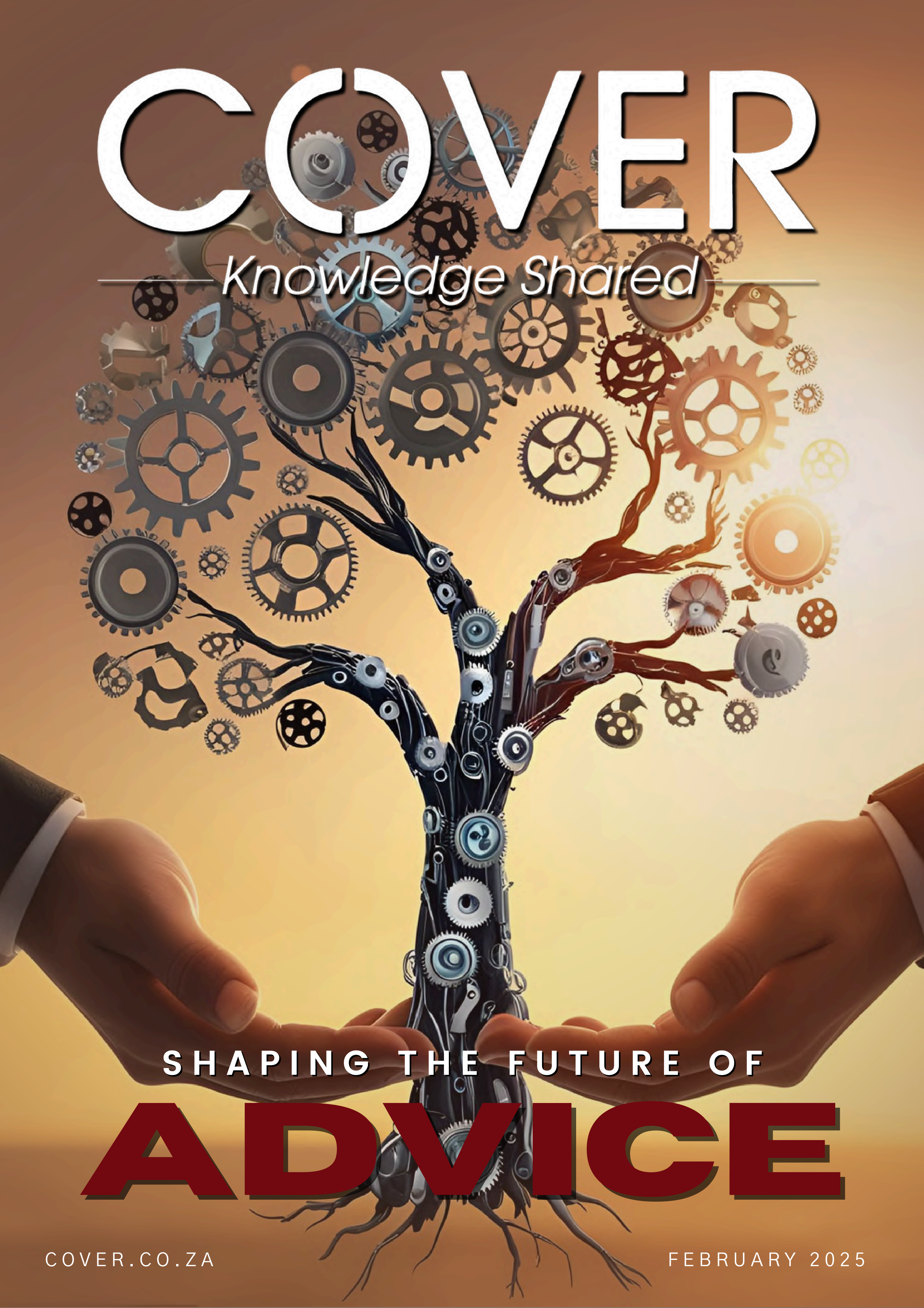
COVER

Knowledge Shared



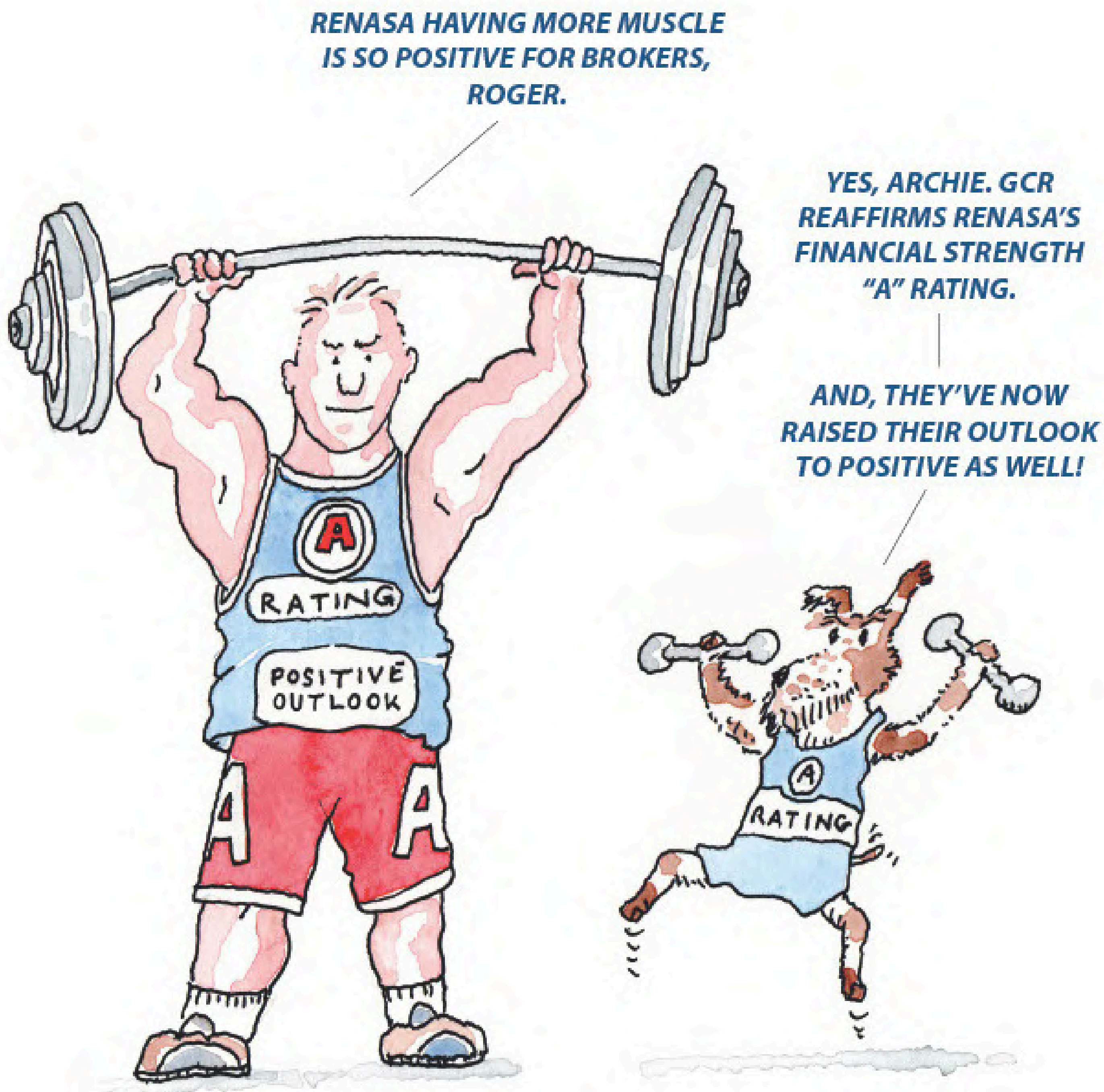
SHAPING THE FUTURE OF ADVICE

COVER.CO.ZA

FEBRUARY 2025

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

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



GCR Ratings, Credit Ratings Announcement, 24 Nov. 2024:

"The Positive Outlook on Renasa's rating recognises a turnaround in underwriting profitability and potential for this trend to continue on the back of disciplined underwriting and business growth. The insurer's capitalisation position has also strengthened, which could contribute to an improved assessment of the overall financial profile if sustained. The rating derives uplift from implied support from Telesure Investment Holdings Proprietary Limited (TIH or the group), which is demonstrated by the successive recapitalisations and integration of operations into the group."

RENASA
INSURANCE COMPANY LIMITED

tih

THE BROKER'S *even better* BEST FRIEND

MAIN STORIES

CONTENTS

05

GENERAL

FOCUS ON ADVICE

12

46

FINANCIAL PLANNING

SHORT TERM

53

73

TECHNOLOGY

THE POWER OF ADVICE IN AN EVOLVING INDUSTRY

At the heart of the insurance and financial services industries lies a fundamental truth: advice matters. Whether guiding individuals through complex financial decisions, helping businesses navigate risk, or ensuring clients are adequately protected, sound advice remains the cornerstone of success. In this edition, we highlight the crucial role of advice, alongside the resilience, adaptation, and innovation that define the industry in 2025.

Our main feature, Focus on Advice, explores the indispensable role that brokers, advisers, and industry professionals play in bridging the gap between policy complexities and client expectations. The ability to educate, guide, and provide clarity is more critical than ever, as clients demand greater transparency and tailored solutions. This theme resonates throughout this month's edition, reinforcing the importance of informed decision-making in an increasingly dynamic marketplace.

