' specific needs. And it is in this that clients are starting to recognise their indisputable value.

INCOME PROTECTION INSURANCE OVER THE YEARS

Income protection insurance has a history spanning some 100 years in South Africa, with the first claim ostensibly paid to a railway worker who lost his eyesight in 1924. Over time, it gradually formed part of many group risk benefit arrangements.

It took slightly longer for smaller businesses and entrepreneurs to consider including it in their insurance packages, where cost considerations often that income protection often lost out to permanent disability cover, if any disability cover was paid for at all.

All of this is changing, however, and as businesses deal with the impact of Covid as well as global economic fluctuations, interest in this product is increasing, both for individuals and group risk schemes.

With the seismic shifts the world has seen in recent years showing no sign of abating (the rise in inflation, interest rates, and the cost of living seems to have no ceiling), clients are counting their pennies, even as they try to assess how much they might need in an uncertain future.

This environment can hit lump sum pay-outs quite hard, as the value of lump sum is more likely to be eroded by economic volatility. Adverse investment conditions mean that clients might not be able to receive an annuity income from their lump-sum investment that corresponds to their income needs, which means that their pay-out might fall short.

To really be effective, income protection solutions need to consider clients' circumstances at payout, which of course, can be difficult to predict. Providers that are innovating in this space, however, are finding a way to cater to clients' changing circumstances and needs.

THE RISE OF FLEXIBLE PLANS

Rigid and uncompromising income protection plans are a thing of the past. And providers who insist on using them will lose clients to those who have proven their adaptability.

Today's most comprehensive and flexible plans remove unnecessary barriers to claim and provide real guarantees, both with regard to premiums and pay-outs. They also don't require clients to notify them if they change occupations or careers, or if they pick up a hobby after the underwriting stage that is considered risky. They also offer flexibility in terms of waiting periods and don't aggregate pay-outs against active income.

Needs-matched life insurer, BrightRock, has not only pioneered many of these features but has in effect dismantled the divide between lump sum-based and income-based disability cover. It offers the only product on the market that allows clients to change their lump-sum pay-out to a recurring pay-out on guaranteed terms when they claim, without the risk of losing the payment entirely if they die shortly after the disabling event. This means that clients only have to decide which option suits them best once they have a clearer sense of their short, medium or long-term health, their financial circumstances and prevailing economic conditions.

Once an income protection claim is approved, BrightRock also doesn't reassess the claim and stop payment if the client has recovered, or reduce pay-outs against active income, giving clients absolute certainty.

Income protection insurance is gaining in popularity and, in the current environment, more relevant than ever. But, if financial advisers are going to capitalise on this opportunity, they need to be sensitive to the needs of their clients. There's no longer any appetite for restrictive and limiting clauses.

Instead, providers that put clients in the driving seat by offering solutions that can keep pace with changing times are more likely to earn their long-term trust, respect and loyalty.

SHORT TERM INSURANCE

"SA is among the top 10 countries that experienced the most cybercrime in 2021."

- RICHARD EALES, GUARDRISK

THE PROFOUND IMPACT OF THE COVID-19 PANDEMIC ON VEHICLE INSURANCE IN SA

South African insurers have had to relook their motor insurance offerings as the lockdown radically altered policyholder driving behaviour. What is the lasting impact of the pandemic, and how does telematics feature in this environment?

On 23 March 2020, a masked Cyril Ramaphosa at the Union Buildings announced that South Africa was about to go into a nationwide state of lockdown. In three days, everyone barring essential workers would have to stay at home.

In the uncertain months to follow, the sound of traffic was rare, and when it was heard, it was within curfew hours as the government's restrictions waned and waxed with the peaks and troughs of the waves of Covid-19.

Of all the disasters to strike South Africa, Covid is decidedly quantifiable. As it spread, so too did the volley of data sets – numbers, percentages and projections that speak of its chaos. And for an industry that relies heavily on statistics and probability, the motor vehicle insurance sector finds itself in a drastically different place.

"The pandemic turned traditional motor insurance in South Africa on its head," says Wynand van Vuuren, a Client Experience Partner at King Price Insurance. But to understand how the motor insurance landscape of South Africa changed and how it will look from now on, we must look at the status quo before policyholders went off the roads in March 2020.

THE WAY THINGS WERE

"Car insurance has always been a grudge purchase," explains Van Vuuren, "but in South Africa, it isn't just a nice-to-have but a necessity to protect yourself from a range of risks." South African motorists know these risks well, but, regardless, whenever they strap in a seatbelt most of them aren't insured for these risks.

According to the AA, there are around 12 million registered vehicles on our roads. Of these, only three out of every 10 vehicles are insured. "If you're involved in an accident, you've got a 70% chance of the other party not being able to cover any of the damage," Van Vuuren explains.

The standard motor insurance policies that we've come accustomed to in pre-Corona South Africa can be divided into four broad varieties.

Comprehensive car insurance, as the name suggests, covers a swath of risks that we share on South African roads. "It covers you for accident and hail damage, write-off, theft and hi-jacking, and any damage that you may cause to other cars, property or people in an accident," says Van Vuuren.

Then there's theft and write-off insurance. "This is a fairly new offering," he elaborates. It covers you for the total loss of your car if it's written-off, stolen or hijacked and not recovered. It also covers any damage incurred during an attempted theft or hijacking.

Third party, fire, and theft car insurance covers policyholders for the total loss of your car due to fire, theft, and hi-jacking. It also covers you for liability to other people and their property as the result of an accident.

Finally, there's third party car insurance. This covers you for liability for accidental injury to other people or damage to their property. Given that an overwhelming majority of road-users aren't insured, it's very important.

These conventional, comprehensive, or third-party party premiums were calculated on various rating factors such as geographic location, type of vehicle and the age of the driver, says Frans Prinsloo, Head of Mobility at Lombard Insurance.

Of these insurance policies, some are essential and others useful, but all were considered standard, run-of-the-mill offerings across the board from South African insurers. But with South Africa's strict lockdown policy, there was no more commuting to work, which irrevocably reshaped the vehicle insurance landscape.

WHERE THE STREETS HAVE NO CARS

"Covid-19 is an unprecedented event for the insurance sector," says Prinsloo. "With lengthy lockdowns, many drivers were no longer on the road using their vehicles." Says Van Vuuren, "With car usage in South Africa down to 30% during the lockdown, clients simply didn't want to pay full insurance premiums for assets that were standing idle for most of the time."

"Many insurers are charging and rating based on usage and the distance you drive," explains Justus Van Pletzen, Insurance Markets Consultant for Netstar, a subsidiary of Altron. "We saw a low usage in lockdown, up until recently." Wear and tear the literal daily grind that a car endures negotiating potholes and the stuttering stop and start of city traffic – slowed along with the ticking over of odometers.

"There was a significant reduction in the number of motor insurance claims," says Prinsloo. "From a rating perspective, I don't think we saw too many big increases from the insurers in usage and claims experience," Van Pletzen says. But less tyres on the tar doesn't necessarily mean less risk. The risks mutated, much like the microscopic airborne virus doing the rounds globally.

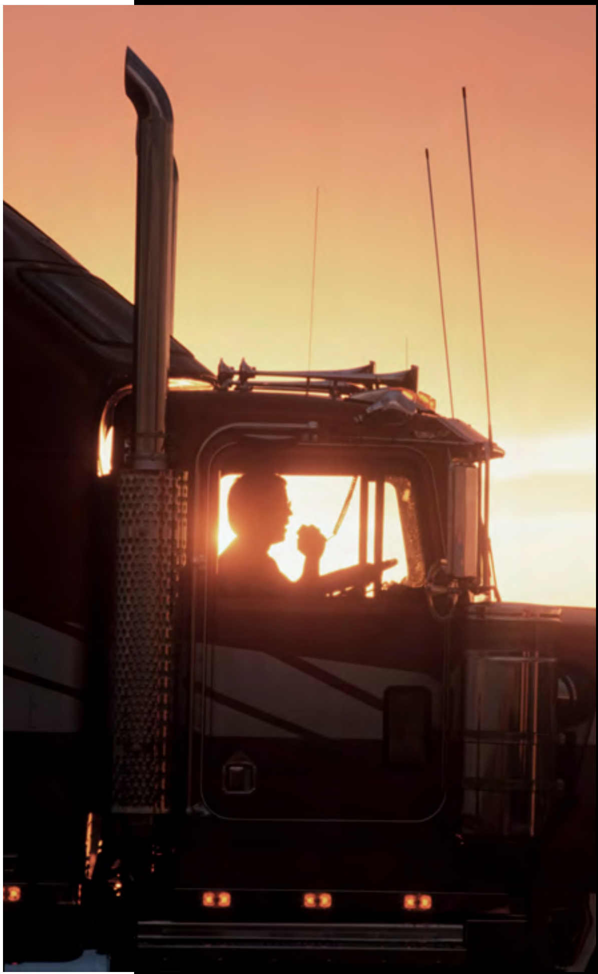
THE CRIMINAL ELEMENT

Initially, with cars out of sight, crime didn't pay. "Vehicle theft was harder," says Van Pletzen, noting that cars remained safe behind lock and key in their owners' garages. "Vehicles were absent from parking lots and weren't there for the taking," he says.

And so, criminals adapted their modus operandi, graduating from breaking in and hot-wiring cars to the armed robbery of vehicles. "The difference we saw was a change towards the criminal's behaviour from a hijacking perspective," Van Pletzen says. "Hijacking increased because it was the easier method to steal a vehicle."

THE FLEETS

Then there's the many latent effects of the virus. The widespread rioting in KwaZulu-Natal and Gauteng in July 2021 caused an inconceivable R25 billion worth of damage is an example of the knock-on effects of Covid-19. Although the looting had strong political motivations, the pressures and stresses from lockdown restrictions and job losses fuelled the collective discontent.



In terms of vehicles, cargo carriers suffered throughout these weeks from theft, vandalism, and delays. "Heavy commercial vehicles (HCV) and goods in transit (GIT) have suffered large losses in recent times due to the pandemic, coupled with the 2021 looting of the KwaZulu Natal and Gauteng areas, which is unprecedented," says Curtis Davey, Divisional Director of HCV and Commercial at Natsure.

Being part of the knock-on effects of the pandemic, these were incidents unforeseen and were difficult to make provision for in a fleet owner's risk management plan, Davey says. "This has forced fleet owners to re-evaluate a few areas within their operations and come up with the appropriate risk measures", he continues. "One of the factors is the implementation of a fleet maintenance plan, the knowledge of routes travelled, and the monitoring of driver's behaviour."

This is where telematics comes in. Telematics has huge benefits, says Van Pletzen; listing petrol savings, trip shorteners, HR benefits and cameras as a few of them. The latter showing if someone in a company vehicle stops and picks someone up, or helping with accident reconstruction. "It makes business so much more cost effective," says Van Pletzen.

Individual drivers' habits aside, telematics technology has already flagged general risks on our roads, making it not only a proactive tool but a pre-emptive one too. "We already have data available where we can give insurers and drivers an upfront indication of where the hijacking hotspots are and where the high accident areas are," Van Pletzen says.

A safe passage is one of the benefits touted by telematics experts. "Another factor is the use of routes that are unknown to the driver," Davey explains. "This generally happens where a driver deviates from a designated route due to being late for the delivery or simply because he wants to get the delivery done quicker. This is generally a recipe for disaster as the driver could either lose control of the vehicle or get lost in a remote area," says Davey.
"Using telematics, we can proactively guide insurers and clients into a better geofencing environment – "don't use these roads; be careful there; that traffic light will likely be faulty; slow down." In the long run, this is the sort of information that will be valuable to all involved.

While telematics used to be used solely for vehicle tracking, it has evolved to become a data-as-a-service tool, which provides invaluable information to insurers and their clients. Reaction time is vitally important in the event of an accident or looting, Davey says. "Making use of an assist programme can mean the difference between losing a full load and losing only a partial load, as they can recover the vehicle quicker, and, in doing so, reduce the chances of losing the entire cargo." "You can have a more intelligent geofencing management of both your drivers and your risks," says Van Pletzen. That is where I see telematics going in the future." But these uses aren't catching on as quickly as you would expect, Davey explains.

"Although it may seem obvious, these services are in most instances overlooked or ignored by fleet managers to save money. The theft or looting of cargo occurs mostly when an accident occurs or the vehicle breaks down in a remote area. "Both these instances are often due to a poorly maintained vehicle, which is a direct result of the financial strain placed on business as a result of the pandemic," Davey says. "In some instances, these unprecedented events have even caused thriving businesses to close down."

Virtually no business has been left untouched by the pandemic. According to data from Stats SA, within two months after lockdown was announced, nine in ten businesses reported a decrease in turnover and a third had already laid off staff. "The strain on finances invariably leads to fleet owners not maintaining the fleet as it should be leading to ill-maintained vehicles on our roads," Davey says.

THE PANDEMIC AND POLICIES

There's a new focus on usage-based insurance (UBI) solutions, with an increase in demand for bespoke insurance coverage in the wake of the pandemic. "UBI devices are included in the newly-structured vehicle insurance products, which takes into account information such as mileage, position, driver behaviour, and common routes travelled," says Prinsloo of Lombard. Some insurers approach this using outdated methods, where a customer must provide a picture of the mileage on WhatsApp, for example, Prinsloo explains. "It's not very effective."

Ultimately, the more data you have, the better you can manage risk, which affects rates in the long run. These precautions will assist the fleet owner to manage his risks, which will inevitably have an impact on how the risk is determined by an insurer when rating the risk and applying a rate, Davey explains. "It will ensure that the policy runs profitability and is sustainable in the long run," Davey says. "While it is true that the many pay the few, a fleet owner must be proactive in managing their risk. They can't simply rely on insurance as the only form of risk mitigation."

With data to back up your driving, clients will start to end up paying according to their behaviour. "Telematics has a huge percentage play in rates and premiums. If you're a good driver and you drive accordingly, your insurance will obviously be a lot cheaper than the premiums of careless drivers on the road," says Justus van Pletzen. "It just makes sense." But what if someone refuses to use it? "Then he's going to pay the price," Van Pletzen replies. "Then his premium will increase? The possibility is that the client will look for cheaper insurance and the risk will then move to another insurer. So, the ones that are doing it right in the long run will reap the benefits of it."

PAY FOR WHAT YOU DRIVE

Lockdown has made it clear that there is no space for a one-size-fits-all approach to motor vehicle insurance. "And while driving patterns are on the up again, the way consumers want to be insured is changing to a point where they want to be insured for their own specific risks, says Van Vuuren.

He explains that the insurance industry has responded with two different approaches. One is to reward drivers for their driving behaviour (pay how you drive) with the promise of reduced premiums. The second, which is gathering momentum in the industry, is usage-based insurance (pay as you drive), which allows consumers to pay premiums based on how many kilometres they drive in a month.

Referring to how these concepts are taking off in America, Van Vuuren says that companies such as San Francisco-based Metromile offer pay-per-mile insurance, while Slice is growing market share in the US and Canada for a range of pay-as-you-use short term insurance products. When it comes to behaviour enforcement in the telematics sphere of insurance, it's all carrot and no stick. The onus on being more responsible behind a steering wheel is getting the nod across the industry. "Driver incentives also play a vital role in getting the right driving behaviour from a fleet owner's driver," notes Davey. "Some insurers have enhanced their offerings by providing mileage-based or pay-as-you-drive cover, where premiums are discounted based on the kilometres travelled, says Prinsloo.

Telematics could radically change how policies are structured by rewarding drivers for not using their vehicle at all or payment holidays for those not using their vehicles, says Prinsloo "With the use of telematics, pay-as-you go-insurance could become the new norm for drivers. Usage-based policies could provide temporary cover that insurers by the kilometres travelled," he explains. "Extending cover to borrowed vehicles for work purposes is another potential option," adds Prinsloo.

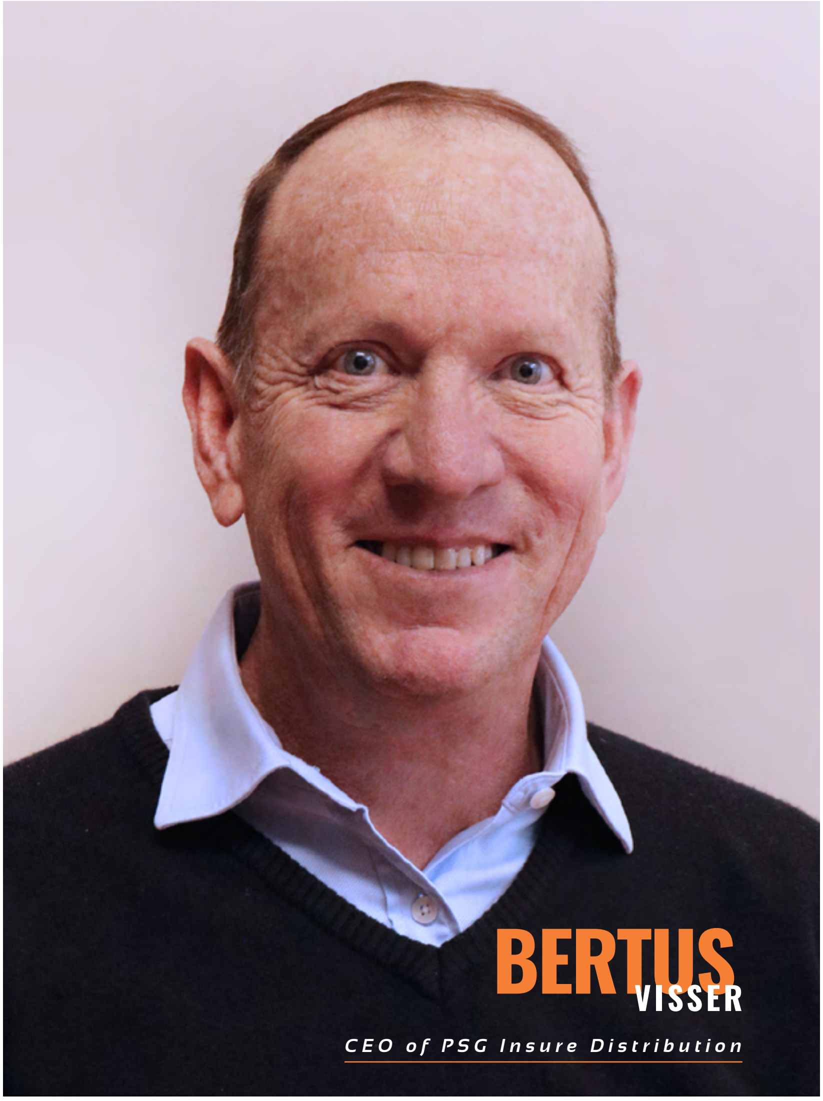
A TELEMATIC FUTURE, POST-PANDEMIC

With the ebbing of restrictions, and a slightly more predictable environment, the impact of telematics on insurance and drivers will be statistically clearer than during the pandemic. Seeing that the uncertainty of oscillating severity of lockdowns make it difficult to show the state of telematics in everyday conditions. "We will most certainly see an increased use of telematics," says Van Pletzen. "Things are almost back to normal, so it's easy for insurers to compare and see where more people are on the roads. This information will be very useful in implementing and rolling out telematics across insurance offerings," he says.

Now is the time for insurers to push the concept of telematics, he encourages. "We see an increase in nterest but many insurers continue to be slow on the uptake," Van Pletzen adds. As the pandemic has shown, digital solutions – remote working and online alternatives to shopping, socialising and entertainment – were the response to an in-situ crises. There's no reason why motor vehicle insurance can't go digital too.

HOW EVENT ORGANISERS CAN PREPARE

FOR UNSEEN RISKS



The onset of the COVID-19 pandemic in 2020 had a ripple effect across a broad range of industries. Among the most affected industries was events particularly events that relied on face-to-face participation.

The onset of the COVID-19 pandemic in 2020 had a ripple effect across a broad range of industries. Among the most affected industries was events – particularly events that relied on face-to-face participation. The cancellation of an event has a far-reaching impact on aspects such as event positioning, brand reputation, and customer and stakeholder relations.

Arguably, the biggest impact for the event host involves financial risk. One way of mitigating the potentially devastating effect of sudden cancellation is to ensure that you have adequate event liability insurance. The financial impact of an event cancellation is multi-faceted and best illustrated by means of an example.

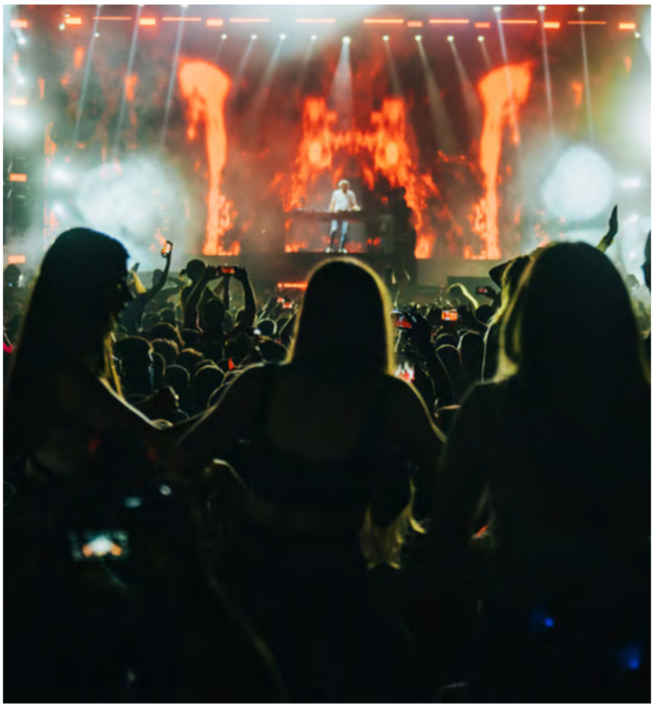
The Two Oceans Marathon, an annual event that attracts thousands of participants from all over the world, costs over R30 million to stage. This figure includes the cost of event infrastructure, event-related merchandise, medals, planning and logistics. Its cancellation in 2020, due to the pandemic, dealt a massive blow to the organisation as well as internal and external stakeholders.

When an event is cancelled, losses occur across a range of aspects. The refunding of participants is amongst the most pressing issues. Other challenges include the payment of staff, loss related to deposits paid for rented infrastructure and venues, and irrecoverable expenses related to signage, merchandise, communications and technology. Organisers of events held in South Africa, are bound by the Safety at Sports and Recreational Events Act of 2009 and can be held liable for the safety and security of attendees. For this reason, if an event is cancelled for a reason beyond the organiser's control, they will nonetheless be held responsible for any losses incurred.

From concerts and festivals, to sporting events and theatrical productions, several event organisers opt to insure against this specialist area of risk by purchasing liability cover. This kind of insurance will cover losses if an event is cancelled, interrupted, postponed or relocated for reasons beyond the organiser's control. These could include adverse weather conditions, civil unrest, the non-appearance of a key individual or the outbreak of a communicable disease. A number of factors will influence the kind of policy that an event organiser needs, including the nature and scope of the event, and the unique risks involved.

Liability insurance policies for event organisers are therefore tailored on a case-by-case basis. Concert organisers, for example, may decide to mitigate the risk of the performer falling ill or being unavailable for an unforeseen reason, by including cancellation as a result of non-appearance, as a clause in their policy. A corporate hosting an event that requires entire divisions or departments to travel to an overseas destination, may find it prudent to cover themselves for travel, catering, equipment, venue hire and accommodation expenses that will not be recoverable if the event is cancelled. Each of these examples will require nuanced clauses in their policy to ensure that every eventuality is accounted for. There are several determinants of what is insurable, which will vary according to the policy involved as well as the insurance provider you choose.

In certain cases, for example, cover for the financial loss related to adverse weather conditions, needs to be finalised at least two weeks prior to the event. In these instances, a loss adjuster will be pre-appointed before the time and will decide in conjunction with the insured, whether it is deemed necessary for an event to be cancelled because of weather-related reasons.



In some cases, such as for international events, insurance for event cancellation may be a mandatory requirement of stakeholders and investors. Where such liability cover is not compulsory however, it is prudent for event organisers to take a long-term approach to their planning and to cover themselves against the risk that unforeseen circumstances could derail even the most well-made plans.

Most importantly, due to the complex nature of this kind of insurance and the requirements thereof, it is important that clients contact their advisor to ensure they are appropriately guided and that the correct cover is obtained for the client needs.

SOUTH AFRICA: RECOURSE FOR EMPLOYEES WHO ARE INJURED AS A RESULT OF VACCINATIONS

Talita Laubscher, a partner at Bowmans office of Employment & Benefits Practice in Johannesburg and Melissa Cogger, a senior associate at Cape Town office of Employment and Benefits practice.

Some employers implementing their vaccination policies are being met with resistance from employees or anti-vaccination groups together with threats of civil and criminal liability. A few have received a 'notice of liability' with a request to sign an indemnity in terms of which the employer agrees to be held liable in the event of an injury from a vaccination.

In our view, it is not necessary for employers to sign an indemnity agreement in exchange for an employee's agreement to vaccinate. Compensation is available to individuals (or their dependents) if they suffer an injury, illness or death as a result of an SAHPRA-approved COVID-19 vaccine.

Details of the compensation available to employees are outlined below, as is a view on whether an employee may have a civil claim or lay a criminal charge against an employer for implementing a vaccination requirement in the workplace.

COMPENSATION IN TERMS OF THE COMPENSATION FOR OCCUPATIONAL INJURIES AND DISEASES ACT, 1993 (COIDA)

According to the 'Notice on Compensation for COVID-19 Vaccination Side-Effects' published in terms of section 6A(b) of COIDA (Notice) the Compensation Fund will cover employees for injuries, illness or death as a result of receiving a COVID-19 vaccine where the employee was required by the employer to receive the vaccination as an inherent requirement of employment, or where vaccination is required based on the Occupational Health and Safety Risk Assessment conducted by the employer.

In order for compensation to be payable:

the vaccination must be regarded as an inherent requirement of the job as determined by the employer's risk assessment; the employee must have been vaccinated with a SAHPRA-approved COVID-19 vaccine;to the extent required, evidence must be provided of the employer's risk assessment and vaccination plan;the chronological sequence between the vaccine inoculation and the development of symptoms and clinical signs must be provided;the employee must have presented with symptoms and clinical signs that are generally recognised as side effects of the COVID-19

vaccine; and additional tests may be required to assess the presence of abnormalities of any organ affected. It is a well-established principle that, if compensation is payable in terms of COIDA, the employee has no claim for civil damages against the employer, because the common law right to claim damages is substituted in terms of section 35 of COIDA.

In order to submit a claim for compensation in terms of COIDA, there is no need for an employee to prove fault on the part of the employer. Fault is however relevant if the employer was negligent, which may entitle an employee to claim increased compensation.

THE COVID-19 VACCINATION INJURY NO-FAULT COMPENSATION SCHEME

The COVID-19 Vaccination Injury No-Fault Compensation Scheme (Scheme) was established by the Disaster Management Act Regulations and continues to apply even now that the National State of Disaster has ended. It was established to provide expeditious and easy access to compensation for persons who suffer harm, loss or damage as a result of a vaccine injury.

Directions were gazetted on 4 April 2022 and relate to the administration and operation of the Scheme, including the lodging of claims for compensation and the quantification of such claims.

The Scheme will not be terminated until the period for the lodgement of claims with the Scheme has expired and all claims lodged with the Scheme have been finalised.

Vaccine injuries that are covered by the Scheme are 'serious injuries resulting in permanent physical or mental impairment, temporary physical or mental impairment, or death'. Persons eligible to claim compensation in terms of the Scheme are those who have suffered a serious vaccine injury resulting from the administration of an applicable vaccine at an official vaccination site, or their dependents who have suffered harm, loss or damage caused by the death of the deceased person.

If the eligible person lacks full capacity, a person duly authorised to act on behalf of the eligible person may lodge a claim for compensation. In terms of the process to lodge a claim for compensation, if an individual presents with 'any untoward medical occurrence' (AEFI) after vaccination, such AEFI must be reported to the National Immunisation Safety Expert Committee (NISEC) within 30 days for investigation. An eligible person will be informed in writing of the outcome of a NISEC causality assessment, which will include a recommendation on whether the claimant's vaccine injury meets the requirements of causation. Thereafter a claim for compensation must be lodged within 30 days. The Scheme Administrator will assist the claimant with the lodging of a claim.

A person who has submitted a claim for compensation under COIDA for a vaccine injury shall not be eligible for compensation in terms of the Scheme. Any person who elects to submit a claim to the Scheme waives and abandons their right to institute legal proceedings in a court against any party for a claim arising from harm, loss or damage allegedly caused by a vaccine injury. Since the Scheme does not require fault to be proven (it requires causation) and since it is intended that processing a claim will be more cost effective and expeditious than civil proceedings, the Scheme may be the more attractive option for a claimant or their dependants. Whether claimants choose to submit a claim for compensation in terms of the Scheme rather than to litigate will, in our view, be dependent on the cost effectiveness, accessibility, timeous claims process and the extent of the loss suffered.

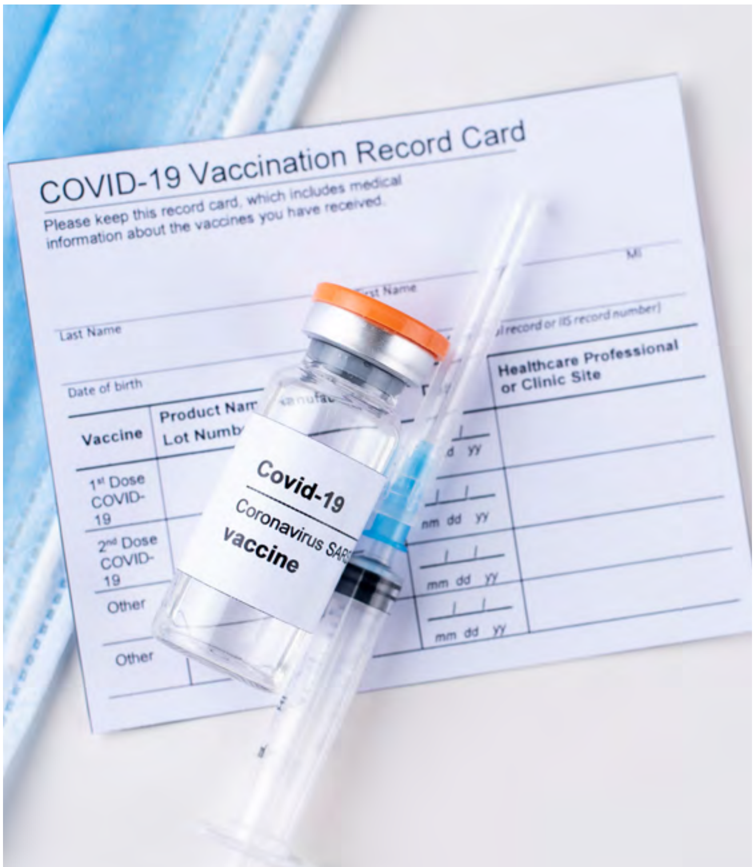
"Collaboration is key, and without collaboration, we will never be able to move beyond who we are."