Adding to this perspective is COVER's latest Broker Survey, which provides an in-depth look at the current mindset, challenges, and outlook of brokers across South Africa. Despite ongoing regulatory pressures and market shifts, the survey reveals a strong sense of optimism, with 60% of brokers expecting income growth exceeding 10% in the coming year. It also highlights the growing importance of SMME commercial insurance, the technological advancements shaping the industry, and the need for brokers to transition towards a more risk-management-focused approach. The findings underscore a key reality—advisers and brokers must continuously evolve to stay ahead.

Beyond these features, this issue explores critical industry trends, from the shifting dynamics of financial planning to the role of ESG considerations in the insurance sector. Whether tackling new challenges in underwriting, adapting to evolving client needs, or leveraging digital tools for enhanced service delivery, the message is clear: the future belongs to those who prioritise advice, innovation, and adaptability.

As digital transformation accelerates, the role of data analytics, automation, and AI continues to shape the landscape. Insurers and financial service providers who embrace these technologies are better positioned to enhance customer experiences, streamline operations, and offer more personalized solutions. However, maintaining a balance between technological advancement and the human touch remains a crucial consideration for the industry's future.

As we move forward into 2025, the importance of expert guidance has never been more apparent. The articles in this edition serve as a testament to the industry's ability to provide meaningful solutions, strengthen client relationships, and shape a more informed, secure future for all.

We invite you to immerse yourself in these insights, engage in the conversations, and continue driving excellence in the insurance and financial services sectors.

Dominique Taylor

Deputy Editor, COVER

ROD PEARSON OBITUARY

Roderick Peter Ross Pearson, known as Rod, passed away at 80 years old on 8 January 2025 following a long battle with Parkinsons. Rod was born in England in October 1944 & moved to South Africa with his parents at 7 years old, first living in Durban before later settling in Johannesburg.

Rod attended Durban's Glenwood Boys High School, representing his school in rugby, athletics & cross country. He was lead drummer of the 1st bugle band and won the individual drumming competition at the Durban band competition. He was in the debating team & was the school's' representative at the Jan Hofmeyer speaking competition & at the Old Boys annual dinner which provided an insight into the art of drinking beer!

Captain Pearson was commissioned in the tank regiment Natal Mounted Rifles (now Queen Nandi Mounted Rifles), later becoming a staff officer in 7th Division HQ and was staff officer GSO3 Ops (Operations) of 101 Task Force in the war in Angola. There he managed to fulfil his one remaining ambition in the army – to take a ride in a chopper!!

Insurance has entranced him for most of his life as it involves so many aspects of business & law – appreciation of how risk affects companies, the delicacies of underwriting & the occasional lunch! He qualified as an Associate & then Fellow of the Chartered Insurance of London (FCII) which entitled him the South African qualification FIISA and he was also an America's Associate of Risk Managers (ARM). He was in insurance broking for over 50 years, initially handling insurance & risk requirements of large & mega accounts, working for most of his career in the same company albeit with change of identity through mergers or acquisitions - Minet, MIB, Glenrand MIB and finally AON. He worked in London on an exchange basis and often visited on behalf of his employer, as well as attending multiple RIMS (Risk & Insurance Management Society) conferences in North America.

He was heavily involved in the Broker Association, chairing the Regional, Fire & Accident and Short-Term Executive Committees as well as serving on various ad hoc committees. He served on the committee of the national education body (IISA) & was elected Vice President of SA and was chair of the Society of Fellows. To support the development of future generations of insurance professionals, he mentored young professionals, gave many lectures on legal cases, legislation, new commercial & market developments, chaired/spoke at Technical Forums and lectured to The Insurance Institute & at University of Witwatersrand. He was asked to join the Editorial Board of COVER Magazine and was regularly quoted in financial magazines such as Financial Mail, daily papers, radio & TV including being interviewed on TV after 9/11.

Outside of work, Rod was an enthusiastic member of community service club Round Table, serving as Table Chair on the area Executive Committee and chair of Zoo Lake Carols by Candlelight. He was also a keen runner and hiker, completing 22 Comrades Ultra Marathons, receiving a silver medal in 2 and 2 Two Oceans Marathon, one with silver and numerous other running races including Great Wall of China Marathon, London Marathon and Big Sur Marathon in California. He represented Transvaal & Gauteng at Cross country, Road & Masters Athletics. He revelled in hiking in the Drakensberg mountains & climbing to the top of the main berg at 3377m.

Rod Pearson's life will be celebrated on 15 February by his family - partner Elizabeth Higginson, daughters Lauriel O'Neill and Tam Tomlin, Son-in-laws Neil O'Neill and Justin Tomlin and grandchildren Paige Tomlin and Bradley O'Neill.

Rod was indeed a stalwart of the insurance industry, always ready to assist in sharing knowledge and growing skills, writing numerous technical articles, sometimes on short notice. He may be gone, but his legacy as a technical expert in the insurance industry will live on for many years.

My deepest condolences to his family and friends.

Tony van Niekerk

COVER Editor

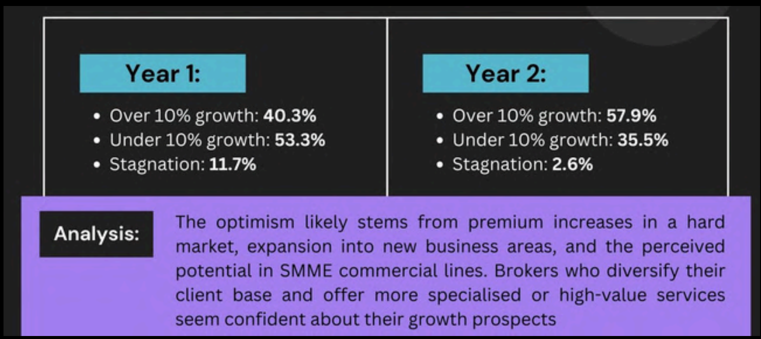
2025 GETS A THUMBS UP FROM BROKERS: COVER BROKER SURVEY

Tony Van Niekerk, COVER

COVER's latest Broker Survey provides a comprehensive overview of the current mindset, challenges, and outlook among brokers in the South African insurance landscape.

The survey highlights critical trends in growth expectations, the future of broker independence, technological adoption, and the importance of specific insurance lines, with a keen focus on the future of commercial and SMME business insurance.

The overall sentiment amongst independent brokers, despite recognising challenges, is one of optimism, expectations for growth and a focus on innovation and resilience.



Key Findings:

1. Broker Growth Outlook

Growth Expectations: A significant majority of brokers, 60% (37%), expect their brokerage to experience over 10% growth in income over the next year, while 36% (50%) foresee a more modest growth rate of under 10%. Only a small minority expect stagnant growth.

- *Analysis:* Despite operating in a challenging environment, brokers are cautiously optimistic, driven by premium increases, market conditions, and the expansion of new business opportunities. Organic growth is considered achievable even in a hard market.

2. Broker Independence

Future of Independence: 62% (60%) of respondents believe that the number of independent brokers will decrease over the next five years, with only 26% (20%) expecting an increase.

- *Analysis:* The sentiment reflects growing concerns about regulatory challenges and market conditions that favor larger broker groups or insurer-affiliated brokers. The cost of compliance and rising operational expenses were cited as key obstacles for smaller players. Many respondents see the industry consolidating around larger entities, making it increasingly difficult for independent brokers to thrive.

3. Personal Lines Insurance

Outlook: 45% of brokers anticipate a decrease in the importance of personal lines insurance for independent brokers, compared to 28% who expect an increase.

- *Analysis:* Brokers view the personal lines market as commoditised, with increased competition from direct insurers. As direct insurers continue to target this market with aggressive marketing strategies, brokers predict a gradual decline in their influence and profitability in personal lines, particularly as customer acquisition costs rise.

4. SMME Commercial Business

Importance Today: Most brokers (66%) consider SMME commercial business to be either very important or critical to their operations. Additionally, 67% expect the importance of SMME business to grow in the future.

- *Analysis:* SMME commercial insurance is viewed as a key area of opportunity, providing more tailored services compared to large commercial insurance. Brokers see this sector as an essential growth area that offsets the challenges in personal lines insurance.

5. Technological Adoption

Adoption and Importance: Technology is regarded as crucial for sustainability, with 95% of brokers rating it as critical or very important over the next five years. (Those seeing it as critical increased by 6%) However, responses vary regarding the current state of technological adoption, with 50% of brokers claiming their brokerage is "quite advanced," while over 40% of brokers acknowledge they have "just started."

Challenges: Brokers cite cost, skills, and time required for implementation as the main obstacles to technological adoption.

- Analysis: The industry is aware of the critical role of technology in future-proofing their operations, but financial and logistical constraints hinder adoption. The more advanced brokers are capitalising on digital platforms, while others are playing catch-up, indicating a mixed technological landscape.

6. Skills Development and Underwriting Challenges

Staffing and Skills: 92% of brokers report having or working on the skills needed to capitalise on SMME commercial opportunities. However, finding skilled staff, particularly in underwriting, remains challenging, with 50% of respondents indicating that hiring underwriting staff is "exceedingly difficult."

- *Analysis:* Skills development is a top priority as brokers recognise that a knowledgeable workforce is critical to maintaining competitiveness in an increasingly complex market. Upskilling initiatives, both internal and through product providers, are prevalent among brokers seeking to enhance their service offerings.

7. Risk Management Focus

Importance: Risk management is seen as a crucial focus for brokerages over the next five years, with 63% (52%) of respondents stating that it will be either important or crucial. Furthermore, 45% (50%) of brokers feel fully prepared to make the shift towards a risk management-centric approach.