POSSIBLE DELICTUAL LIABILITY

In the event that a claimant or their dependents do not meet the requirements for a claim for compensation in terms of COIDA, or they elect not to claim from the Scheme, a claimant or their dependants may still have a claim for civil damages including for pain, suffering and loss of amenities of life in delict against the employer. However, in order to be successful in such a claim, all of the elements of a delict will need to be proven, i.e. (a) conduct; (b) wrongfulness; (c) causation; (d) fault; and (e) loss/harm.

In our considered view, such a claim would have low prospects of success as the elements of wrongfulness and causation would be difficult to establish. We believe that a court would be slow to find a vaccination policy in the workplace to be wrongful, particularly taking into account the employer's obligations in terms of the Occupational Health and Safety Act, 1993 (OHSA) and the Hazardous Biological Agents Regulations as well as the mainstream science on the benefits of vaccination compared to the low risk of adverse events.

A further consideration would be that many of the vaccine requirements do not, ultimately, force employees to vaccinate. In most cases, employees are free to choose not to vaccinate, with vaccination policies regulating the employment consequences of an employee's choice.



POSSIBLE CRIMINAL LIABILITY

Documents circulating in anti-vaccination groups and which have been submitted to employers as part of employees' objection proceedings include allegations that vaccination policies or 'forced vaccinations' amount to crimes, including crimes against humanity, assault with intent to do grievous bodily harm, murder or culpable homicide.

In our view, the possibility of a vaccination requirement in the workplace amounting to a criminal offence by a director, official or senior employee of a company is remote and unlikely, assuming of course that the employer implemented the requirement in compliance with its legal obligations – thus, in terms of its duty to establish and maintain a safe working environment, on the basis of a proper risk assessment, and with due regard to the scientific and medical evidence at the time.

In these circumstances, intent to harm employees would be difficult to prove. Even if an argument of dolus eventualis is made (i.e. that the individual accused foresaw the possibility of an employee's death from the vaccine but nevertheless went ahead in approving/implementing the policy), we think that this possibility is likely to be found to be too remote.

We also do not consider a vaccination requirement to amount to culpable homicide if it is introduced in accordance with the applicable legal principles and on the basis of scientific and medical evidence, as it is unlikely to meet the test required to prove negligence.

#WEF2022 AND SPOTLIGHT ON CLIMATE CHANGE: ARE WE DOING ENOUGH?

While the transition to a low carbon economy is critical to reducing the impact of climate change, this should not be done to the exclusion of developing economies. Events like the Russia-Ukraine crisis and the increasing scale at which natural disasters such as floods and fires are taking place, have once again highlighted the pressing need for economies to take urgent action on safeguarding the climate. Yet, progress is slow.

GARTH NAPIER

MD of Old Mutual Insure

"Notwithstanding the fact that is a complex task, there is a concerning lack of urgency to reach the climate goals committed to by government and broader business, which if not acted on sooner, may see us miss reaching our targets," says Garth Napier, MD of Old Mutual Insure, adding that the urgency around the issue is not being felt in action.

A global event that is slowing down progress in the mission to transition to cleaner energy, is the Russia-Ukraine war, which has seen much of Europe needing to prioritise a stable energy supply, and highlighted how the world is still reliant on fossil fuels.

Napier's comments come off the back of the Annual Meeting of the World Economic Forum (WEF) 2022 in Davos this week (22 – 26 May), where more than 2 500 world leaders have come together to tackle geo-economic challenges such as climate change against the backdrop of the Russia-Ukraine conflict.

"It is extremely important for us to partake in global events such as these, so our voice is not excluded from decisions that will ultimately affect us," says Napier, who is representing Old Mutual at the in-person event.

He adds that on face-value the decisions and commitments made around climate change have been applaudable, however, the impact on developing economies such as South Africa are often not fully understood, and can have severe consequences.

"International benchmarks and conversations around a Just Transition and moving to Net-Zero do not adequately recognise the local context and challenges. How do we do it in a way that doesn't penalise developing economies?" asks Napier. "Developed economies have the resources to invest in renewable energy; economies such as ours don't necessarily have the capital nor the skills, so when developed economies are making decisions like these, it can come at cost to us."

He uses an example: If a reinsurer takes a decision to not insure a coal business, this may make sense in a developed market. However, if this is translated into producing electricity in South Africa, a major mine in South Africa which supplies Eskom would not be able to insure its assets, which could have disastrous repercussions for the country.

Napier says that Old Mutual has joined the UN-sanctioned "Net Zero Asset Managers and Net Zero Asset Owners Alliance" and our strategy is therefore is to steward investments towards renewables and cleaner energy where it is invested in hydrocarbons, rather than taking a divestment approach.

This, he adds, is also very important for the further complexity in developing economies of needing to continually consider a Just Transition on all actions that are taken in relation to climate change.

"We do believe that, using our resources, we can effectively drive a just transition to a low-carbon economy that also addresses other societal challenges," says Napier. "As a life and short-term insurer, we have a significant balance sheet and already made substantial investments in businesses, allowing others to use our capital to generate green energy, so we are playing our role as an investor."

He adds that while the first step is for businesses to take action to reduce their carbon emissions, the next step is to support communities that will be most affected by climate change in the coming years. To this end, a key focus for Old Mutual Insure is identifying the climate change risks and then helping clients mitigate those risks.

"As property and casualty (P&C) insurer, we know that every natural catastrophe has a significant impact on our customers and our business. Our biggest priority is therefore to understand the impact of climate change on our customers."

Old Mutual Insure is investing significantly in analytics to be able to consider the effects of climate change, and model these events and their impacts on specific geographic locations – like those who have properties in and around flood plains – to better understand the scenarios that may need to be faced in the future.

"We are currently busy with a multi-year project to quantify the impact on our customers. For example, we are overlaying geocoding with our customers' addresses so that our climate change models can predict who will be impacted by fires and floods in the future. It is a complex and ambitious piece of work that involves big assumptions, but we have to start somewhere given that we have recognised it as an urgent need."

He says that the ultimate aim is to work with identified customers and communities on risk mitigation.

"We know that climate change will have the biggest impact on poor communities. We have already seen this happening with the devasting floods in Kwa-Zulu Natal this year. As businesses we must ask what role we can play in supporting these communities when – not if – these natural disasters occur. We need to, over the long term, provide support in the form of risk mitigation before it happens, but also build up reserves to lend a hand in the disaster's aftermath.

We should work with and support government from an infrastructure point of view. Collectively these efforts should translate into a common understanding of what is needed to best limit the impact of climate change on people across the country," concludes Napier.

HOW CAN BUSINESSES PREPARE

FOR CIVIL UNREST INCIDENTS?

Political risks and violence ranked as a number four (#5 in 2021) business risk in South Africa in the Allianz Risk Barometer 2022 demonstrating the significant risk for companies in the current environment. The risk also ranked fourth in Africa and the Middle East up from sixth in 2021.

DO BUSINESSES HAVE TO BE DIRECT VICTIMS OF CIVIL UNREST TO SUFFER FINANCIAL LOSSES?

Businesses do not have to be direct victims of civil unrest to suffer financial losses. Revenues can suffer if the surrounding area is cordoned off for a prolonged time or while infrastructure is repaired to allow reentry of customers, vendors and suppliers.

WHAT CAN BUSINESSES DO TO PREPARE FOR POLITICAL VIOLENCE?

Preparation is key in particular for exposed sectors such as retail. Businesses need to review their business continuity plans (BCP) and should be aware of their surroundings and what is happening around them. Typically, these only focus on national catastrophes, but there is a need for BCP plans to address political disturbances and other types of business disruption like cyber. Having defined, and preferably tested, procedures in place is crucial these should include staff, client and general communication and social media plans. It is imperative for companies operating in countries that have a high risk of political or social upheaval to think deeply about how they can best protect their assets and people.

WHO ARE THE KEY STAKEHOLDERS THAT BUSINESSES COULD WORK WITH BEFORE, DURING AND AFTER POLITICAL VIOLENCE?

Businesses will need to work very closely with crisis management experts from government, insurance and civil society to ensure that they have highly comprehensive and agile strategies. The experts need to enable clients to carry out evacuations in high-risk situations at short notice and provide prevention, risk mitigation and on-the-ground response services for emergency incidents.In evacuation cases, it's a question of providing the resources and staff for rapid evacuation from politically unstable areas.

WHAT CAN BUSINESSES DO IN TERMS OF STRIKE RIOT AND CIVIL COMMOTION (SRCC) INSURANCE?

Companies should review their insurance policies. In South Africa, the South African Special Risk Insurance Association (Sasria) provides cover for damage to property caused by special risks such as politically motivated malicious acts, riots, strikes, terrorism and public disorders. Looting is not a stand-alone Sasria peril and will only be considered as a valid claim in terms of Sasria if it occurs during an active Sasria peril for which Sasria accepts liability. Commercial and personal insurance policies in South Africa do not provide cover for damage to assets as a result of these types of events as insurers are precluded from underwriting these risks. Sasria insurance is available for material damage, business interruption, money, goods in transit, motor and construction risk. For commercial clients, Sasria cover in terms of business interruption is limited to fixed expenses or standing charges and net profit, but not for the traditional contingent business interruption covers such as losses following damage to premises of customers and suppliers, and to the supply of public utilities like water and electricity.

WHAT'S THE IMPLICATION FOR MULTINATIONALS OPERATING IN SOUTH AFRICA?

Sasria is now only offering a loss limit of R 500 million. This came into effect from April 1, 2022 when Reinsurers in the London market advised that they no longer had appetite to write an Excess of loss layer of R 5 billion in excess of the SASRIA cover. For large corporates and multinational organizations with global insurance programs, this has resulted in SASRIA cover being insufficient and they now require additional cover in the form of a 'riot wrap' policy.
The riot wrap cover also provides cover for exclusions of war and civil war, which are not covered under Sasria. Essentially, where combined material damages and business interruption values exceed Sasria's R500 million limit, the riot wrap policy will provide extended coverage in respect of the claim once the underlying Sasria (or primary limit) is eroded.

WHAT ABOUT POLITICAL VIOLENCE COVERAGE IN OTHER COUNTRIES?

Covers differ from country to country. Covers can be purchased from the insurance market to ensure that your business is comprehensively covered. Insurance companies have offered SRCC cover, either as part of property insurance or a stand-alone cover via the specialty political violence market, for a long time.

WHAT DOES POLITICAL VIOLENCE INSURANCE COVER?

Political violence insurance provides coverage for terrorist acts, acts of sabotage, riots, strikes, civil commotion, malicious damage, insurrection, revolution, rebellion, coup d'état, war, civil war or counter-insurgency. Covers vary by line of business or country, but business insurance covers damage to property and contents when the cause is fire, looting or vandalism caused by civil commotion, protests and riots. Additionally, common extensions include denial of access (businesses shuttered because authorities have closed the area, whether damaged or not), loss of attraction (being closed, businesses cannot attract customers), and ther civil disturbances.

WHAT'S THE IMPORTANCE OF UNDERSTANDING LOCAL LAWS WHEN IT COMES TO RISK MANAGEMENT?

It is critical for risk managers of multinational organizations to understand the local laws and regulations of the country when it comes to managing risk. They carry a significant responsibility to safeguard the business operations across multiple jurisdictions and falling foul of any compliance or local regulations could incur significant penalties and fines, notwithstanding reputational damage. It's here where the tripartite alliance between the risk manager, insurer and broker becomes pivotal in ensuring that there are no gaps or inconsistencies in insurance coverage, and where having risk partners with global presence and local market expertise becomes crucial. On managing multinational programs, we look at a four C's approach' managing costs, control and compliance, and ensuring coverage is correctly scoped and consistent across all operations.

QUICK PLANNING TIPS

- Maintain ongoing close communications with local, provincial and national law enforcement agencies
- Coordinate response plans across functional disciplines (police, fire, medical, and private sector)
- If time permits, install coverings over windows, doors, or other potentially vulnerable entry points (plywood or other suitable material) and place physical barriers to limit access
- Close business before high risk times (evenings/night hours, scheduled protests, etc.)
- Consider adding additional security staff
- Remove exterior materials that can be burned, thrown or otherwise used to damage people or property.
- Ensure exterior lighting is turned on to increase visibility.
- Remove/secure high value inventory (Electronics, medicine, cash, securities).
- Consider how quickly staff can recover and get back to work following an incident
- Investigate if your company is over-reliant on a particular supplier or customer; avoid aggregation of suppliers
- Think about supply chain vulnerabilities and the possible impact of political violence on them and create a contingency plan; this can create a contingent BI (CBI) scenario
- Combine physical damage (PD) BI all-risks product with terrorism to minimize coverage gaps

INSURANCE COMMISSION PRICE-FIXING: AN IGNOMINIOUS AND DAMAGING FAILURE

In the nearly half century since it was first introduced in 1977, insurance commission regulation has failed to serve its stated purpose of reducing premiums for consumers. On the contrary, it has:

- driven prices up appreciably,
- seemingly made criminals of otherwise respectable business people,
- is readily skirted by the well-established,
- is largely impervious to equitable enforcement,
- has led to the ballooning of the size of the controlling bureaucracy,
- has necessitated new industry taxes ("levies") growing far faster than inflation,
- is being passed on to consumers, entirely nullifying its stated purpose of inhibiting premium cost growth,
- has led to additional forms of price control over other out-sourced services listed in the FSCA's so-called "RDR" regulations (now called "standards"), and
- has severely prejudiced emergent intermediaries.

In 1977 the industry as a whole was not able to agree with the regulator, Registrar Willem Swanepoel of the Financial Institutions Office, on any basis for commission regulation whatsoever, citing most of the points raised above as likely outcomes. As a result, Mr Swanepoel unilaterally introduced his own version of commission regulation without industry consensus. Perversely, the only material beneficiaries may have been the insurers themselves.In those jurisdictions where it was once tried, insurance commission regulation has long been discarded.

Extensive collateral damage has been caused by it and the South African public is worse off because of it. So why do our financial services regulators insist on maintaining whips for their own backs? Why do they insist on opening themselves up to more costs, more fruitless and wasteful expenditure, more angst and more public criticism? Why is this so when the natural workings of a vigorous market could readily be harnessed to do the job for them, and to protect consumers, the industry and the regulators alike?

Neither the wisest person nor council of persons has the ability to determine the "correct" or "appropriate" price of anything, let alone something that can be as highly complex as an insurance service. The "correct" price can be determined only by the free inter-play of manifold suppliers, intermediaries and consumers acting independently at widely differing times and in many disparate locations.

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Price-fixing by individuals in bureaucratic agencies is gravely deleterious to the progress of any economy. This fact is inarguable and no longer open to informed debate. A one-size-fits-all price could never be "appropriate" to any good or service in every circumstance. Price-fixing impedes the proper functioning of any economy. Insurance, which among many things deals in the international spreading of risks, is an intricate, multipart commercial exchange. Its complexity is made no less so because the final delivery of the service is made to appear so simple to the layperson.

Insurers provide cover against risks based on elaborate assessments of myriad factors that could affect future events. Insurance intermediaries (agents and brokers) are the interface between insurers and their customers. Traditionally, these intermediaries share in the risk analysis and placement process and their income is restricted to a limited part of the premium paid. Traditional practice is that the intermediary who introduces no business receives no income, those who introduce sound risks are well remunerated, and innumerable positions exist in-between.

A freely operating compensatory or "commission" system holds distinct advantages for the consumer and the economy at large. It explains why this system originated centuries ago and why it still pertains in most jurisdictions today. Who should determine the price of any good or service? Who should determine the quantum of the insurance premium to be charged? Who should determine the amounts to be included to cover the insurer's costs and profit margin? Who decides what the insurer's marketing, distribution and new business acquisition costs should be? Who decides what part of these costs should be allocated to the intermediary's service, expertise and expenses? Who decides what part of these costs should be allocated to the insurer's other new business acquisition and management expenses?

Should these decisions be made by distantly removed bureaucrats, or should they be made by the buyers and sellers of insurance on the spot in an open and vibrant market? The answer is clear. The observed unintended consequence of commission regulation is that it ultimately harms the very people it ostensibly sets out to protect. It tends to reduce competition between insurance companies and between intermediaries. Moreover, it tends to curtail and hamper the number of new competitors entering the sector. Hence, in its March, 2006 Discussion Paper, Contractual Savings in the Life Insurance Industry, the South African Treasury noted that: "The modern global trend concerning commission is one of deregulation combined with increased disclosure…… Austria, Canada, Denmark, Japan, Singapore, Uganda and the United Kingdom, for example, do not limit commission (or insurer charges) in any way".

This trend, more latterly also recorded in World Bank surveys, is in line with a worldwide desire to shift towards increasing ease of doing business. This in turn translates into greater competition and greater consumer choice, in turn resulting in greater consumer protection. No economic activity functions effectively unless within that activity the ultimate determinant of prices is the value judgements of consumers themselves. Government planners do not have, nor can they possibly obtain, the essential day-by-day, minute-by-minute, detailed information necessary to emulate the functioning of an efficient market. To believe that they can is what economists refer to as the fatal conceit. Manifold consumer choices determine the prices that guide all production and the delivery of all goods and services – including insurance – except when politicised non-economic forces intervene to disrupt the economy.

Ill-considered, commission regulation is a direct but sterile attempt to control the price of insurance distribution. It has the same effect as price controls on all other goods and services. Purchasers of insurance receive less service than they would otherwise because of a reduction in the number of intermediaries. Consumers end up paying more for insurance because the regulated remuneration ultimately results in higher total costs to them than would have been prevalent in a market where such prices are fully flexible.

Price control either leads to a reduction in supply because some suppliers withdraw from the market, or it leads to higher costs for the consumer because the price-controlled product is sold at a higher price than would have been charged in an open and competitive market. This was well demonstrated for example, when decades-long SA price control on carbonated soft drinks was lifted and prices immediately fell, demonstrating that the responsible government officials had unknowingly been sheltering less efficient producers and causing consumers to pay more.

To make matters worse in South Africa's complex society, commission price control has meant that insurers may no longer support new and emerging intermediaries in ways that they could 45 years ago. Emerging intermediaries may now not be paid anything other than strictly regulated commission, even when they are starting out and volumes are low. This puts almost all of them out of business even before they begin.

The Treasury's 2006 Discussion Paper notes that it is a modern global trend not to regulate commission in any way. There are valid economic reasons for this that SA should recognise without further ambivalence. In any event, commissions have to do with prices and this is now the terrain of the Competition Commission, not the FSCA. Premium regulation, however indirect, may well prove to be ultra vires.

In sum, insurance commission regulation has not in nearly half a century had the desired effect on consumer protection. As was predicted all those years ago, it has driven prices up, has had innumerable undesirable collateral effects, has been harshly prejudicial to emergent intermediaries, and is largely impossible to enforce equitably. It is no longer practised in most of the world's leading jurisdictions, and perversely may have benefited insurers the most.

This form of administered prices should be scrapped forthwith in favour of the simple expedient of comprehensive cost disclosures (and therefore customer, supplier and intermediary-based regulation), along with a statement of any possible conflicts of interest.

Such an arrangement would greatly relieve the burden on regulators, free up the market for greater efficiency, reduce compliance costs, protect consumers, allow insurers to support emerging intermediaries, and very likely have the ultimate effect of actually reducing insurance premiums. ***The views expressed in the article are the author's and not necessarily shared by the members of the Free Market Foundation.payment can be made.***

THE CHANGING AND CHALLENGING NATURE OF CYBER RISK

Working from home in an age of permanent digital disruption has gifted the corporate world with enormous opportunities for innovation and growth. But are we fighting a losing battle with the cyber criminals? With so many companies in South Africa making permanent changes to working patterns, the need for strong cyber security and risk mitigation policies is becoming increasingly important. Right now, the corporate world is still adjusting – and as it does, it opens up windows of opportunity for cybercriminals to take advantage.

SPIROS FATOUROS

Marsh Africa CEO

This has resulted in increased exposure to cyber risk events, such as phishing, bugs, bots, spyware, adware and digital worms all exacerbated by working from home and changes in the flow of data.

Stronger, more resilient risk management practices are therefore necessary to avoid cyber risk and achieve sustained growth but this new normal is also reshaping how the re/insurance sector operates.Cyber is fast becoming a systemic risk. The insurability of systemic risk is going to be one of the defining issues of the next decade for the re/insurance sector.

As cyber risk is one of the most dynamic perils in the industry, carriers must carefully evaluate, manage, and quantify exposures. As regulators formalize capital requirements and mandate how risk appetite is measured, re/insurance companies are increasingly having to enhance cyber underwriting and reinsurance strategies. That means investing in the development of innovative modelling capabilities and developing technical and underwriting cyber-risk talent.

The latter is particularly important if insurers are to offer their clients the best security possible. With so much at stake for businesses and their customers, companies in South Africa must act decisively. They should continue to strengthen key performance indicators for risk response times like risk identification, assessment, and reporting.

Companies can work with insurers to utilize data and analytics, which are widely acknowledged as an essential business enabler rather than just a compliance activity. Risk advisors can harness artificial intelligence, for example, to evaluate potential silent cyber exposure at an individual policy level.

The number and diversity of companies purchasing cyber insurance continued to increase before COVID-19 in 2019, driven by growing recognition of cyber threats as a critical business risk. Now, as we adjust to the new normal in 2022 and beyond, we must work together to win the battle against cyber risk.

A MULTI-PRONGED APPROACH IS NEEDED

TO MITIGATE CYBERCRIME RISK

Work-from-home policies were adopted by companies around the world over the past two years, to keep the pot boiling in the time of Covid lockdowns. But, while businesses took some time to adjust to the new way of working, cybercriminals adapted, and flourished, all too quickly.

Phishing, social engineering and other hacking tools are being used to extract millions of dollars from businesses. In 2021, US-based wireless network operator, Verizon, reported that the average cost of a data breach soared to $21,659 per incident during the pandemic, with incidents ranging from as little as $800 to more than $650,000; while 5% of successful attacks cost businesses $1 million or more.

South Africa has not escaped this scourge. According to a report from Dutch cybersecurity company, Surfshark, SA is among the top 10 countries that experienced the most cybercrime in 2021. This is substantiated by several high-profile data breaches that occurred locally over the past year.

While the natural instinct is to avoid "rewarding" cyber criminals by paying ransoms, the reality is that companies often find themselves having to choose between paying up or facing lengthy operational disruptions, or reputational damage due to customer data being breached which could cost even more than the ransom in the long run. No doubt, IT teams will remain forever occupied with trying to stay one step ahead of ever more "creative" cybercriminals, but what else can companies do to mitigate cyber risks?

"A tailormade cyber insurance programme, featuring both a strong self-insurance component coupled with a traditional risk transfer element related to the client's risk appetite, and underpinned by prudent cyber risk management policies and ongoing staff awareness and training programmes, is an organisation's best defence in the war against cyber criminals. Traditionally, cyber risk cover was only available locally through the larger specialist liability insurers but I believe that the lack of capacity in the market, uncertainty about scope and extent of cover needed and high premiums for this type of cover, will see more companies turning to tailormade alternative risk transfer solutions in order to supplement market capacity with their own provision for cyber risk.

Many cyber risk insurance policies have onerous risk control conditions in terms of things like spyware, which are expensive but, within self-insurance structures, companies can use their own service providers and fund this themselves. Ultimately the solution for cyber risk cover – and it's a risk that is only going to grow for businesses of all sizes will be a combination of self-insurance and traditional risk transfer markets, working together to find workable, and affordable, solutions for clients. But cyber insurance is not the panacea to cybercrime, it is merely one aspect, albeit a valuable component, of a solid risk management strategy.

No matter how effective technology, and insurance interventions are, the human element (in the form of employee vigilance and competence, sustained by ongoing awareness and upskilling) remains at the heart of a successful cybercrime prevention and management strategy. In the self-insurance space, a comprehensive risk management strategy tailored to suit the business' unique profile, delivers significant benefits for businesses that enforce prudent risk management policies on an ongoing basis. This translates not only to financial savings in terms of premium, but also to building capacity to continuously expand the self-insurance programme.


PARTNERSHIP
THERE ARE ELEMENTS OF RISK IN EVERYTHING

CLAIMS MITIGATION STRATEGIES CAN LEAD TO 'ULTIMATE' CUSTOMER SERVICE

Today's customers and those of the future want more than just protection through an insurance product. In the new digital age, customers view their insurance as an amalgamation of the risk product, value-added services, and customer experience to create the total experience.

They want insurers to help prevent and detect loss incidents through value-added services and digital capabilities, to avoid traumatic scenarios. They seek empathic insurers who help them manage their lives across a broader array. They want next-gen, customer-centric insurers who prioritise customer-facing applications and protocols to redefine the experience to create a holistic experience across not only the value chain, but also with ecosystem partners who bring value to this relationship.

MAKE ALLOWANCES FOR DIGITAL NATIVES

Millennials and Gen Zers increasingly expect seamless, omnichannel, multi-channel, and real-time interactions integrated with the digital platforms they already use. Insurers will need to balance the needs of this new and younger generation with those of older ones, including the Gen Xers and baby boomers who do not have the same preferences or aptitude with digital interactions. Also remember that the customer and employee demographic combination will change dramatically between now and 2030, when digital natives will make up half of the adult population.

THE POWER OF LOSS PREVENTION AND PROTECTION

Insurers can provide advantages to their customers by helping them to avoid making claims. Insurance companies have a strategic choice to make on whether to raise policy prices to combat inflation or to work at strategies, products, and services to prevent claims frequency. Inflation is driving up the cost of claims for insurers. We are seeing a gradual shift (in my opinion, not fast enough!) from risk management to risk prevention. This shift is transforming the relationship between insurer and insured to one of symbiosis, where both parties depend on and receive beneficial reinforcement.

REIMAGINE THE INSURER'S ROLE

Reimagining the insurer's role where AI-enabled and digital tools create more capacity in claims departments, insurers will have the ability to further differentiate themselves by dedicating additional resources to claim prevention. Preventing claims before they occur will fundamentally change the relationship between insurers and customers from one focused on accidents or losses, to a partnership with a mutual interest in loss prevention. This shift also positions insurers to transition from a risk transfer model to a risk and claims mitigation model.

In the future, telematics will be coupled with sensor-equipped and smart devices for home security, water meters, geysers, fire prevention and motor vehicles, among others. Added to this will be third-party data from traffic cameras, road safety organisations and weather forecasts to alert customers and would-be claimants to emerging risks before losses occur. With this new explosion of data sources, insurers can adopt strategies like predictive maintenance and behaviour incentivisation to encourage risk-reducing behaviours.

CREATING VALUE

Embracing the wider digital ecosystem, where insurers operate and use innovative technologies, creates value across the entire claims value chain. New tech partnerships will fill gaps in data science, loss prevention, machine learning and artificial intelligence (AI). All of this is possible today, which makes it entirely reasonable to imagine these scenarios playing out by 2030 as long as insurers can drive customer adoption to create the economies of scale that will make it viable. Innovation can accelerate throughout the insurance ecosystem where insurers, insurtech, OEMs (original equipment manufacturers of geysers, smoke detectors, security components, tracking companies, etc.), information providers (like weather, traffic and security), law firms, AI, IoT solutions providers, and data aggregators push the boundaries.

In this new age claims ecosystem, third-party infrastructure such as street cameras, telematics and sensors built into cars, as well as wearable devices and machines will give insurers automated access to uncomplicated facts of loss. Their customer can also provide, live videos from their mobile phones, streaming communication and photos that can be recorded to assist insurers with vital visual information from risk events. With the right analytics tools, insurers will be able to determine liability very quickly and make more accurate appraisals and damage assessments. This will move claims faster from submission to settlement.

Expanding the claims ecosystem will also enable insurers to move beyond traditional claims activities into adjacent and aligned businesses to access customers earlier and deepen customer relationships. For example, an insurer can expand into claims prevention via a detailed home risk assessment; with assistance to repairs and annual maintenance programmes as part of their value proposition, they can educate customers around potential elevated risk areas or safety concerns at their homes. Insurers can even assist potential customers with assisted risk inspections/assessments reports of a new home's hidden risk before they buy it like weather, floods, fire, structural issues, pest infestation, maintenance issues, crime and security in the residential area.

Insurers can unlock a bigger, more noble purpose and value in the industry, creating new value for their own companies, by reimagining and expanding their role beyond that of risk provider to become an integrator of measurement and control applications that gather data and insights from countless third-party providers and technologies. Achieving this new integrator role will be a challenge as it will require a targeted strategy and the co-operation of other qualified ecosystem participants, such as providers of claims management systems. The insurers who succeed will attain a competitive advantage by owning access to sought-after data and information. ***To achieve this claims mitigation and integrator ecosystem vision, insurers will need to invest in innovative technologies and ultimately commit to a proactive and human-centred customer service experience.***

CREATING OPPORTUNITY WITH PERSONALISED SERVICE

Tony van Niekerk of COVER speaks to Rochelle De Lucia - Partner: Sales and Distribution at King Price about how they aim to create new opportunities for brokers with personalised service.

Tony: King Price, known by most people as a direct insurer, has grown tremendously over the last 10 years, and their broker business portfolio, in particular, has grown in leaps and bounds. Please tell us about your plans in the broker space.

Rochelle: The most important thing at King Price, from our CEO and all the partners and executives, to all the staff, is our culture and the way we do things differently. We do it honestly, with integrity and do it with purpose! King Price really nailed it in the direct space, and we are still highly successful. So, it is important to share that same service and unique products to the broker distribution channel.

Brokers, in general, are keen on doing things differently, being able to provide insurance to their clients with ease and peace of mind, somewhat different to the traditional way of doing insurance. King Price really focuses on making your insurance journey as fun, smooth and comprehensive as possible. We are constantly looking at enhancing our products. We disrupted the market 10 years ago when we launched and we could do the same thing with the broker market, which we launched in 2016.