Insurer Action

Insurers must support that which fuels broker optimism

- What are brokers more open to when optimistic?
  - New ideas?
  - Developing skills?
- How do insurers support this optimism amongst brokers?
  - Skills development in specialist areas
  - Skills development in commercial space
- How do insurers shape their communications to grow optimistic brokers?
  - Positive messages
  - Expand Commercial/ Specialist business initiatives

Broker Action

Brokers must optimise opportunities created by insurers

- Brokers can **upskill** themself and their staff in:
  - Specialist areas
  - Commercial space
  - Risk Management
- Develope effective **client engagemen**t strategies, in-house or as a service:
  - Positive messages
  - Educate clients on risk management
- **Embrace technology**
  - Studdy what others are doing
  - Attend events focused on insurance technologies
  - Be open to new ways of doing things

- *Analysis:* As the insurance landscape evolves, risk management is becoming a key differentiator. However, broker confidence in their preparedness has decreased. Brokers who can proactively manage and mitigate risks for their clients will find themselves better positioned to provide value-added services and foster client loyalty.

8. Exceedingly Difficult to Find Skilled Underwriters

Surprising Trend: A large proportion of brokers (54%) stated that it is "exceedingly difficult" to find skilled underwriting staff, highlighting an unexpected talent shortage in this critical area.

What's Behind It: The increased complexity of insurance products and regulatory requirements might be contributing to a high demand for underwriting expertise. This shortage poses a risk to brokerages trying to maintain operational efficiency and high-quality service. There is a major opportunity here to differentiate and lead the pack.

9. Summary of Key Challenges:

- Competition from direct insurers leading to a shrinking role in personal lines.
- Industry consolidation, making it difficult for independent brokers to survive.
- Skills shortage in underwriting, particularly affecting operational efficiency.
- Slow technology adoption due to financial and skills constraints.
- Rising regulatory and compliance costs disproportionately affect smaller brokers.
- Need to shift towards a risk management role while facing preparedness gaps.
- Client retention and acquisition difficulties in a price-sensitive, competitive market.
- Financial limitations restricting growth, technology investment, and staff upskilling.

COVER's latest Broker Survey reveals a broker landscape marked by both optimism and challenges. While brokers expect moderate to significant growth in their businesses, they also recognise the pressures from regulatory, technological, and competitive fronts. The decline of personal lines insurance and the predicted reduction in independent brokers point to a consolidating market, but brokers see opportunities in SMME commercial insurance and risk management.

Technology adoption and skills development remain critical to the sustainability of independent brokers. Brokers who embrace digital tools and invest in continuous learning and development for their staff will likely thrive, while others may face stagnation or even market exit. The insurance industry is evolving, and brokers must adapt to remain future-fit.

FOCUS ON ADVICE

"Brokers must not only understand the products they sell but also anticipate and address the emotional factors that influence client perceptions."

Christelle Colman, CEO of Ami Underwriting Managers

USING TECHNOLOGY TO ENHANCE CLIENT EXPERIENCE AND GROW YOUR ADVICE PRACTICE

Hymne Landman, CEO of wealth management at Momentum Wealth

Fintech is barely a generation old but already has a daily impact on billions of humans across the globe. Financial advisers can leverage technology to strengthen their individual client value propositions and accelerate their business growth. Like most businesses, today's financial advisers need to create time, scalability, and client growth.

Technology can help overcome these challenges, first by creating time, second by creating scalability, and third by enabling a stronger client proposition.

A creator of time

According to the results from the 2019 United States Advisor Metrics report from Cerulli Associates, advisory firms that have fully adopted technology spend 34% less time resolving client service issues and have 24% more time for practice management activities, highlighting the ability of technology to help advisers focus on the most important parts of growing their business. Heavy technology-using advisory firms also report an average of double the assets under management of their 'light' technology-using counterparts, due to time and scalability benefits.

A creator of scalability

Technology can enable advice practices to build efficiencies to enhance processing and administration by taking care of their back-office, which ultimately lowers costs. By automating processes, we gain efficiency and speed and reduce human error, and the service experience can be enhanced and personalised.

A stronger client proposition

How do financial advisers secure a client growth and retention strategy? Many advisers have used client segmentation models for years, based on age or size of wealth. Fintech offers powerful tools for advisers to personalise the client experience and develop a differentiated proposition.

Data has power when it comes to personalisation

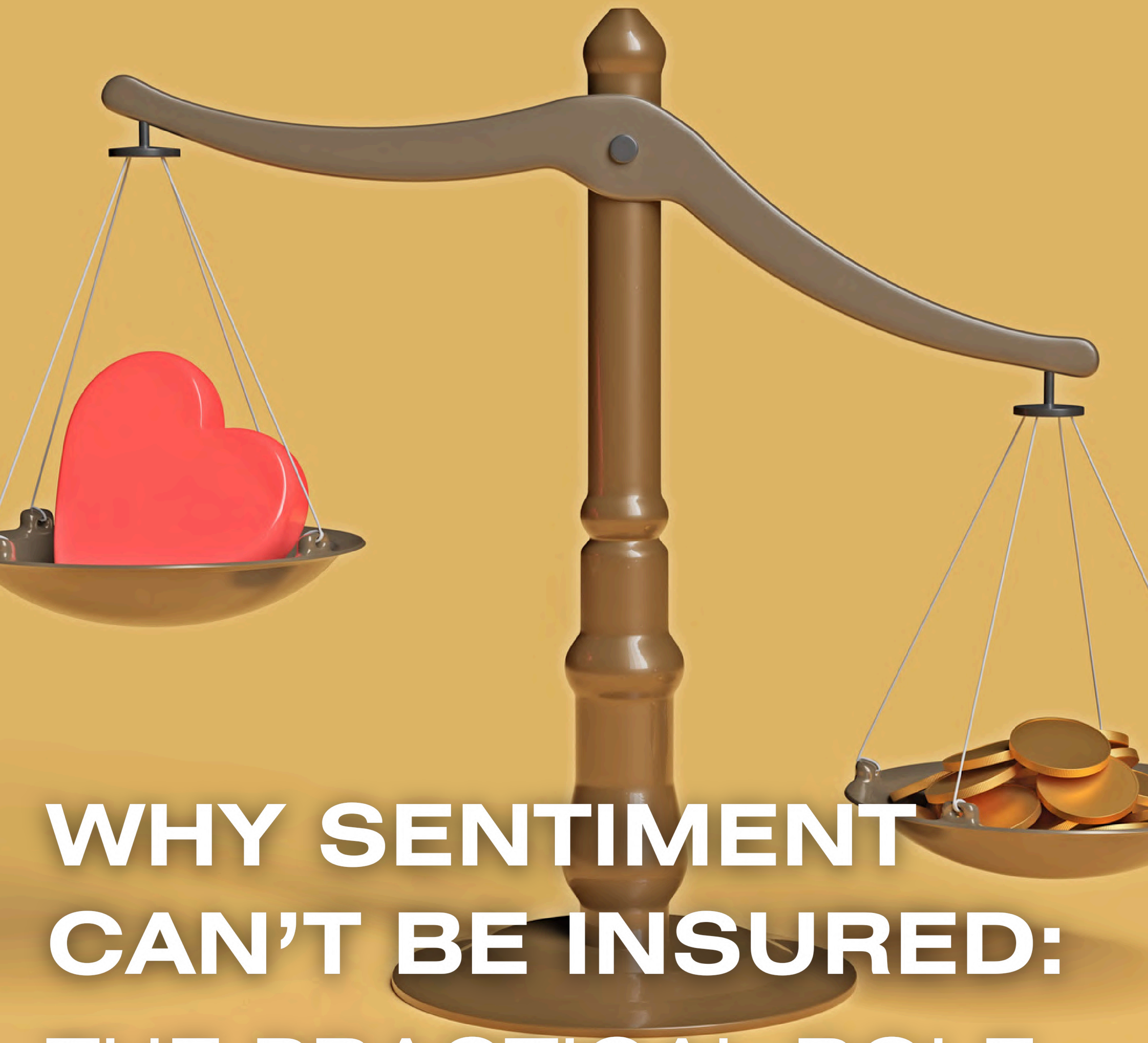
As a Linked Investment Service Provider (LISP) platform, Momentum Wealth is increasingly exploring ways to use the power of data and information in our systems to hyper-personalise client communication and reporting.

Data can be used to prove whether the advice given has truly helped clients achieve their personal financial goals or predict whether it will. Where the data proves otherwise, it can provide guidance to adapt the plan or strategy.

The reasonable approach is for an adviser to identify the key aspects of their business that they believe need improvement and then consider technology that provides a solution for their specific pain points.

Doing business with us digitally is already easy, fast and secure, but it will become even more personalised with limitless possibilities as we rapidly advance our grasp on technology with our platform of the future. We will never lose the human touch – we believe that singular personalisation is the way of the future: We provide you and your clients the individual attention they need on their investing journey to success.

Hymne Landman, CEO of wealth management at Momentum Wealth



WHY SENTIMENT CAN'T BE INSURED: THE PRACTICAL ROLE OF ADVICE

Christelle Colman, CEO and founder of Ami Underwriting Managers

In the insurance world, one of the greatest challenges advisers faces is bridging the gap between client expectations and the realities of policy coverage.

Insurance, at its core, is about indemnity— restoring financial position after a loss—not covering sentimental value. To manage this effectively, brokers must ensure clients understand their policy choices, particularly when it comes to retail, agreed, and guaranteed values.