Tony: Brokers do business in a very specific way because it is how they have always done business with other companies in terms of underwriting, client services, the platforms that they use et cetera. How will King Price practically approach these needs of the broker?

Rochelle: Since we launched the commercial division six years ago, our broker partners have written just over R2.7 billion in premium with King Price, which we truly appreciate. Currently we are busy expanding nationally. We are opening two new branches and we are investing quite a bit in multiple administration systems to enable our brokers to work seamlessly, while also obviously being fully compliant and competitive in our market.

I think for us, it is important to carry over what we did in the direct space, to be the first one out with the quote in the broker space. With King Price being very serious and focused on technology, we will be able to do that. We have a fully-accredited training academy on site, and our staff constantly go through product-specific training. We back this up with professional and seamless broker training and communication.

"Brokers are the most important part of the insurance industry. They are focused on doing the best that they can for their clients, and to not only provide their client with the best product, but also with the best service."

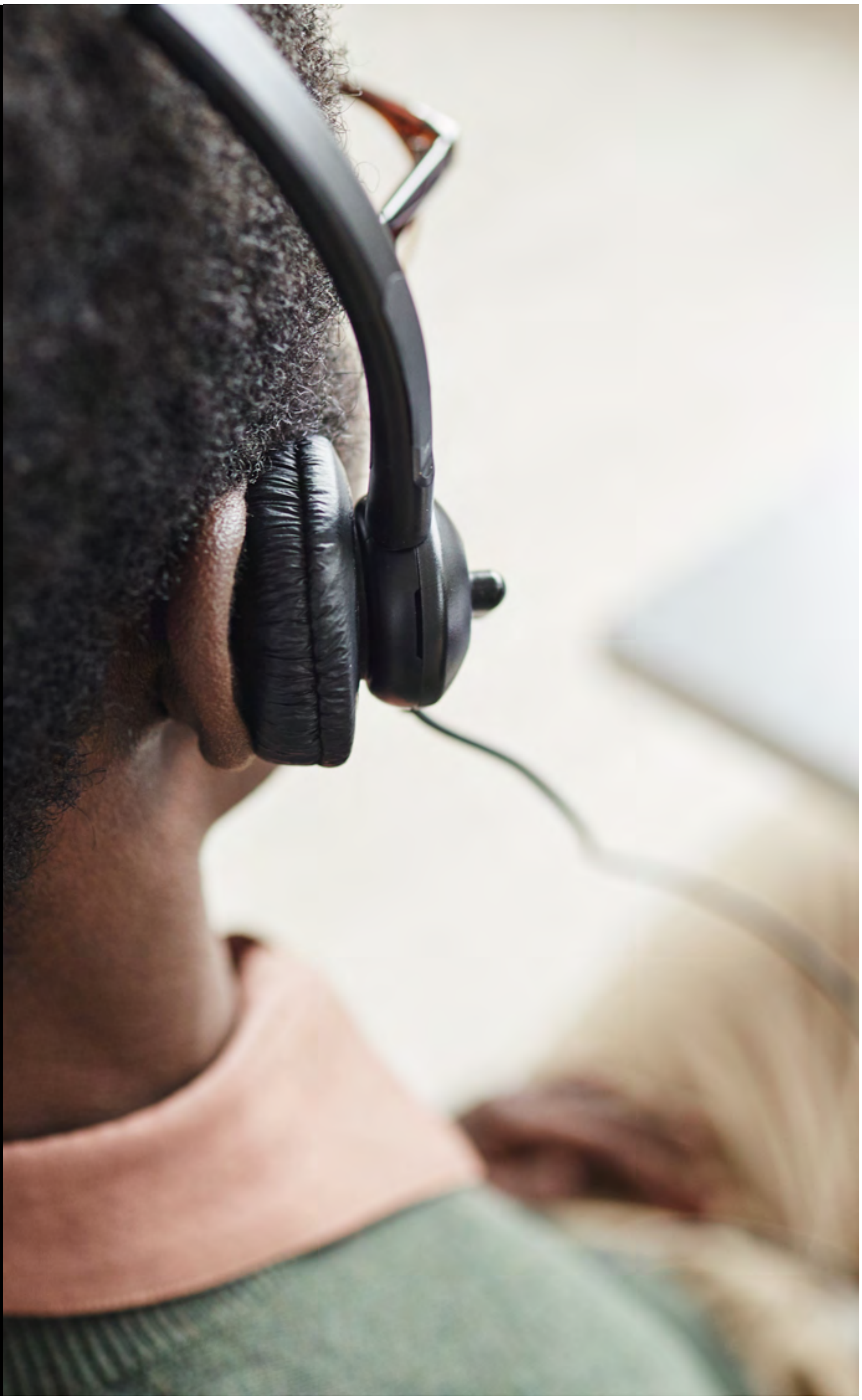
Tony: Brokers have many choices as to where they go. Why King Price?

Rochelle: Brokers are the most important part of the insurance industry. They are focused on doing the best that they can for their clients, and to not only provide their client with the best product, but also with the best service. Clients become their friends and family they strive to build real relationships, and most importantly to provide peace of mind. We also offer agri cover, including crops, which not many insurers cover.

Our community insurance team has just walked away with the coveted Value Achievement Award at the annual Southern African Asset Management Association (SAAMA) awards for the automated claims management platform that we developed in conjunction with an asset management company, and which is a South-African first. These are the types of things we do that really make us different and sought after in the insurance space.

Tony: From an industry perspective, what is your outlook for the broker market in general?

Rochelle: We should not forget that brokers are qualified professionals. They become a 'one stop shop' for their clients, offering comprehensive insurance solutions, products and advice. King Price is also launching our life product, so we are not only focused on commercial business. We really want to strap in and assist the brokers with expanding, where there might be different opportunities in tough times. Our brokers should be our biggest investment as they drive insurance products into a market that is important for us all.



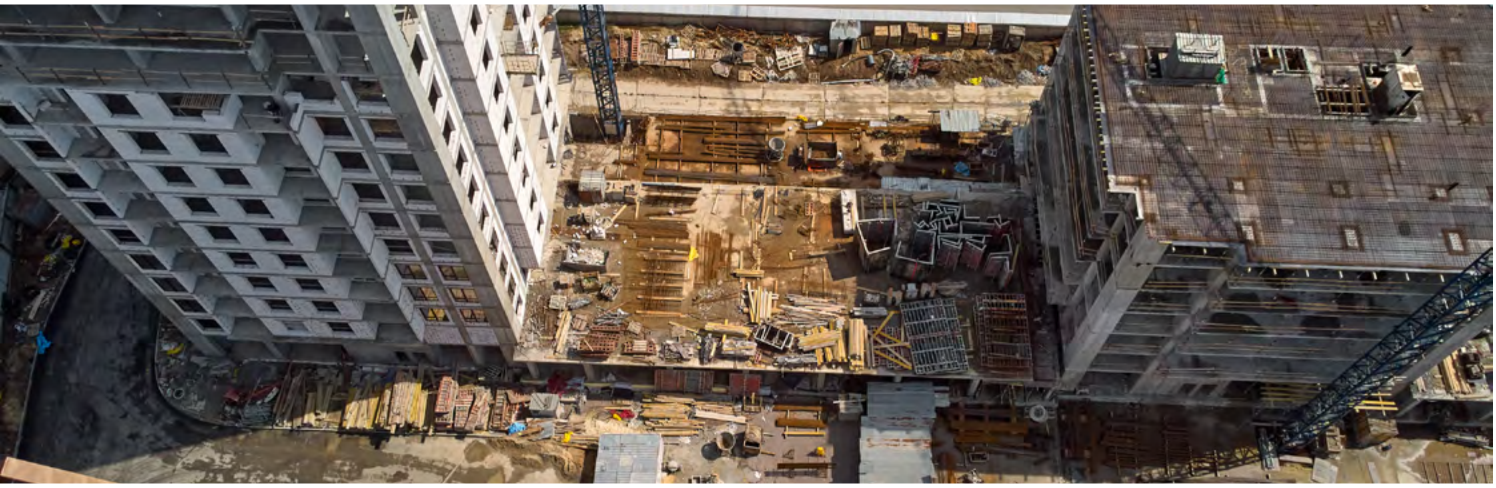

WOMEN'S MONTH
"I am thankful for my struggle because, without it, I wouldn't have stumbled across my strength."
- ALEX ELLE

WOMEN IN THE ENGINEERING INSURANCE INDUSTRY

"We strive to increase woman recruitment, retention, and visibly acknowledge and remove any remaining gender bias from our work culture."

Mirabilis, the leading construction and engineering underwriting manager in South Africa, operates in an industry historically dominated by men, yet operates in an office efficiently run by professional women.

Mirabilis, the leading construction and engineering underwriting manager in South Africa, operates in an industry historically dominated by men, yet operates in an office efficiently run by professional women. At Mirabilis, we pride ourselves on unbiased gender equality, proven by our 66% female composite.



We strive to increase woman recruitment, retention, and visibly acknowledge and remove any remaining gender bias from our work culture.

Through our ongoing CSI initiative at a school Mirabilis has adopted in Brixton, Johannesburg, Mirabilis aims to collaborate with the students from a young age and heighten specifically female students' knowledge and interest in construction and engineering, so that they can see the industry as a viable career path.

The long term goal is to offer scholarship and intern programs that strive to uplift and prepare potential candidates with industry specific skills.

Administration Manager, Ursula Scott, has been at Mirabilis/Santam Engineering for 15 years, and along with the other strong vibrant woman at Mirabilis, has been making a remarkable difference in the administration/underwriting of policies written in South Africa, Rest of Africa, and Internationally including Middle East, Eastern Asia, South Central Asia, and South East Asia.

She believes that more and more women are gearing toward engineering fields of study, and over the years has seen a number of qualified female engineers entering the engineering insurance market. She believes that along with access to resources and on the job training that addresses their specific needs and broadens their knowledge, they will prove to be true assets in the industry. Ursula encourages woman to join organisations such as the GWII and IISA, which through networking, are able to provide mentorship, marketing and development opportunities to help women boldly make their mark in the insurance industry.

Chief Financial Officer, Angela Stone, has been with Mirabilis for 7 years, and is making an effort to nurture the women in her team into leadership roles and inspire younger women to follow in her footsteps. "Sitting in a boardroom full of male executives was initially very daunting" says Angela, "however if you are confident in what you do, and do it well, you gain the respect of your peers". Your value is defined both by the work you do and your uniqueness, so she encourages women to work hard and to embrace, not suppress their femininity.

To stay competitive in the industry, women must stand their ground, have self-belief and very importantly, be supportive of one another. Some of the ways to support and enable women is through coaching and mentorship programs and through succession planning for future women in the engineering insurance industry.

A recent report by McKinsey & Co reveals that the business case for gender diversity in top teams is stronger than ever with the most gender-diverse companies more likely to achieve above-average profitability than companies with less diversity. Therefore, hiring more women is an optimal way to capitalize on that.

In addition, with the rapid rise in determined women chipping away at gender bias norms, the playing field is levelling out, moulding the industry into a more diverse and inclusive space for future generations. Mirabilis is proud to be part of this transition, and with their strong and diverse team, looks forward to maintaining their position as the preferred and trusted service provider of specialist construction and engineering insurance.

THE LIBERATION

AND EMPOWERMENT OF WOMEN

Whilst women around the globe might be shattering glass ceilings, there simply isn't enough of them doing so, being allowed to do so, or at the expected rate of change. Yet there are many days and months annually celebrating the liberation of women.

Why is it the case that women don't seem to be climbing the ladder as quickly as their male counterparts? In my own experience, from a South African context, I have noted the following:

- The lack of self-belief and confidence in women
- The lack of sponsorship from other women
- Self-doubt that women experience
- Too few or no seats at the table where it matters
- Consistently having to prove your worth
- Stereotyped roles – this is what a woman ought to be doing
- Cultural biases
- Gender biases.

Taking the above into account it is easy to understand why so many women just simply give up, the burden of taking on a fight is just too big of a challenge. So how do we start making these fundamental shifts in society (albeit we have started recognising the value that women add globally)? Celebrating us for a month or a day is simply not enough.

Below are a few of my tips, (which I am very conscious of and make a deliberate effort to follow through on, thereby creating opportunities for women to thrive rather than just survive):

Support one another: If you find yourself in a position where you can help a sister out by empowering her and enabling her to find her voice, then you are moving in the right direction. Support and being the shoulder to lean on during challenging times bodes well for the sister circle.

Lend your voice: In support of each other. Call out discriminatory behaviour when you see it and openly support women in their quest to be more heard and more importantly be seen as pivotal figures in all facets of life.

Educate the next generation: If you educate a man, you educate an individual. But if you educate a woman, you educate a nation African proverb. Having personally witnessed this in my 20-year career in Human Capital, I am of the firm belief that this cannot be truer. Women carry the baton; they drive the generations that come after them to do better and to be better.

Join the conversation: Don't underestimate the power of social media. Sharing stories and making our voices heard amplifies the power we have as a collective. Doing this on social media increases that possibility by knots. It demonstrates unity, collaboration, support ,and encouragement.

Get Involved: Don't turn a blind eye to uncomfortable situations in a bid to further your interests or with the fear that you might be victimized for it, or that you might enjoy having an upper hand or edge as we call it today. Helping a sister out speaks more about you than it does about the situation. Jump in and act. The progression of women in society falls upon all of us. Failure to recognise this is catastrophic for the next generation of leaders, homemakers and game-changers. In the twenty-first century, recognising the power that women have and the difference they can make will ensure seismic shifts in politics, corporates, poverty alleviation and the progression of the global economy.

TARINA VLOK

MD: Elite Risk, a subsidiary of Old Mutual Insure

PREPARING FOR THE WORKPLACE OF THE FUTURE

As a country, we have a far way to go for more women to hold leadership positions at companies.

Female positions in top management and in the boardrooms are looking slightly better, but it's not nearly close enough to be representative of the gender split in the country. The Global Gender Gap Report 2022 reports that at the current rate of reform it will take 267.6 years for the gap between men and women globally to close.

It acknowledges that the full impact of the Covid-19 pandemic is not yet known, but there are projections that the gap has widened since the outbreak of the pandemic. Preliminary data suggests that 5% of all employed women worldwide lost their jobs due to lockdowns, compared to 3.9% of men. LinkedIn data also shows a decline in the appointment of women to leadership roles, which put us back two years from closing the gender gap.

In today's world, which embraces vulnerability and leading with empathy, gender diversity in the boardroom and in executive management is simply a must because female leaders bring something different to the table. Could the answer be in neuroscience? Studies show that male and female brains are wired differently, with some scientists believing that the difference between men and women is in their approach to leadership.

Men in leadership positions often focus on accomplishing tasks, implementing a structure, and establishing power, which is a more transactional approach. Women tend to focus on caring for the team on a personal level, motivating the team and subordinates, listening to the team member's ideas, and problem-solving. This is considered a transformational approach.

So, what must we as female leaders do to get and keep a seat at the table? Below are the qualities I believe are important traits to closing the gender gap, for good.

BE BRAVE AND PAVE THE WAY FOR OTHERS

Madeleine Albright, the first American female to serve as US Secretary of State, and well-known for her flamboyant broaches, famously said there's a special place in hell for women who don't help other women. We must look out for each other. Mentor, coach and develop our reports. Have a strategic relationship with staff. Be brave enough to hire people who are better than you. Put employees and reports ahead of yourself. Let's continue to break ground and make way for other women.