The Case for Clear Advice

Consider a recent claim for a 2006 convertible insured on a retail value basis. While the insurer's valuation, derived from TransUnion data, indicated a retail value of R260,000, the insured rejected this offer, believing the vehicle to be worth upwards of R450,000. To ensure fairness, the insurer commissioned an independent specialist for an in-person post-loss valuation, which confirmed a value of R340,000—still far beyond the policy's ambit but also rejected by the insured.

The insured's expectations were based on sentimental attachment and post-loss desktop research comparing vehicles of different models and years. Despite the insurer's efforts, the difference in perceived value and emotional expectations led to a contentious claims process.

This example, while modified for anonymity, highlights the critical role of brokers. A broker's ability to explain the implications of retail, agreed, and guaranteed value at the outset can prevent disputes and help clients align their coverage with their needs and expectations.

OSTI Insights on Retail Value

The Ombudsman for Short-Term Insurance (OSTI) frequently addresses disputes over retail value. In a notable case, the OSTI explained:

"Retail value is determined using tools such as the TransUnion Auto Dealer's Guide, which reflects the amount a vehicle can be purchased for from a dealer, based on its condition and mileage. It does not include customization or perceived sentimental worth unless explicitly agreed upon in the policy terms."

This underscores the importance of brokers clearly communicating the basis of cover and clients ensuring they fully understand their policy terms. By aligning client expectations with the realities of insurance, brokers can help prevent surprises at claim stage.

Retail, Agreed, and Guaranteed Value: What's the Difference?

- *Retail value* is the amount for which a vehicle can generally be purchased from a dealer, based on its age, mileage, and condition. It's calculated using industry-recognized tools such as the TransUnion Auto Dealer's Guide. Retail value works well for standard vehicles where market data is readily available, but it does not consider customizations or sentimental value.

- *Agreed value* is a predetermined amount agreed upon between the insurer and the client at policy inception. This type of cover requires a detailed valuation, typically for unique or high- value assets, and ensures a specific payout regardless of market fluctuations.

- *Guaranteed value* ensures a fixed payout for the replacement of an item, often without depreciation. It is common for newer items but comes at a higher premium due to its certainty.

Christelle Colman, CEO and founder of Ami Underwriting Managers

Advisers as Educators

"A well-informed client is less likely to be disappointed during a claim," says Christelle Colman, CEO of Ami Underwriting Managers. Brokers must not only understand the products they sell but also anticipate and address the emotional factors that influence client perceptions. This includes:

- Explaining policy choices: Walking clients through the differences between retail, agreed, and guaranteed values.
- Setting realistic expectations: Emphasizing that insurance covers financial loss, not sentimental value.
- Encouraging proper documentation: Advising clients to secure upfront valuations for unique or customized items.

The Way Forward

Insurance advice has evolved beyond matching clients to products. It now encompasses education, emotional intelligence, and proactive communication. Brokers who excel in this environment do more than manage risk—they build trust by helping clients understand the value and limitations of their coverage.

The future of insurance advice lies in empowering clients to make informed decisions. By bridging the gap between technical knowledge and emotional understanding, brokers can turn potential conflicts into opportunities to deepen client relationships and demonstrate the true value of their expertise.

The future of insurance advice lies in empowering clients to make informed decisions. By bridging the gap between technical knowledge and emotional understanding, brokers can turn potential conflicts into opportunities to deepen client relationships and demonstrate the true value of their expertise.

BUILDING A SUSTAINABLE AND CLIENT-CENTRIC FINANCIAL PLANNING PRACTICE

Peter Hewett CFP®, Hewett Wealth

Having spent over 30 years in the financial planning industry, my journey has been one of continuous learning, adaptation, and growth.

As the founder of Hewett Wealth, I've had the privilege of witnessing the evolution of the industry and have built a practice grounded in professionalism, transparency, and long-term client relationships. Here, I'll share some insights into how the industry has changed, what we've learned, and how financial advisors can build a sustainable, client-centered business.

When I started out in the industry, there were minimal regulations governing how financial planning practices operated. Over the years, the introduction of legislation like the Financial Advisory and Intermediary Services (FAIS) Act and all subsequent legislation has brought about significant changes, professionalising the industry and ensuring that clients receive more transparent, fair, and value-driven services.

This increased regulation has undeniably benefited the industry by raising standards and ensuring that financial advisors are more accountable to their clients. However, it has also presented challenges, especially for smaller advisory practices that may struggle to keep up with the pace of regulatory changes. Integrating technology effectively into your business can help overcome many of these regulatory and compliance challenges and ensure you remain fit for purpose in this ever-changing environment.

Additionally, the Financial Planning Institute's emphasis on achieving CERTIFIED FINANCIAL PLANNER status has elevated the profession, allowing clients to receive advice from highly qualified professionals. This shift has been instrumental in helping clients distinguish between different levels of expertise within the industry.

The Changing Landscape of Financial Products

One of the most notable changes over the years has been the expansion of available financial products. Today, there's a vast array of products that cater to almost every conceivable financial need. While this variety offers more options for clients, it can also be overwhelming, leading to more complexity and ultimately more confusion.

As financial advisors, it's our responsibility to ensure clients fully understand the products they're investing in, including the risks, tax implications, liquidity, and long-term impact on their financial goals. At Hewett Wealth, we have a Product Approval Committee that conducts thorough due diligence on every product before it is made available to clients. This process ensures that we only offer solutions that align with our clients' needs and expectations, providing them with peace of mind and clarity.

However, one concern I have with the current product landscape is the prevalence of overly complex products and legacy products that still penalise clients with high fees if they wish to exit or alter their investment. Moving forward, the industry needs to prioritise offering simpler, more transparent products that genuinely serve the client's best interests.

Advice for Building a Sustainable Financial Planning Business

For financial advisors who want to build a sustainable business, it's crucial to recognise that this industry has moved from being sales-driven to relationship-driven. Clients are not looking for salespeople; they want trusted partners who understand their needs and are committed to helping them achieve their financial goals.

Here are some key principles for building a sustainable and client-centric practice:

1. *Establish a Clear Value Proposition:* Your value proposition should be well-defined and communicated to your clients. It should reflect the level of service, expertise, and commitment you offer. It is important to implement a revenue model that provides sustainable, ongoing earnings aligned to the value that you provide rather than rather than relying on upfront commissions.

2. *Separate Business and Personal Finances:* Treat your practice as a formal business, separate from your personal finances. This will make it easier to manage cash flow, understand your true income and expenses, and build a practice that can be valued and sold in the future.

3. *Implement Strong Processes and Systems:* To deliver on your value proposition consistently, you need robust processes and systems in place. This includes utilising technology to streamline operations, manage compliance, and provide seamless service to your clients.

4. *Develop a Continuity Plan:* Ensure that your practice has a continuity plan in place. This includes having buy-sell agreements with partners and communicating your continuity strategy to staff, ensuring they understand that the business has a future beyond any single individual.

5. *Adopt a Salary-Based Model:* At Hewett Wealth, all of our staff, including advisors, are salaried rather than commission-based. This approach ensures that clients receive unbiased advice and that our advisors are focused on providing the best possible outcome for our clients rather than chasing commissions.

6. *Prioritise Client Relationships:* Building strong, long-term relationships with clients is the cornerstone of a sustainable financial planning business. When clients trust you and feel valued, they will refer others to you, leading to organic growth through word-of-mouth.

The Importance of Continuous Professional Development

In today's dynamic financial landscape, staying updated with local and international events, legislation, industry trends, regulations, and best practices is essential. While many advisors view Continuing Professional Development (CPD) as a checkbox exercise, it should be much more than that. It's about equipping yourself with the knowledge and skills needed to deliver on your value proposition.

At Hewett Wealth, we cover the costs of all required training for our staff and encourage continuous learning. We focus on CPD programs that add real value to our business and that are aligned to our value proposition, allowing us to pass that knowledge on to our clients and ensuring we remain at the forefront of the industry.

Encouragement for New and Existing Advisors

The financial planning industry can be demanding, especially taking account of the increasing complexity and regulatory requirements. However, it's also an incredibly rewarding career where you have the privilege of building lifelong relationships with clients and helping them achieve financial security for themselves and their families.

For those who feel overwhelmed by the challenges, remember that this is a journey. Building a successful practice takes time, dedication, and a commitment to doing the right thing. Leverage technology, stay informed, and always prioritise your clients' needs. If you're starting out, consider joining a larger practice to gain experience before venturing out on your own. This approach can help you build a foundation and develop the skills needed to manage your own practice effectively.

The financial planning industry has evolved significantly, and while it presents challenges, it also offers immense opportunities for those willing to adapt, learn, and put their clients first. By embracing professionalism, transparency, and a commitment to building meaningful relationships, you can create a practice that not only thrives but also makes a lasting impact on the lives of your clients.

After all, there's little more fulfilling than walking alongside your clients on their financial journey, helping them navigate life's uncertainties and achieve their dreams. That's what makes this industry truly special.

Peter Hewett CFP®, Hewett Wealth

> "*This industry has moved from being sales-driven to relationship-driven. Clients are not looking for salespeople; they want trusted partners who understand their needs and are committed to helping them achieve their financial goals.*"

“It’s not just about money—it’s about understanding the purpose behind financial decisions and delivering meaningful results.