EMBRACE YOUR FEMININITY

Don't try to emulate male leadership as the benchmark for leadership qualities. In the modern era we not only need a diverse workforce, but we need the well-rounded capabilities brought to leadership by males and females in equal measure.

BE SELF-AWARE, HUMBLE, AND AUTHENTIC.

Believe in yourself but know your own limitations. Self-awareness is incredibly important in this world that celebrates self-belief. If we see ourselves in a slightly more critical way, we tend to prepare better, which is a very good way to ensure competence and performance. Don't be scared to employ people who are better than you. And always be your fabulous, female self.

In conclusion, it needs to be reiterated that the gender gap is not a women's issue. It's a societal issue. We need the diversity of both male and female leaders to advance our cultures and move our companies forward as we prepare for the workplace of the future.

GETTING A SEAT, AND VOICE, AT THE TABLE

Women leaders are not the anomaly they once were. Much-needed change has started to creep into workplaces and governments.

While I am heartened by these signs of progress and proud to be part of an organisation that is leading the change we need, it is still very much the exception rather than the rule. Women remain under-represented in other positions of authority, only making up 32 percent of Supreme Court of Appeal judges, 31 percent of advocates, 30 percent of ambassadors and 24 percent of executive heads of state-owned enterprises (SOEs)[1].

The corporate world fares little better: nearly a third of organisations in the country have no women in senior management positions[2] and less than five percent of companies have women CEOs. On the Johannesburg Stock Exchange, about 96 percent of companies listed have male CEOs, 87 percent have male Chief Financial Officers and 91 percent have male executive directors even though research shows that businesses that use female talent effectively are 45 percent more likely to report improved market share[3].

DRIVE THE CHANGE YOU WANT TO SEE

Women's value in the workplace cannot and should not be underestimated – but there is still a long way to go before that value can be truly realised. The only way to see this change is to drive it, and not only give women a seat at the table but also create a space where our voices can be heard and appreciated. A quote from diversity and inclusion consultant Verna Myers captures perfectly how I feel modern companies can do this. She said, "Diversity is being invited to the party, inclusion is being asked to dance, and belonging is dancing like no one's watching". This means overcoming unconscious bias and embracing the richness of diversity by creating an enabling environment where women's voices are heard and respected. It means empowering people by giving them the freedom to bring their authentic selves and voices to the workplace.

VALUABLE LESSONS

Authenticity is an approach I have followed my entire career, and which helped get me where I am and become the leader that I am today. And I believe that there are valuable lessons that I have learnt over the years that have the potential to help other women who are still working to get their spot at the boardroom table and ensure that their voices can be heard:

1. ***Be willing to take risks:*** I took risks and challenged myself, even when I was scared. I put my hand up to take on challenges and opportunities, and that gave me an edge. I also continuously look for ways in which I can better myself by learning new skills. You need to ensure you are on the radar when opportunities arise.
2. ***Have confidence in yourself:*** the only way to reach your goals is to fully believe in yourself and your capabilities. This confidence will help you to put your hand up, take on challenges and push yourself further and harder to ensure you succeed.
3. ***Set high standards:*** only by setting your sights high can you hope to reach your dreams and even exceed your own expectations. This means constantly challenging yourself, getting yourself out of the comfort zone and working harder.

Although there is undoubtedly still some way to go before we see greater equality in boardrooms, the good news is that women are increasingly finding their place and voice at the table – and it is critical that we keep this momentum going. ***Sources*** [1] [2] [3]

MORE WORK IS NEEDED FOR AN EQUITABLE SOCIETY

Gender equality continues to be a key driver for countries to enhance their economic productivity and develop policies that can maintain long-term socio-economic development. In light of this, several countries are working hard towards achieving gender equality, guided by the Sustainable Development Goals. According to the 2022 Sustainable Development Goals Index1, more than three billion girls and women still live in poverty-stricken countries with poor scores for gender equality. This shocking figure further contextualises the amount of work needed to address the issue.

NOLUTHANDO NGQANDU

Head: Claims Procurement, Assessing & Salvage at Bryte Insurance

Within South Africa, there continues to be a lot of focus and investment put forth towards bridging the inequality gap. More men are likely to participate in the labour market than women, so more emphasis is required to fastrack the inclusion of women in the economy.

SOME KEY CONTRIBUTING FACTORS TO ACHIEVING THIS INCLUDE:

Facilitating access to education and information

The importance of education in advancing gender equality remains a crucial lever which has enabled many countries to fastrack gender equality. The positive effects of education include improved maternal health, a reduction in infant mortality and increased opportunities for women and girls. UNESCO reported that education was disrupted at the pandemic's peak in 2020, affecting 1.5 billion learners across 190 countries. The severe impact of the pandemic also saw over 66% of low/lower income countries reduce their educational budgets, which is likely to affect and impact girls more negatively.

The form and quality of education women receive are also essential, as it is vital to ensure access to post-basic and secondary education for girls and women. The increasing rate of women in income generation programmes and the economy requires specific skills that tertiary institutions specialise in.

More investment in public services and social infrastructure

Significant and impactful change requires substantial investment in public services that can assist in achieving gender quality. Increased public spending on practical measures and programmes greatly impacts women worldwide. When governments place austerity measures on social programmes, they are likely to increase the burden placed on women due to unpaid care work, reduce their engagement in paid employment, and adversely impact their health.

Public work programmes have always been a policy instrument to promote economic growth and employment creation. This has also seen international organisations such as the United Nations emphasise the benefits countries can experience and unlock when they adopt a developmental approach that seeks to create more employment opportunities through regular public and social infrastructure investments that boost sustainable growth and poverty alleviation.

Promoting women's leadership and participation

The involvement of more women in the economy is a critical factor in a country's social and economic health. In South Africa, women face several challenges in achieving equality in the corporate world and the economy. According to the Quarterly Labour Force Survey of the 2nd quarter of 20212, the country's labour market is more favourable towards men than women. Furthermore, South Africa continues to see women having a higher unemployment rate, which stood at 36.4% in Q1 this year.

Equipping and empowering women has greater benefits for society, and there are simple ways to build a sustainable future for all women and girls, including:

Creating decent work for women

Women are more likely to be employed in the informal sector and dominate domestic work that lacks protection and substantial living wages. Therefore, it is essential to provide women equal access to education, training, new skills and management positions. Businesses that offer more employment and leadership opportunities are proven to grow and be more effective.

More commitments toward the inclusion of women

As more women enter the corporate world, businesses must ensure they commit to creating an inclusive environment that allows women to take up more senior positions. PwC's 2021 report showed that only 13% of South Africa's executive directors are women, including CEOs and CFOs.

Companies need to work towards identifying and taking the necessary actions to promote women and expedite gender and racial diversity in senior leadership. And while women continue to make strides in the corporate world, businesses should be encouraged to build on this continuously.

IT ALL STARTS AT HOME

ANTIONETTE SHAND

From Lombard insurance

This is the first time I've really applied my mind to this topic, and it's been an interesting thought journey and more complex than I had anticipated.

This is the first time I've really applied my mind to this topic, and it's been an interesting thought journey and more complex than I had anticipated. There are still some very serious areas of equality, such as gender-based violence, which I am in no way qualified to tackle. So instead, I've consolidated my scattered thoughts about my own personal journey and what I've learnt so far.

IT STARTS AT HOME

I can count myself very lucky that from the day that I was born, several sayings were drilled into me (apart from no "whinging, whining or complaining").

1. "There's no such thing as can't, just I don't want to"
2. "You can do anything you set your mind to"
3. "If at first you don't succeed, try, try and try again"

To fundamentally shift society, women, (and anyone for that matter), need to be brought up to believe that they really "can" and importantly, that we are all human - no one is "better" than another. Not all of us are that lucky to have these assurances but we do have the opportunity to afford this to the next generation.

IT CONTINUES WITH YOU

You need to believe in yourself first, before others will. I have been fortunate that in most aspects of my life, I've largely worked with supportive men who see me as equal (and possibly see more potential in myself than I do!). Sure, I acknowledge that there is an unconscious gender bias that rears its head every now and then. We're all guilty of biases as they are based on systems, norms and beliefs that lie deeply engrained in society. It isn't usually deliberate or malicious, just how we have been wired.

Recently in discussion, a colleague referred to someone as a "girl" (she's in her 30's, like myself, and definitely on the wrong side of 12). Once pointed out, a lightbulb clicked. It wasn't meant to be demeaning, it just hadn't been questioned before. Its up to us to point out these nuances, so that we can slowly change these unconscious biases by making them conscious.

LEARNING TO PRIORITISE

One of the most difficult times I had to face was going back to work after my first child. It was a new job, and I struggled to manage my anxiety around how I felt and how I needed to perform at work and at home. I remember once sitting and crying in the parking lot late one afternoon having lost track of time and missing my baby's feed. My hormones were rife and my logic irrational - as truly no one was putting the same level of pressure on me as I was putting on myself.

During this time, our CEO explained to me that in his view, people with children (and particularly woman) are demonstrably able to prioritise better, they are more to the point and focused on delivery because they have so much to juggle. It was the context and reassurance I needed and on reflection, in the 4 years that I have been a mother, have coincided with my biggest career moves yet. Perhaps not a coincidence?

BEING A PART OF THE CLUB

Whilst I support woman-only events or clubs, I also feel that the exclusivity can create just that, exclusion. But isn't that okay? Nonetheless, I'm usually not the first to put my hand up to attend but I do understand the benefits of shared stories and mutual understanding. However, golf is crying out for more female participation… come on, we need more diversity in golf days!

In many industries, there is definitely still an "old boys club". I've come across female senior executives that overcompensate to compete in this 'world', putting on a hard façade to become more "manly" (a stereotype in itself). The reality is that they lose sight of themselves and end up alienating others. I'm not sure they like the person looking back at them in the mirror. We need to stay true to ourselves, no matter how tough that might sometimes be, otherwise we may become part of the problem.

YOU, BE YOU

In closing, I'm a believer in the basics of self-confidence, and pointing out when things don't feel right… making one change in the right direction at a time. As I intimated right in the beginning, this isn't a one-size-fits-all approach, but regardless of circumstances my overwhelming take out is that… it all starts at home.

STEPS TO RECTIFY GENDER INEQUALITY

IN SA INSURANCE SECTOR TO BE 'MEANINGFUL AND MEASURABLE'

Historically, a number of barriers have stood in the way of women entering the insurance sector.

While transformation towards gender equity has become more evident over the last decade, there is still much work to be done, specifically at boardroom level, where women remain under-represented.

Greater inclusion at the level of compensation, leadership and treatment within the workplace should therefore be adopted as a business imperative for all role-players in the industry.

This is the opinion of Thato Monaheng, Liability Underwriter at SHA Risk Specialists, an organisation that not only has five women in key leadership positions, but which is also committed to empowering women both in their business and the industry as a whole.

COVER

Monaheng, who herself is part of a mentorship programme at SHA, offered her perspective on gender diversity in the South African insurance industry ahead of Women's Day on 9 August 2022. As an advocate for the proportionate representation of women in the sector, Monaheng explains that in a traditionally male-dominated industry, women have faced a number of hurdles some insurmountable until only a few years ago.

"While several proponents of gender equality in the sector are making significant inroads into driving change, real transformation will only occur when leaders in the insurance industry realise that there is a strong business case to be made for gender diversity."

WOMEN FACE SIGNIFICANT BARRIERS TO ENTRY

Commenting on the gender-specific barriers faced by women in the sector, Monaheng noted the fact that it was only in 1947 that female graduates were issued with fully validated degrees. Up until this point, women were discriminated against at the level of tertiary education and faced closed doors when they tried to enter the industry. Discrimination at this fundamental level catalysed a vicious cycle of exclusion, where women in insurance were deemed as less qualified and therefore not worthy of the same earning potential as men.

Furthermore, as Monaheng asserts, women are more often than not the primary caregivers and can find it difficult to juggle the demands of a career and domestic responsibilities. And although the discrimination may not be plainly evident and explicit, South African corporates have been known to hire men instead of women to avoid needing to grant paid maternity leave.

Women also do not enjoy the same level of access to established professional networks. And in reference to the corporate axiom, "it's not what you know, it's who you know," women have always been on the backfoot. According to Monaheng, these are the major barriers that women wishing to enter the insurance industry have had to contend with, over and above discouraging gender biases and stereotype around women's roles.

A MORE EQUAL INDUSTRY IS A BETTER INDUSTRY

While gender-based activism has done much to highlight these issues as social requirements, the more important aspect that needs to be emphasised and quantified is the business case that can be made for greater inclusion in the workplace.

"Research continues to show that women's unique qualities and characteristics bring equilibrium to the workplace – women are more inclined to consider all the factors involved before making decisions and are less prone to impulsiveness. And we also know now that women engender workplace cultures that are more conducive to mutual cooperation, due to their ability to see and treat their colleagues like family," says Monaheng.

Female leadership teams have also been found to be more emotionally intelligent, empathetic and more cognisant of the importance of their team's mental wellbeing. They have also therefore been found to be more balanced in terms of showing dedication both to their careers and their own leisure time.

The undeniable existence of the gender pay gap, which remains one of the most topical issues around gender, is one of the major perpetuates of inequality. Narrowing this gap could reap several rewards for businesses across a range of sectors, such as increased productivity, better attitudes towards work, improved talent attraction and retention rates, better profitability and ultimately a stronger economy.

INDUSTRY ROLE-PLAYERS NEED TO TAKE PRACTICAL ACTION AND BE HELD ACCOUNTABLE

However, as Monaheng explains, another aspect that is severely lacking from much public discourse around gender equality in the workplace is the practicality of potential solutions. "In order to take meaningful and measurable action towards better representation of women in the insurance sector, we need to take meaningful and measurable steps towards these goals."

For Monaheng, these steps include providing equal support to all genders in the workplace in terms of emotional support and counselling as well as providing equal hiring opportunities and broadening the talent pool in a way that accurately reflects the makeup of South African society.

> ***"Female leadership teams have been found to be more emotionally intelligent, empathetic and more cognisant of the importance of their team's mental wellbeing."***

Furthermore, corporates should be encouraged to report on their compensation packages for all genders and demonstrate a much larger degree of transparency in this regard. "What we need," as Monaheng asserts, "are a few of South Africa's most ubiquitous corporates to make public statements about the status of the gender gap in their organisations and to set examples for other industry players."

Concluding her thoughts on the subject, Monaheng adds that the establishment of cross-gender mentorship programs will help women and men to learn from each other and encourage skills and knowledge transference that provides employees with a fresh and different perspective.

Skills-based assessments and structured interviews during the hiring process will also aid in reducing discrimination and give women a platform to demonstrate their talents and be selected as worthy candidates based on their expertise and abilities, free from discrimination.

COVER

GENDER EQUALITY: IT IS ABOUT FUNDAMENTAL SHIFT IN THE SOCIETY.

Despite the popular belief that women have nearly closed the equality gap, discriminatory laws and social norms remain prevalent. In order to fast track the equality agenda, specifically to ensure that the work that is currently been done in the world is sustainable and can be resilient towards unforeseen future social dynamics presented by the effects of the times we live in. It's important to tackle the inequality dilemma we are faced with from a point of diffusing stereotyping gender equality as an agenda only affecting women.