START WITH THE ‘WHY’: THE KEY TO MEANINGFUL FINANCIAL ADVICE IN 2025

Henno Senekal, Distribution Marketing Manager at Old Mutual Personal Finance

The new year is an opportunity for advisers to reconnect with customers in meaningful ways. It’s a time to reassess financial and life goals and ensure plans align with what truly matters. But how should these conversations begin?

The answer is straightforward: start with the “why.” This question should be at the heart of every annual review. Inspired by Simon Sinek’s *Start with Why*, this approach helps financial advisers uncover what truly drives their customers. It’s not just about money—it’s about understanding the purpose behind financial decisions and delivering meaningful results.

An example is of this is the story of a customer who was concerned about the affordability of her father’s life insurance due to escalating premiums. By uncovering her “why,” the customer realised she might need more protection, not less, to safeguard what truly mattered to her.

As we discussed her priorities, it became clear that her main concern was ensuring her mother’s care if something happened to her father. She realised the need to review her portfolio, consider her father’s life cover as an investment rather than a grudge cost, and add additional cover on her own life to provide for her mother, if necessary.

Building Trust Through Curiosity

This experience illustrates the power of exploring the true purpose behind a customer’s decisions. This begins with asking thoughtful questions and showing genuine interest. Just ask questions, at some point, you’ll uncover the key to understanding their real needs.

It’s not about having the perfect question but about being curious and authentic in your approach. Don’t start with solutions or focus on end goals right away. Care deeply about the person in front of

Henno Senekal, Distribution Marketing Manager at Old Mutual Personal Finance

you. Ask questions to understand, not just to respond. This genuine curiosity fosters trust, whether you're advising a seasoned CEO or someone just starting their financial journey.

Tips for financial advisers:

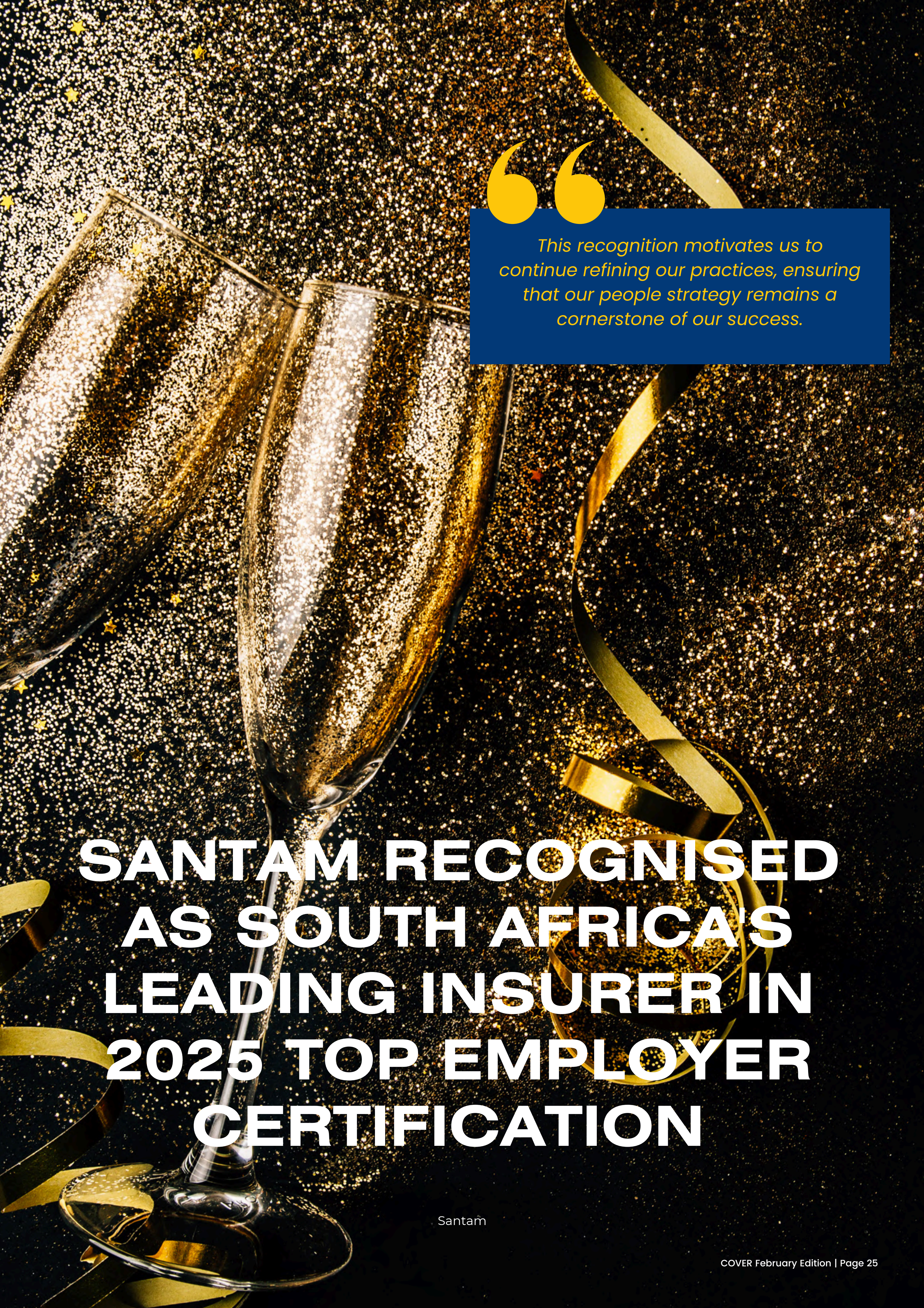
- The Power of Trust: Trust is the key to unlocking real value. Trust is built when customers know you truly understand what matters most to them. It's not just about offering the right solutions; it's about showing you care deeply about their goals and priorities. This trust empowers customers to make confident decisions and stay committed to their plans.

- Focusing on Needs Creates Opportunities: This approach can also reveal opportunities to offer better solutions that align with customers' goals. When you take the time to uncover the deeper motivations behind a customer's decisions, you gain clarity on what they truly need. This insight enables financial advisers to identify solutions that may not have been considered before but are better suited to achieving their goals.

- Collaboration is Key: A collaborative approach for more complex client interactions, recommending that an adviser be accompanied by another financial professional, such as another financial adviser, legal adviser, or product specialist.
    - A lot of times, financial advisers are alone in a conversation, which can make it hard to multitask—balancing technical calculations and actively engaging with the client. By having a second professional present, one person can focus on listening and asking questions, while the other handles calculations or takes notes. This not only ensures no detail is missed but also creates opportunities to train and upskill less experienced financial advisers.

- Avoiding Jargon and Ensuring Simplicity: Be cautious about overusing technical jargon, rather focus on clear and straightforward communication. Some customers are among the smartest people in the country, and I realised it's not about trying to impress them—it's about genuinely understanding what matters to them. Asking questions and listening to understand, not to respond, is key to understanding what matters most to customers. People value simplicity—it builds transparency and trust.

Starting with the "why" transcends financial planning; it's about fostering stronger relationships and achieving long-term success. By staying curious, building trust, and addressing core motivations, advisers can help customers create financial plans that are not only practical but deeply personal.



> *This recognition motivates us to continue refining our practices, ensuring that our people strategy remains a cornerstone of our success.*

SANTAM RECOGNISED AS SOUTH AFRICA'S LEADING INSURER IN 2025 TOP EMPLOYER CERTIFICATION

Santam

Santam recognised as South Africa's leading insurer in 2025 Top Employer certification

Santam, South Africa's largest short-term insurer, has again been recognised as one of the country's leading employers by the Top Employers Institute, placing 5th, on the list of companies that deliver excellent people practices. This year's fifth overall ranking in South Africa, out of 154 certified companies, is for the ninth consecutive year for Santam. The company holds the number one position in the Insurance Sector among 11 certified insurance companies.