PAT SEMENYA

CEO, IRMSA

It needs to be made known this is a matter being fair to all genders where by there is equal enjoyment of all social services, opportunities, resources and rewards; and not to be confused with critical aspects of addressing gender inequality such as women empowerment. We need to be constantly aware of the reality that anyone that is seen as "trespassing" in spaces that were previously dominated by a specific gender, there will be a backlash. This backlash can manifest itself in a form of humiliation, harassment and at times violence in our homes, education system and workplace

IN THE HOME AND SOCIETAL SHIFT

As Parents we also need to be consciously aware that equality begins at home, here the foundations of societal beliefs and practices are formed. The manner in which equality is addressed at home shapes the way the next generation perceives gender and equality. As an example housework needs to be shared equally in the home and the sharing need not be gender based.

One of the ways to achieve this is to regularly rotate the housework schedule, this way everyone gets an equal opportunity to be involved in all chores and responsibilities, are expected to perform at the same competency level and rewarded equally. By doing so, on a societal level, equal value will be given to what is currently perceived as gender specific roles in our households.

I believe this approach has a great potential to minimize the societal harassment and violence that are gender motivated and encourage all genders into non-traditional vocations in the future.

WORKPLACE

Gender inequality in organizations is a complex phenomenon that can be seen in organizational structures, processes, and practices. Even though tangible progress has been made over the years, there is still tremendous amount of work that business leaders can do to help close the gap through fair and transparent recruitment processes, compensation, evaluation and promotion policies. Leaders affect the organizational structures, processes, and practices. Specifically, leaders set culture, set policy, set strategy and are role models for socialization. As Leaders we are in a position to institutionalise gender inequality.

An unbalanced organisational structure marked by gender inequalities consequently promotes job ladders and networks that supports gender bias.Today, South Africa's progressive laws have seen more women serving in high-ranking positions government and the private sector than ever before. Access to education by young girls and women has improved substantially over time. However, female unemployment rate remains higher than that of the male counterparts, which leaves women lagging behind in terms of socio-economic opportunities.

In the end , Gender equality is concerned not only with the roles, responsibilities and needs of women and men, but also with the interrelationships between them.

DIEPSLOOT BASED ANTI-GBVF PROGRAMME

SHOWING GREEN SHOOTS

In June, the women of South Africa were reminded, once again, that there's a war being raged on their bodies and their safety is under constant threat.

In June, the women of South Africa were reminded, once again, that there's a war being raged on their bodies and their safety is under constant threat. According to statistics released by the SAPS, over a three-month period (January to March 2022), murder, attempted murder and the assault of women all recorded double-digit increases and over 10,800 rape cases were reported.

The Minister for Women, Youth and Persons with Disabilities, Maite Nkoana-Mashabane, expressed outrage and concern and noted that coordinated responses across all spheres of society needed to be strengthened. "Until these coordinated responses materialise, we are confronted with brutal statistics and horrific video footage showcasing the reality that many women are forced to endure on a daily basis, with little or no consequences," says Seugnette van Wyngaard, Head of 1st for Women. It's reassuring to note that 1st for Women is reporting green shoots in its Diepsloot-based preventative and response programme that addresses the root cause of the abuse epidemic - patriarchy.

"Women abuse in South Africa is a burgeoning and complex issue that requires a multifaceted approach to address the underlying attitudes, beliefs, practices and systems that condone, justify or excuse gender inequality. Through our research we found that male superiority and a culture of violence which manifests itself in the form of patriarchy, control, sexual entitlement and unhealthy conflict resolution skills are determining factors towards women abuse," says van Wyngaard.

To address this, 1st for Women launched a school-based learning programmes in Diepsloot for children aged three to 18 which is being implemented by Think Equal in collaboration with Ntataise Trust and the Regional Psychosocial Support Initiative. The programme also includes a comprehensive community-based support programme for survivors of abuse (from trauma to prosecution) which is being implemented by Lawyers Against Abuse.

"Women abuse in South Africa is a burgeoning and complex issue that requires a multifaceted approach to address the underlying attitudes, beliefs, practices and systems that condone, justify or excuse gender inequality."

Since 2020, the 1st for Women's programme has helped 5 883 women access GBV-related support services, provided 360 GBV survivors with post-violence clinical care and ensured that 137 people were charged with GBV offences.

A new addition to the programme is self-defence workshops for girls, run by non-profit, Action Breaks Silence. Over the past year, 2 339 children have been equipped to better recognise indications of potentially dangerous behaviours by perpetrators and encourages them to own their space and bodies with confidence. "Participants have noted that following the workshop they feel less fearful, more empowered and more capable of defending themselves with tools they could immediately put into action," says van Wyngaard.

The self-defence programme is already making a difference and, according to the head of Reshomile Primary School's Life Skills and Life Orientation department: "Usually, we'd see a number of cases of bullying or cases of learners waiting for others outside so that [they] can fight. However, since the programme started, our incident report book is empty. I believe this programme is a success."

"Currently, the safety of women is footnote. We are committed to fighting this scourge so that it becomes part of the agenda," concludes van Wyngaard.

WE'VE COME A LONG WAY, BUT WOMEN STILL FACE GENDER DISCRIMINATION

Despite South Africa having numerous pieces of legislation in place to prevent workplace gender discrimination and concerted efforts being made to bridge the gender inequality gap, women still lag behind their male counterparts in terms of pay and occupying senior positions..

The International Labour Organisation (ILO) notes that despite conventions for equal remuneration and non-discriminatory employment practices being in place for over 60 years, there still exists a gender pay gap in industrialised countries and an even bigger one in developing countries.of significant medical expense shortfalls is increased. However, there are other options for birth, which will also be covered by medical aid, including midwife-led care.

The ILO notes that South Africa still has a stagnant median gender pay gap of between 23% and 35%. This gender pay gap refers to the difference in wages between men and women for the same type of work or work of equal value. This disparity is a significant stumbling block to achieving gender equality in the country and seems to affect women in the middle and upper wage bands the most.

South Africa's figures are on par with worldwide trends, with women globally earning around 37% less than men in similar roles, according to the World Economic Forum's (WEF) Global Gender Gap Report 2021.

Alarmingly though, in its index of 156 countries, the WEF finds progress on closing the gender gap painfully slow. Based on the current trajectory, the Forum finds that women are 267.6 years away from gender parity in the area of economic participation and opportunity – which includes equal pay. If ever we needed proof that more needs to be done, this would be it!

WOMEN EXECUTIVES

But the gender pay gap is not the only area that needs attention. South Africa also scores rather poorly in terms of the number of women in executive positions. According to the South African Institute of Chartered Accountants (SAICA), roughly 68% of all senior management positions are held by men.

SAICA notes that women make up 51% of the South African population, but only 20,7% of board members on JSE-listed companies are female. Even worse is that a significant proportion of JSE-listed companies have no female board representation at all.

The lack of female executives suggests that there may not be enough female senior managers in South African companies, as more than a third of South African women have stated that their gender and parental responsibilities hold them back from progressing in their careers. This hurdle perhaps explains why South African universities produce more female graduates every year than male, yet women remain under-represented in both corporate and academic spheres.

"South Africa still has a stagnant median gender pay gap of between 23% and 35%. This gender pay gap refers to the difference in wages between men and women for the same type of work or work of equal value. "

Figures released by the Department of Higher Education and Training in March 2020 reveal that in 2017 the share of female graduates from higher education institutions in the country was about 61.5% (129 681) compared to males at about 38.5% (81 241).

So, despite an abundance of willingness and skills, women are simply not cracking it in the business world – why is this? The Management College of Southern Africa (MANCOSA) recently published a paper that traces the root cause to the socio-cultural constructs of women.

SOCIO-CULTURAL CONSTRUCTS

The authors argue that although South Africa's Constitution promotes equal rights and treatment for all, the socio-cultural constructs of gender promote male dominance and female subordination. These constructs negatively impact decisions and beliefs pertaining to the progression of women professionals and promote institutional sexism.

Additionally, we cannot ignore the fact that women's various responsibilities in their households and communities can deter them from applying for senior and top management positions, which often demand long and intensive working hours. At the same time, there is a small group of women who align with constructs that discourage women being in leadership positions and will not make the effort to climb to the top rung of the corporate ladder.

As we commemorate Women's Month, it is perhaps fitting that we not only reflect on the significant amount of work that still has to be done to close the gender disparity gap, but also on the fundamental mind shift required to change how society views women and the value it attaches to their contribution. Promoting gender equality should never be a women's issue, but rather an issue that is global, financial and crucial.

FIVE FINANCIAL LESSONS FOR WOMEN

There is still a significant gender gap when it comes to important issues like financial security. There are many reasons for this, some of which are complex and embedded in societal imbalances, and others which are simple and easier to solve for.

While a generalisation, I have found that women tend not to talk freely about topics such as investing or financial planning. Of course, we all know that it is in connecting and sharing that we can learn the most. In that spirit, below I share a few lessons that I have learned along the way. I hope these are useful to others who – like me – are keen to take the financial reins and give themselves the best chance of achieving a comfortable retirement.

1. Take some risks

If you are in the early stages of your career, you likely have, at least, a 30- to 40-year accumulation period ahead of you, most of which will hopefully be in some form of gainful employment – self-directed or more formal. You can afford to take on some risk (aligned with your comfort levels) and make a few mistakes. It may be the right time for an appropriate level of "good debt", for example to get onto the property ladder. You probably don't need to worry too much about market cycles: although they may hurt while you are experiencing them, most (not all) wash out over 30 years.

2. Work out early what your investing behavioural biases are

It is a good idea to identify your behavioural weaknesses. Does your stomach drop when you see a decline on your statement? Do you overestimate your ability to pick that great idea? Do you worry when your friends tell you about an idea, and you think you might be missing out? Work out what will hold you back from making the right decisions, and then try to put mechanisms in place to "protect you from yourself".

3. Don't succumb to inertia or the excuse of "I don't have time to sort out my admin"

Most people in their 30s are juggling a job, perhaps starting a family, managing their extended family and other broader responsibilities. There can be times when months go by and you realise you haven't sorted out that tax-free investment for your child or upped your contribution rate. Don't succumb to that excuse. Treat each important, non-urgent decision as if you were retiring in three months, not three decades.

4. Form professional and social networks, particularly with other women

We all struggle to put our hands up and admit we need help. Learning from other women can be a powerful tool. This can inspire you to take ownership of your own financial plan. Instead of seeing female-led groups as just social occasions (e.g., book clubs), you could also join or start a women-only investment or savings club. Contributing to ideas in this type of forum creates a safe and fun space to gain confidence through learning from other women's investment mistakes or successes.

5. Think about what you would say to the next generation about money

I have had to think hard about what I want my daughters to understand about money, taking risks, the importance of savings and the beauty of compounding values over time. Admittedly the latter can be a somewhat dry subject and is harder to teach when you are competing with online games, and friends and sports. I have tried to put decisions in their hands, rewarding them when they defer immediate consumption by doubling any value they choose to save, for example. We have also given them their own accounts, so they can see how the values can increase (and decrease) over time. These conversations have also been important for me as I often reflect on the lessons I wish I had learnt earlier.

After a few failed attempts, I was finally rewarded when my 13-year-old was given a birthday gift of R200. She looked at it solemnly for a while and then handed it to me and said: "Please can you take it to work tomorrow and make it grow!" So, if there is someone in your life, or your community, that you think can benefit from hearing about your financial journey, then consider paying it forward.

HOLISTIC FINANCIAL PLANNING TIPS FOR WOMEN

Kresantha Pillay, Chief Specialist for Lifestyle Protector products at Liberty shares her holistic financial planning tips for women and her own journey as a leader in the industry.

Tony: It is women's month in August and the interesting thing is, when you talk about things like women's month or Valentine's Day or Mother's Day, et cetera, people always say every day should be Mother's Day and everyday should be Valentine's Day.

You should treat your mother and you should treat your spouse or your partner in a certain way all the time. But it is quite nice to sometimes just sit back and focus on something like woman's month, and say okay where are we? What have we achieved? What are the challenges, are there issues and things to address, et cetera?

So, this month that is what we try and do, and we are talking to a couple of women in the industry just to get their views. So, thank you very much for being put on the spot to give us your views. So, to just start off, you have had quite a long career in the industry so far and you have had a good experience as a woman in leadership in the industry and a woman who went through quite a few educational programs. In other words, universities, and different subjects, you have done an MBA and so on.

Can you give us a little bit of a description of your journey, from when you entered the industry up till the present, how did that happen?

Kresantha: Starting the journey of actuarial science happened by chance. I remember my mom suggesting that I should become an accountant instead - it is less challenging, has predictable hours and accommodates raising a family. But the people who know me would say, I do not do easy; I love a challenge.

The one thing I did know then was that I loved solving problems and back then actuarial science was just starting to be talked about. I went about this in a very non analytical way and a very contradictory way for a typical actuary. I decided to just go into it and explore it and I have enjoyed the journey; I have enjoyed studying and I have really enjoyed the career path thus far.

I have been in the industry for about 18 years, and it has been quite a rewarding experience. But what I have noticed, and it is quite refreshing, is that back then when I started there were very few females in the class, it was not a typical career for a female, but as the years have passed the landscape has certainly changed. We are finding more females who have chosen the path and are making quite a success of it.

Tony: Do you think that from a product, development and amendments perspective, that being a woman makes a difference in our quest to empower woman more? In the past financial planning was mainly the male environment, because the men were the main breadwinners, men were the advisors, it was all about the men. Do you think that with the change of more women being in leadership in the insurance industry it has added to that mindset shift?

Kresantha: It is not ringfenced to leadership, because there is clearly quite a disparity there between males and females still. With more females entering the workforce it has created a necessity to have a look at their insurance needs as well. In many households today, females are key contributors to that total income. If you look at the stats, there are quite a few females that are the bread winners in families or single moms or single headed households. You can no longer ignore that, because it is a key financial contribution, and that income needs to be covered. They say that women reinvest their income into their families, into society. So not having that protection, from a holistic perspective, not only affects that female immediately but future generations and society itself.

Tony: I love the title specialist, lifestyle protector, that really says a lot. How do you see that title and how do you see that in the context of empowering females in terms of their financial planning?

Kresantha: I am not one for titles, but I do understand that it does come with responsibility and as a result, I mentor quite a few females in the industry because I am regarded as a role model. From that regard, I do not take it lightly. For me mentorship is all encompassing, it's also about empowering women to make better informed decisions both in their careers and their financial planning.

Tony: We were at the insurance conference at Sun City recently and what was interesting was that more than 50% of the attendees were woman. However, when you look at the leadership in the industry, there are very few women, and when you look at the people that were on stage speaking, there were very few women. So, we have a lot of women coming into the industry, is it just a matter of time before they will move into leadership positions? Should we do more to make sure that they get recognized for leadership positions?

Kresantha: I would say it is a bit of both. It is a matter of time as more females are coming into the industry. But I think as an industry, we need to be more deliberate to create an environment that encourages and empowers women especially at the C-suite level. After all, there are proven business cases that there is value in diverse leadership as this brings diversity in thinking and solving business problems. We need to have strong support systems to ensure that females are confident and equipped to move up the ranks and take on the challenges. What makes it difficult is that there are few female role models that you can reach out to for help simply being due to there not being enough to reach out to.

Tony: You spoke about mentoring. The good thing about mentoring in this case, is that if you mentor as a woman and you mentor other women, you are taking responsibility for the fact that there are not enough women in leadership. So, what advice do you have for other senior women in the industry in terms of mentoring and in terms of the challenges that females and women coming into the industry have?