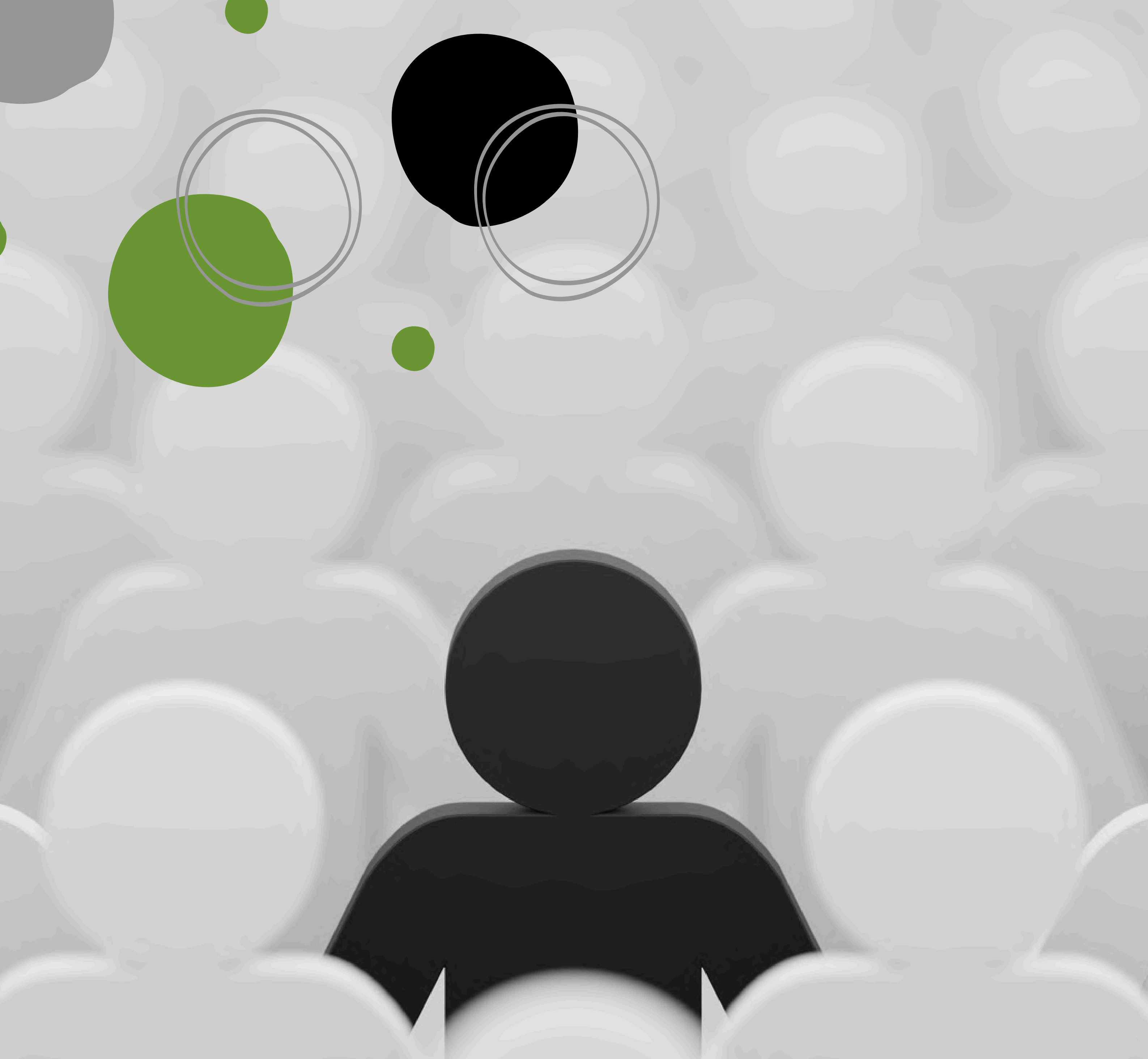
The certification highlights Santam's ongoing commitment to excellence in human resource (HR) practices. The Top Employers Institute programme certifies organisations based on the participation and results of their HR Best Practices Survey. This survey covers six HR domains consisting of 20 topics including People Strategy, Work Environment, Talent Acquisition, Learning, Diversity, Equity & Inclusion, Wellbeing and more. The programme has certified and recognised over 2400 Top Employers across five continents.

Commenting on the achievement, Norah Sehunoe, Executive Head of Human Capital at Santam, says, "We are incredibly proud to be recognised once again as one of South Africa's top employers. This ninth consecutive certification and the 5th ranking is a testament to Santam's sustained efforts in creating an environment where our employees feel valued, supported, and empowered to excel. At Santam, we firmly believe that investing in our people is central to our mission of delivering outstanding service to our clients."

David Plink, CEO of the Top Employers Institute, added, "Consistency in a not-so-consistent world? Amidst constant change – through technological advances, economic shifts, and evolving social landscapes – it is inspiring to see people and organisations rise to the challenge. This year, the Top Employers Certification Programme highlights the dedication of our Top Employers as they continue to set the standard, consistently delivering world-class HR strategies and practices. These Top Employers strive to foster growth and wellbeing, all while enriching the world of work. We are proud to celebrate these people-first leaders and teams as the Top Employers for 2025!"

Santam's top placement among local insurers cements its position as a sector leader in South Africa, with a focus on fostering growth and wellbeing among employees. The company continues to align its HR strategies with global best practices, leveraging this recognition to further strengthen its employer brand and enhance employee experiences.

Sehunoe concludes, "This recognition motivates us to continue refining our practices, ensuring that our people strategy remains a cornerstone of our success. Our goal remains to continue fostering an exceptional workplace that not only attracts but also nurtures top talent in South Africa.



EMBRACING CLIENT-CENTERED FINANCIAL PLANNING

Janet Hugo CFP®, Sterling Wealth

My journey into the world of financial planning began from a personal need. I witnessed firsthand the impact of a lack of proper financial advice within my own family, which sparked my passion to become a financial advisor.

This experience has shaped the way I approach my work at Sterling Wealth, where our primary focus is on providing tailored, individualised financial advice that truly resonates with each client's unique story and circumstances.

Janet Hugo CFP®, Sterling Wealth

Understanding Clients Beyond the Numbers

One of the most significant aspects of financial planning is the need to connect with clients on a deeper, more personal level. At Sterling Wealth, we don't see clients as mere portfolios or figures on a balance sheet; instead, we recognise them as individuals with unique goals, fears, and aspirations. This client intimacy allows us to offer advice that is not only financially sound but also emotionally supportive, especially during challenging times.

In my experience, financial planning often goes beyond the boardroom and the spreadsheets. For instance, we frequently encounter families dealing with situations such as a diminishing breadwinner's mental capacity or children vying for control over their parents' finances. These scenarios require a gentle touch, empathy, and a gradual approach to transitioning control over financial matters. It's not just about the numbers; it's about guiding families through these emotionally charged moments with compassion and understanding.

It's essential to remember that financial planning is as much about understanding what's inside a client's fridge as it is about managing their investments. As clients age, they often need someone who cares about their overall well-being, and sometimes, something as simple as bringing flowers to a client can mean the world to them.

Developing Skills for Client Intimacy

Many financial advisors struggle with balancing professionalism with empathy. I believe this skill is something that develops over time through experience and a genuine desire to connect with clients. In my practice, I emphasise teaching principles rather than just tasks. For instance, I encourage my team to focus on how we show we care about our clients. This could be something as simple as being attuned to a client's emotions during a conversation or advocating for them when dealing with administrative processes within financial institutions.

When clients feel that their advisor genuinely cares about them as individuals, it creates a foundation of trust that goes beyond any financial transaction. It's about making clients feel comfortable, understood, and confident in the financial decisions they make.

Nurturing and Growing New Financial Advisors

As the industry evolves, it's crucial to bring new talent into the field and ensure they're adequately prepared to serve clients with the same level of care and dedication. At Sterling Wealth, I've had the privilege of nurturing junior advisors and helping them grow into competent and empathetic professionals. The key to this is patience, guidance, and allowing them to develop at their own pace.

For instance, one of my junior advisors initially expressed interest in becoming a compliance officer. However, through mentorship and guidance, she grew to understand that financial planning is about helping clients and facilitating solutions to their problems rather than just selling products. By allowing her to learn and apply principles of care and due diligence, she gradually took over client relationships and became a trusted first responder for her clients.

It's essential for advisors to be given the freedom to develop their skills without the pressure of selling. This approach fosters a deeper understanding of what it means to truly serve clients, ensuring that their focus remains on delivering the best possible advice and solutions.

Building a Sustainable Financial Practice

For those looking to grow their financial planning practice into a successful business, it's vital to create a career path for team members that aligns with the overall business model. At Sterling Wealth, we emphasise a salary-based approach rather than a commission-driven one. This helps maintain the focus on doing what's right for the client, rather than chasing quick profits.

A successful financial planning practice should be built on loyalty, trust, and genuine care for clients. This means being selective about the clients you take on and ensuring that you can truly add value to their lives. Our growth has been the result of building long-term relationships with clients who value our approach and refer others to us because they trust in the quality of our service.

Embracing Technology and Addressing Industry Shortcomings

One of the areas where the financial planning industry can improve is by fully embracing technology, particularly artificial intelligence (AI). Currently, there is a disconnect between investment institutions and the software used by financial advisors. This gap results in inefficiencies and makes it harder to provide clients with accurate, up-to-date reports and projections.

Incorporating technology can help advisors not only streamline their processes but also protect clients from fraud, schemes, and scams. We need to leverage technology to help clients understand concepts like two-factor authentication, while also being vigilant about identifying potentially fraudulent investments.

However, technology should not replace the human element of financial planning. Clients still need a trusted advisor who can guide them through the complexities of managing their wealth and provide a sense of security and confidence in their financial decisions.

The Role of a Financial Advisor as a Trusted Guide

The role of a financial advisor goes far beyond providing investment advice or managing portfolios. It's about being a trusted guide, a financial executive director for a family, who is there to help navigate the complexities of wealth management while ensuring that clients feel understood, valued, and cared for.

At Sterling Wealth, we strive to be the trusted voice that clients turn to when they need advice or guidance. By staying true to our principles of care, empathy, and professionalism, we build relationships that last a lifetime, and this is what makes the journey in financial planning so fulfilling.

As financial advisors, our greatest reward is not just in the numbers but in knowing that we have made a positive impact on our clients' lives, helping them achieve peace of mind and financial security. It's a privilege to be part of their journey, and I wouldn't have it any other way.

> *When clients feel that their advisor genuinely cares about them as individuals, it creates a foundation of trust that goes beyond any financial transaction*

COVER PODCAST

Stay ahead of industry trends with COVER Podcasts, where we bring you exclusive insights from top executives across Africa's insurance and financial services sectors. With in-depth conversations that provide a 360° view of the insurance and financial services landscape, we bring you the insights that matter most.

Get a strategic overview of industry trends through discussions with top executives across Africa. COVER Podcasts take you above the noise, offering a broad yet insightful view of key industry shifts.

MASTERING THE CRAFT

Elevate your expertise with a monthly deep dive into skill development and continuous learning in insurance.

GROWING BRANDS

Unpacking the marketing landscape with an insurance lens, helping you build and position your brand for success.