Kresantha: In mentoring people it is important to be your authentic self. My mentoring relationships just happen accidentally, if you want to call it that, I am always someone who is incredibly happy to share my experiences. Being a female of colour coming through in the insurance sector, I am happy to share those learnings. You often find that people that you are talking to have had similar experiences and often just lack that confidence to move forward. So, when you have these conversations and people understand where you come from and you can still persevere and move forward, it inspires them.

Tony: Any inspirational words from you for women who are entering the industry, or who are on the ladder on their way and looking for positions. Is it possible for them to become CEOs in this industry?

Kresantha: Absolutely, I am a mom of two little boys, I have an incredibly supportive husband and my advice is that; whether you are a single mom or are in a relationship, whether you have kids or you do not, you need to build your circle of support. There will be times when you are going to need help, you are going to need to lean in a little bit more. If you have that, there is absolutely nothing stopping you. When it comes to making financial decisions that will affect my family, I, along with many other men and women in my field, have discovered the value of having a financial adviser by my side. We encourage our own internal staff to seek guidance because, as a company, we recognize the importance of receiving the required financial support while pursuing financial independence.

Womenomics is a phrase we use frequently, but it is only through understanding the role women play in the economy that we will be able to think and act differently, making sure first that we have a solid financial strategy in place that will benefit us and our family.

Tony: Absolutely, as somebody once said to me, surround yourself with people you can trust and build trusting relationships. Thank you so much for the time. It was wonderful talking to you and wonderful to see the impact that people like yourself make to the industry

TECHNOLOGY

" Digital evolution should be about changing the end-insured's life for the better. And part of that is considering the wider potential impact of change. "

- ANDRE SYMES, CO - CEO AT GENASYS TECHNOLOGIES

TAVIO AND TONY TALKING TECH AT #AIE2022

WHERE DO YOU START?

Tony spoke to Tavio Roxo co-founder and CEO of OWLStm Software at AIE2022 about the latest developments in insurance technology.

Tony: Let us start with some feedback on the 2022 conference

Tavio: I am loving the conference; Thokozile and her team have made an amazing conference. One of the best ones that I have attended. She has brought the best speakers, we have had such engaging panel discussions across multiple themes, and it has been exceptionally well organized.

Tony: You spoke on a panel regarding the future of insurance. We have spoken about that many times, but it is an evolving topic. It is something that changes as we go, as we implement, and as the industry gets used to modern technologies. What were your main takeout from that panel?

Tavio: The main takeout is that the future of insurance, very much, hinges on technology.

All the discussions at the conference seem to taper towards a technology discussion. What you ultimately get out of it is that, as you move forward, you recognize that your technology must enable your business to be able to get closer to the customer and digitally service the customer. Unless you have that kind of view to the adoption of technology in a B2C environment, you are going to be caught wanting in years to come.

It is going to be increasingly difficult for you to, as an insurer or a UMA or as a broker, lean on and utilize technology later. You need to start the journey now by engaging with technology providers. You need to start engaging with technology resources within your organization, and you need to start mapping out a digital framework or technology framework, which you are going to adopt over the next few years. It must be intentional; it cannot be haphazard.

Tony: You spoke about three elements in this process of evolving your business and staying up to date. You spoke about the data, the technology stack and AI, can you tell us a bit about that?

Tavio: In that journey, where do you start? I was trying to demonstrate my learnings with our various clients and us as an organization, building a technology stack and a technology environment and

architecture, which is utilized by UMA's and insurers. In the journey that we went on, it ultimately comes down to those three things. Everyone is looking to implement technology, to optimize their business in the future, to digitally bring a customer in and service them. But you cannot start there. You must start somewhere. So where do you start?

You start with the data. You must get your data right. It is the fundamental building block of any technology adoption.

You must get the tech stack right. You must choose a technology that allows you to engage APIs (Application Programming Interfaces) and to integrate with multiple data sources and databases, it must be completely cloud based. And only once you get those two, can you actually move on to an automation or an AI environment where you can now start really utilizing what you have built to optimize and make your business more efficient and more cost effective.

Tony: OWLStm has a variety of different clients, and you speak to many potential clients. In the current environment, is the process evolving fast enough? Do you think people are focused enough on making that change in their business?

Tavio: There is a lot of friction and pain that comes with change. And because of that, people are reluctant to jump in with both feet. So, what I have seen, and a way to ease a company into a technology change or technology shift is to do it incrementally.

The view is that people have been approaching technology in the past in a more binary way, where they want a big bang approach, saying "let me put all my business on a new technology stack." That comes with a lot of risk and a lot of business pain.

So, to your listeners, an approach could be to incrementally adopt technologies for different lines or types of business within your organization over a period. To de-risk and to de-pain as it were, the pain of an implementation and the pain of a technology change.

However, that must happen. It either happens now or it happens in 10 years' time, reluctantly, because you are losing business and you are forced to. But it is going to happen one way or another.

"DIGITAL TRANSFORMATION" DOESN'T WORK

ANDRE SYMES

Co-CEO, Genasys

HEALTHY OCEANS

CRITICAL TO LIFE AS WE KNOW IT

Oceanic and coastal ecosystems provide numerous services that support our economic, cultural, spiritual, recreational and nutritional needs. Globally, the ocean economy is estimated to be USD1.5 trillion and this is expected to double by 2030. In South Africa, Operation Phakisa is set to unlock our Ocean Economy with the aim to contribute R129 - R177 billion to our GDP by 2033.

Beyond this, the oceans moderate weather patterns and help to combat climate change by removing carbon from the atmosphere and locking it away in sediments. As such, well-functioning ocean environments are not only important for people that have a direct connection to the sea, but they play a fundamental role in shaping economies and life as we know it on our planet.

Anthony Bernard, marine scientist, South African Institute for Aquatic Biodiversity

Anthony Bernard is a marine scientist working at the South African Institute for Aquatic Biodiversity, a facility within National Research Foundation. He manages the facilities marine remote imagery platform (MARIP) and specialises in assessment of demersal and benthic fish populations (i.e. those found near the sea-floor) using remote video and visual census sampling techniques. Anthony's work concentrates on how the environment and human activities influence fish populations, how standardised research can support effective management and capacity development.

Are our oceans under threat?

Unfortunately, the services that created our connection to the seas and underpin its value to humanity and society are now threatened more than ever. Centuries of development and over fishing, paired with ever expanding global and coastal populations (currently 40% of world's population lives in coastal regions), failing management of effluent and waste waters, unsustainable generation of litter and global warming are pushing the oceans to a tipping point. Without appropriate management, the projected local and global growth in the Blue Economy will undoubtedly push the oceans beyond this tipping point. The oceans, however, are a dynamic and complex space to manage as there are many diverse stakeholders that are trying to coexist and survive on limited resources. Management has had to continually adapt through time as the opportunities to gain economic advantage have diversified and we have learnt that resources are exhaustible, and that pollution, habitat destruction and climate change compromise the ability of the marine environment to support human needs. At the same time, advances in both the social and ecological sciences have improved our knowledge about how marine and social systems function and co-function.

What is the solution?

There is now an established set of management tools that allow for comprehensive and inclusive marine spatial planning to accommodate stakeholder needs while trying to ensure that the individual or cumulative actions don't jeopardise ocean sustainability. However, the continued need for adaptive measures suggests that in many cases management interventions alone are not able to cope with current threats facing South Africa's and global oceans. It is becoming increasingly evident that collective action and responsible stewardship is required from all people who have a shared interest in maintaining the integrity of our oceans. This requires responsible decision making on how we as individuals and communities use the oceans and holding others accountable for their action or inaction. This can simply include learning, following and promoting management regulations, participating in restoration projects or making sustainable seafood choices. Collective action also requires engagement in management decisions (e.g. by participating in stakeholder engagement workshops or providing comments to government gazettes) and ensuring that relevant stakeholders are included in the decision making process. While the outlook is pessimistic, not all is lost and we can still change things around if we all do our bit to be part of the solution not the problem. Keep our oceans clean, pick up litter, Help to create an ocean environment that your grandchildren and their grandchildren can enjoy.

Infiniti Insurance is inspired to contribute in this way toward developing awareness, sharing knowledge and building capacity, in support of the achievement of Sustainable Development Goal 14 on Life Below Water (SDG 14) for a more sustainable world.

14 LIFE BELOW WATER

#NOTIMETOWASTE

Contact Us
+27 (0)11 718 1200
www.infinitiafrica.com

"I think, in the market itself, it's probably the space with the highest growth potential compared to your traditional short term or non-life insurance products."

CHALLENGING THE STATUS QUO WITH THE END-CUSTOMER IN SIGHT

So, I'm going to say it: "Digital Transformation" isn't working, or not how we thought it would work. We need to be realistic, cut through the hype, and view this as what it really should be: digital evolution to reflect a world that's ever-changing to meet the needs of the end-customer.

Let's take a look at the hype. "Digital transformation is the process by which companies embed technologies across their businesses to drive fundamental change", says Accenture. It's "change—driven by technology",says Deloitte. "Technology is the business agenda", adds EY.

Letting technology drive is one thing when you're desperately hoping Google Maps will get you home in time for dinner; it's quite another if you expect a software upgrade to chauffeur you to success. While the above definitions seem logical, they highlight where businesses are often going wrong: instigating major technological change without understanding why or what benefits this will bring to the back office and most importantly, the end-customer. No wonder 70% of digital transformation projects fail to deliver on their promise. Of course, it's all well and good me challenging convention, but what approach am I suggesting you take instead?

1. RECOGNISE THE VALUE IN 'SCALING DOWN'

The prevailing approach to transformation is not working – and we're seeing that at both ends of the scale. At the smaller end, insurance providers and brokers are finding that the technology they're building or using simply doesn't have the depth of functionality required in the medium term to grow and sustain a business. Let's be honest, these organisations aren't really transforming, they're starting up. It doesn't work for the larger companies either, because their transformation projects are just too far-reaching and complex to succeed. The legacy platforms that they've been sticking together with chewing gum and string are beginning to fall apart so now they're searching for simplification but spending huge sums of money in the process.

Anybody can come up with a big plan. But the willingness to change has to be driven by realistic requirements, recognising that asking any insurtech to build the next moonshot is probably not a good idea... and not going to happen!

So where to start? The true skill is starting small; after all, the devil is in the detail and is liable to wreak havoc if your focus isn't clear. Scaling down your plan doesn't mean scaling down your ambition but instead developing your digital maturity at a pace that suits your business, targeting longevity with a well-defined foundation and room to build. A new platform can deliver success within a couple of months, but that's not a given, so it's critical to build in time to reassess and pivot if it isn't delivering.

2. MAKE THE USE OF DIGITAL WORK SMART FOR YOU, NOT JUST TECH FOR TECH'S SAKE

Without an achievable scope, the holy grail of 'transformation' is just a technology change that delivers no real benefits for your team or your end-customer. It's not really looking overall at how the business is running. Too often, the motivation comes from hype around a new technology – whether that's AI, or blockchain, or robotics or otherwise.

People start looking for all the possible use-cases it could be plugged into, however tenuous the need, swayed by the promise of profit. It's almost the technology looking for a problem. Best case scenario, lusting after the latest technology lands you in an all-night queue for the latest iPhone. Worst case, it has you millions of pounds deep into an all-consuming transformation project you aren't sure will ever be delivered as initially scoped or designed. Implementing the technology is the easier part; defining and getting alignment with the objectives and the outputs is the challenging part. All organisations, large or small, need to clearly define what they're trying to achieve through 'transformation' - this is not about replicating what you had before but with a different wrapper. That's where the real skill lies. Many insurance products sold today were designed years ago and are ripe for innovation. Transformation should start by surveying and challenging that existing offering, asking "What does the end-customer want? How do we personalise it? How do we improve the supply chain?" and then using technology to help facilitate this.

Ultimately, digital evolution should be about changing the end-insured's life for the better. And part of that is considering the wider potential impact of change.

3. THINK ABOUT HOW YOU MAY UNINTENTIONALLY ROCK YOUR WIDER ECOSYSTEM

For an industry where risk management is the raison d'être, insurance businesses can often play surprisingly fast and loose when it comes to technology change. Dramatic change doesn't happen in a vacuum; in fact, it famously tends to start with "the shot heard round the world" and we all know how the financial services industry loves a trend right? A gung-ho approach to transformation rocks the wider ecosystem and that can be dangerous. When technology changes overnight, there's little opportunity for you and your supply chain to catch up.

Give an insurer the sudden ability to offer a daily rather than annual policy, and reinsurers are left scrambling, because they don't understand how to factor this into their own model. This is where the majority of companies are struggling – how to adapt coinsurer or reinsurer agreements, or term of contract.

4. CONSIDER RISK VS REWARD

Technology change has to be in sync with everyone in the supply chain. Well-considered, planned incremental change which enables your digital maturity to evolve at a pace and style that works for you, your customers, and your end-customer will have a far greater transformative impact. When those changes that you're putting into the business are about creating better journeys for your individual customers, and come together in a realistic timescale, they can deliver true change.

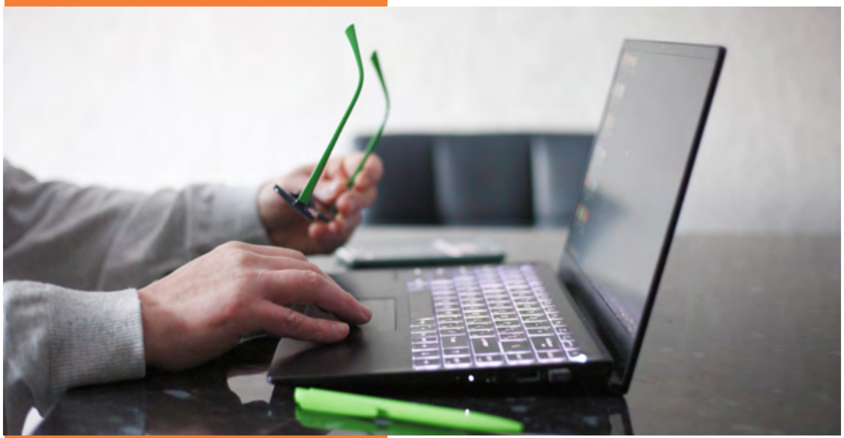
Revolution begets risk; evolution begets survival. Forget digital transformation, digital evolution is where the smart money goes. For you and your end-customer. Step change transformation is not what we should be looking for, but rather rapid evolution, enabled by agile technology.

GENASYS

EVENTS TO LOOK FORWARD TO..

FPI PROFESSIONAL CONVENTION 2022

Join us at the 33rd Financial Planning Institute of Southern Africa (FPI) Professional's Convention which will be held on the 19th and 20th of October 2022 and hosted as a hybrid event this year. The event is regarded as the largest and most significant event in the calendar for financial professionals.
Save the date!



IRMSA ANNUAL CONFERENCE 2022

Join us on the 27 & 28th September for the 2022 IRMSA conference on Integrating Strategy, Risk and Resilience which outlines the value proposition, from a risk management perspective. Register Here!

44th OESAI Conference & AGM 2022

The Annual Conference and AGM will be held in Zanzibar at the beautiful Madinat Al Bahr Hotel from the 28th August to the 1st September with the theme "Future proofing the insurance industry fro sustainability."
Save the date!