EXCLUSIVE INTERVIEWS

Engaging discussions with industry leaders, providing you with the knowledge and foresight to navigate the evolving market.

WHETHER YOU'RE A BROKER, ADVISOR, RISK MANAGER, OR FINANCIAL SERVICES PROFESSIONAL, COVER PODCASTS GIVE YOU THE TOOLS TO STAY INFORMED, STAY COMPETITIVE, AND GROW.

Listen here

COVER

#knowledgeshared

THE NEXT EVOLUTION OF ADVICE

Aldert Brink, Momentum Financial Planning CEO

Newly appointed Momentum Financial Planning CEO Aldert Brink unpacks his vision to revolutionise financial advice for the good of the clients.

Given the growing significance of sound financial advice, Momentum Financial Planning (MFP) welcomed Aldert Brink as its new Chief Executive Officer. A man with a storied career in financial services, Brink brings with him a fresh perspective and a deep commitment to strengthening financial literacy through financial planning and advice.

"We may face many challenges in South Africa, but I firmly believe partnering with expert financial advisers can be powerful in unlocking our collective potential. My vision is to see financial literacy transform from an individual necessity into a national strength, empowering every citizen to build a secure and resilient future," Brink said.

A vision for 2025: reshaping financial planning and advice

Deeply passionate about clients' financial wellbeing, Brink believes in the power of advice to make a meaningful impact on individuals, households, and the nation.
"Financial planning isn't just about numbers; it's about wellness. Whether you're healthy or facing challenges, professional financial advice helps ensure you have the resources to sustain your lifestyle. It supports your well-being at its core," Brink explained.

His vision for 2025 centres on fostering an advice-led approach to financial planning, with a goal to significantly increase the number of clients actively engaging with personalised life plans.

He emphasises that small adjustments in financial planning can have profound impacts, particularly during times of adversity. "When life happens, financial planning and advice enable us to persevere. The last thing anyone should worry about during difficult times is financial security," Brink said.

Navigating challenges and leveraging opportunities

As Brink takes the helm, he acknowledges both challenges and opportunities on the horizon. Consumer behaviour is rapidly evolving, with clients becoming increasingly informed. "Today's consumers are highly educated and well-researched. While the traditional role of the financial adviser as a custodian of information is changing, the value of human connection and personalised advice remains irreplaceable. Advisers are transforming into financial coaches, guiding clients through their financial journeys," he noted.
Brink also sees significant potential in leveraging technology to

Today's consumers are highly educated and well-researched. While the traditional role of the financial adviser as a custodian of information is changing, the value of human connection and personalised advice remains irreplaceable.

Aldert Brink, Momentum Financial Planning CEO enhance financial literacy. "Informed clients are the best clients. Platforms like Duolingo have revolutionised language learning; we can adopt similar approaches to gamify financial education and make microlearning accessible to all communities. Financial literacy doesn't have to involve long courses—bite-sized, engaging content can make a huge difference," he said.

The role of AI in the advice industry

Brink is optimistic about the transformative potential of artificial intelligence (AI) in financial services. "AI is reshaping how we do business, especially in an admin-intensive industry like ours. From cutting down paperwork to enhancing asset management, AI is already showing promise. However, its true value is still unfolding," he said. While acknowledging the need for regulations to safeguard consumers, Brink highlighted the importance of maintaining trust in financial advice. "AI cannot replace human advisers; it's about partnering with technology to deliver even greater value to clients."

Fostering behavioural finance and client-centric feedback

One of Brink's priorities is to integrate behavioural finance into MFP's offerings. "Understanding client behaviour and attitude towards risk leads to better financial plans. We've conducted extensive research and are now launching a certified behavioural finance adviser category to address this need," Brink shared.
He also intends to implement robust feedback mechanisms to measure success beyond financial metrics. "Client experience should be as important as sales. Transparent, client-centric feedback will ensure that our services remain relevant and impactful."

towards risk leads to better financial plans. We've conducted extensive research and are now launching a certified behavioural finance adviser category to address this need," Brink shared.
He also intends to implement robust feedback mechanisms to measure success beyond financial metrics. "Client experience should be as important as sales. Transparent, client-centric feedback will ensure that our services remain relevant and impactful."

Momentum's distinctive edge

Under his leadership, Brink says Momentum Financial Planning will continue to align with the broader Momentum Group's mission to build and protect their clients' financial dreams. "We're driven by a client-centric value proposition, offering competitive products and advice-led solutions. Our ability to provide comprehensive support gives clients confidence in our services," he said.

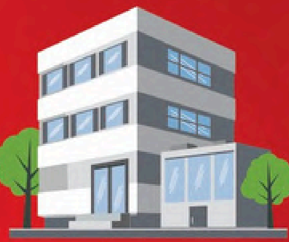
Looking ahead, Brink's dream is to see financial planning accessible to more South Africans across all communities. "Financial advice is so much more than financial security. It's about peace of mind, too. By growing our advice force and embracing innovative education platforms, we can make financial literacy a reality for everyone," Brink concluded.

Why My Glass?

We Are **Clear About Service**

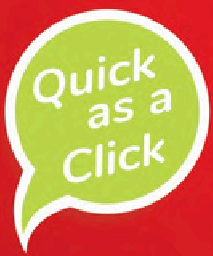
Mobile Service

My Glass comes to you, offering convenient on-site solutions.



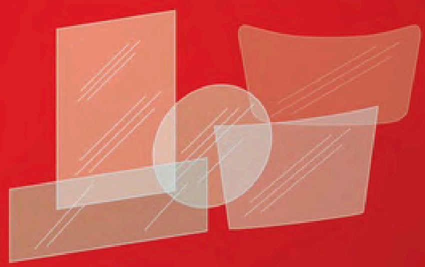
Versatility

Not just vehicle glass, My Glass also specializes in building glass repairs and replacements.



Custom Claims Management

Experience seamless incident reporting with My Glass Bordereau, our bespoke online claims management system.



Extensive Stock

My Glass boasts the widest range of available stock, ensuring prompt service.

COMING SOON

TESTIMONIALS PODCASTS ABOUT US

Partner With Us

REGISTER AS A BROKER

My Glass.co.za

0861MyGlass
0861 694 527

WHY THE TRADITIONAL APPROACH TO LIFE INSURANCE NO LONGER CUTS IT

Mark Neil, Chief Distribution Officer at Bidvest Life

The life insurance industry has traditionally revolved around products that offer lump sum benefits. However, as the socioeconomic environment changes and people's risks change, bespoke solutions that meet real needs are more critical than ever.

The events of recent years have profoundly impacted South Africans, reshaping both how we work and how we earn a living. As individuals grapple with reduced disposable income amid a prolonged cost-of-living crisis, life insurers must evolve to meet these shifting needs. This requires adapting products to cover a broader range of risks while providing innovative, tailored solutions that align with today's financial realities.

We have found that great ideas often come from unexpected places, casual chats, and anecdotal evidence from people in the business

and the industry, especially those who are client-facing – and who better to report on your customers' actual needs than your sales and claims teams, and your network of financial advisers, who talk to your clients every day.

Combined with data, these qualitative insights are crucial for taking product development out of a silo and into a collaborative space; aiding an understanding of how a product is going to land with your financial advisers and their clients. By creating a continuous feedback loop involving everyone in the value chain – including employees and financial advisers who interact with clients regularly – and then interrogating the results, insurers can identify trends and develop products that fill the gaps.

Take Bidvest Life's new Life Priority benefit, which addresses the often-unexpected financial pressure that beneficiaries experience after a loved one passes away, by providing for immediate needs like groceries, rent, and school fees. The Life Priority benefit reduces the checks that need to be completed for non-disclosure for deaths that

Life insurers that want to provide more value for clients need to find ways to differentiate and personalise their offerings. Innovation is key. Gaining a competitive edge lies in enhancing existing products or developing new products that enable advisers to suggest cover for specific needs, rather than choosing from a bucket of similar products whose only real differentiating factor is price. This is especially true for life cover, where short-term needs are typically underserved.

Take Bidvest Life's new Life Priority benefit, which addresses the often-unexpected financial pressure that beneficiaries experience after a loved one passes away, by providing for immediate needs like groceries, rent, and school fees. The Life Priority benefit reduces the checks that need to be completed for non-disclosure for deaths that

occur after the first two years of cover. This means that, where the payout of the main life insurance benefit is delayed because non-disclosure checks need to be completed, the Life Priority benefit will be able to pay out earlier, easing the financial strain on the policyholder's family. This is particularly relevant in South Africa, where every working person supports themselves as well as an average of three dependents, according to the SA Institute of Race Relations.

In a world where consumers need new life insurance solutions that meet their real risks, traditional products are falling by the wayside. Going forward, offering solutions based on real insights, and which can be tailored to individual needs, is what will make insurers and the financial advisers that partner with them, stand out.

Mark Neil, Chief Distribution Officer at Bidvest Life

The life insurance industry has traditionally revolved around products that offer lump sum benefits. However, as the socioeconomic environment changes and people's risks change, bespoke solutions that meet real needs are more critical than ever.

BUILDING TRUST AND CLIENT-CENTRIC FINANCIAL PLANNING

Bruce Fleming CFP®, Private Wealth Management

In the ever-evolving world of financial planning, the journey of gaining and maintaining clients' trust has always been at the forefront of the industry.

With over 28 years in the financial sector, my experience has taught me the importance of adapting to changes, staying client-focused, and understanding the shifting landscape of financial planning.

Starting out as a legal advisor, my transition into financial planning was driven by the realisation that the industry needed a more client-centered approach. I began in financial planning around the year 2000, and back then, I quickly noticed that many financial advisors were more concerned with their commissions than with truly serving their clients. This realisation was a turning point for me and led me to pursue a different path, one that focused on lifestyle financial planning, which emphasised putting the client's needs and goals first.

Lifestyle financial planning was a revolutionary concept at that time, and it became the core of how I approached my work. This method focused on understanding clients' goals, dreams, and fears and aligning their finances to support their desired lifestyles.

Industry evolution

Over the years, the financial planning industry has undergone significant changes, most notably in legislation. The introduction of client-focused laws and regulations has been one of the most positive developments in our field. Although some might argue that this shift came later than it should have, it has undoubtedly improved the way advisors interact with and serve their clients.

Legislation now emphasises putting the client's best interests first, which is something I've always believed in and practiced. It's no longer just a buzzword; it's an essential part of our profession. A financial advisor's success is increasingly tied to how well they prioritise their clients' needs and goals, ensuring that every action taken is in the best interest of the client.

The concept of trust is foundational in building a successful financial planning practice. In my experience, there are three levels of trust:

- Initial Distrust – Sometimes, clients come into a meeting with inherent skepticism. They might be unsure about you or your intentions, and you need to work hard to overcome this initial barrier.
- Referred Trust – This occurs when a client has been referred by someone they trust. While this gives you a foot in the door, it's not yet the full trust you need. You still have to earn it.
- Earned Trust – This is the most crucial form of trust, and it's developed over time through consistent actions, transparency, and putting the client's interests first. It's the bedrock of any long-term client relationship.

Bruce Fleming CFP®
Private Wealth Management

Earning this trust requires a deep commitment to educating clients, helping them understand the financial planning process, and ensuring they feel comfortable with the decisions being made. When clients truly trust you, they can sleep soundly at night, knowing their finances are in good hands.

Challenges for New Advisors

One of the biggest challenges that new advisors face is building this trust with clients. Today, while entering the industry might be easier than it was in the past, establishing oneself as a credible and trustworthy advisor takes time and effort. It's no longer enough to simply possess the necessary qualifications; you need to demonstrate empathy, confidence, and a genuine commitment to your clients' well-being.

Furthermore, it's essential to continuously educate clients. In the past, clients were often left uneducated about their finances, but today's clients are more informed and expect their advisors to help them navigate the complexities of financial planning.

As a financial planner, having confidence in yourself and your process is vital. Clients can sense when you're unsure or hesitant, which can erode trust. Therefore, it's important to "eat what you sell" – meaning, the strategies and plans you recommend to clients should be the same ones you would use for yourself and your family. This authenticity not only builds trust but also reinforces your belief in the products and solutions you offer.

Products Then and Now

The financial products available today are vastly different from those two or three decades ago. In the past, the industry was driven by commission-based selling, where advisors often pushed products that offered the highest payouts rather than what was best for the client. Today, the focus has shifted toward providing tailored solutions that align with the client's unique needs and goals.

I believe that financial products should be viewed as solutions that come at the end of a comprehensive financial planning process. It's no longer about selling products but about crafting a solution that fits the client's overall financial strategy and objectives.

It's no longer about selling products but about crafting a solution that fits the client's overall financial strategy and objectives.

Building a Lasting Practice - For those looking to build a successful financial planning practice, it's imperative to place the client at the center of everything you do. Understand that this industry is about building relationships, earning trust, and providing value. Don't be swayed by short-term gains or quick wins; instead, focus on creating long-term, sustainable relationships that benefit both you and your clients.

As the industry continues to evolve, the need for dedicated, client-centric financial planners has never been greater. By prioritising education, empathy, and genuine care for your clients, you can build a practice that stands the test of time.

The world of financial planning is more than just numbers and strategies; it's about helping people achieve their life goals and dreams. For me, that's the most rewarding part of this journey.

Every day is an opportunity to make a positive impact on someone's financial health and well-being, and that's something I never take for granted.

THE FUTURE IS IN YOUR HANDS

Sean Hanlon, BrightRock Executive Director

Great advice boils down to human relationships – albeit facilitated, at certain points of the interaction, through convenient technology.

The world is rapidly changing and with these changes, such as the emergence of Artificial Intelligence (AI), many professions may seem to be under threat. However, the thing that research shows is that people still value human interaction. While technology can help simplify many things, consumers still want to speak to qualified professionals when it comes to big life decisions, like getting life insurance.

Your advice is the product

Today, more than ever before, clients need the support and guidance of a trusted adviser. They want your help in getting products that can actually meet their needs and change with them as those needs change. While there is often a perception in the industry that clients are opting to disintermediate, consumer research shows that the opposite is true.

Given the current economic challenges, the importance clients place on trust and the demand for high quality products and services, and the demand for convenient, technology enabled service, clients need a trusted adviser to help them navigate this complexity. Your role as a financial adviser is more crucial than ever before.

Features that set great advice apart

Here are just some of the features that set great advisers apart from the rest.

1. *Customised, accessible and flexible* – both the advice and the product solutions offered must be tailored to each individual client's specific needs – and this extends not just to the performance of the product, but also to the services that go hand-in-hand with the product.
2. *Fit-for-purpose* – the advice and product solutions should deliver the most comprehensive cover possible, to limit clients' financial risk and exposure. And where affordability constraints leave gaps, the adviser is critical to helping clients understand these.
3. *High-quality solutions at an affordable price* – the choice of product is key. Financial advisers have the ability, through a rigorous advice process and in-depth industry knowledge and experience, to understand their clients' needs and, just as importantly, to help their clients understand how the products offered by the adviser can meet the clients' needs – and which, if any, of those needs cannot be met by the proposed solution. The choice of dynamic, innovative product technology that can support and enable financial advice.

Products should enable your advice

In today's digital age, clients expect companies to harness technology to make it easier to signup for and access cover, to make changes to their cover, and to claim. Great advisers need to have access to good quality financial products and services to be able to deliver to their clients.

Clients want an adviser that is caring, knowledgeable, diligent and committed to building a long-term, personal relationship with them. Great advice boils down to human relationships – albeit facilitated, at certain points of the interaction, through convenient technology. But in the end, the successful adviser is the one who focuses on their clients' needs first and foremost.

This is why it's imperative that you have access to products that can precisely match clients' needs at the start and can change with them as their needs change in the future.

Sean Hanlon, BrightRock Executive Director

The adviser of the future will not only provide financial guidance but also act as a life coach, addressing lifestyle, health, and generational planning.

THE EVOLVING ROLE OF FINANCIAL ADVISERS

Johan Gouws, Head of Wealth Advisory at PPS

Johan Gouws, Head of Wealth Advisory at PPS, shares his perspectives in this exclusive Q&A, exploring the evolving role of financial advisers, the impact of behavioural finance, and the future of personalised wealth management.

How has the role of financial advisers evolved beyond traditional product recommendations?

The world of personal financial advice has made a great shift from a more sales-driven approach to an advice-led approach. These changes were driven by updated financial services regulations, advancements in information technology and social media, as well as a more informed financial consumer who has greater access to financial information. With the professionalisation of the financial advisory services industry came the first wave of more holistic financial planning, which involved the areas of insurance, investments and fiduciary. Another wave followed when the concept of behaviour-based planning was introduced. The continued development of the field of behavioural finance has resulted in a more personalised approach to financial planning.

What key behavioural factors are now influencing the financial advice process?

Social media has become an increasingly influencing factor in consumers' financial behaviour. This includes the type of lifestyles people want to live, what success looks like and the daily noise of markets that can cause feelings of fear, uncertainty and anxiety. The conflict between what people want versus what they need when it comes to lifestyle choices is making long-term planning for retirement a greater challenge. People are battling with their financial priorities in a world that is giving them a false sense of what success, wealth and security are about. The daily avalanche of socio-political developments, corporate news and market movements are putting investors' emotions on a roller coaster, making it a great challenge to stick to their financial plans. In addition

to these behavioural challenges, financial consumers are often influenced by common biases like herd mentality, overconfidence, loss aversion and anchoring, which impact their financial decisions. Making financial consumers aware of how their emotions and cognitive biases can influence their choices will enable them to stick to their long-term financial plans and investment strategies.

How does an understanding of client behaviour shape product design and the overall client journey?

Understanding financial consumers' main cognitive and emotional trigger points and responses can assist product providers and financial advisers in crafting more relevant solutions and bespoke financial plans. This includes elements such as the level of complexity, potential volatility and pricing in the design of financial solutions and available information on an ongoing basis about the performance of the solution. More tailored risk and investment solutions enable financial advisers to create customised plans that not only align with the client's financial objectives but also address their cognitive and emotional needs.

Can you share examples where behavioural insights have led to improved client outcomes in financial planning or insurance?

The issue of the risk tolerance of investors has been a source of contention for many. Only asking the question of how much investment risk a client can tolerate is the incorrect question to ask as it ignores the financial outcome that needs to be achieved. To achieve a specific investment outcome, it is necessary to take sufficient investment risk. This is where the ability of an investor to save and the investment time frame comes to mind. Considering these elements leads to the more appropriate question of how much investment risk is required and can be tolerated. Helping investors understand the importance of taking enough risk, the power of compounding, and how time spreads risk can make them more comfortable with risk-taking. This allows the adviser to take an outcomes-based approach to financial planning, rather than focusing solely on risk, which may not achieve the client's desired financial goals.

What role do insurtech and fintech play in enhancing personalised advice and client engagement?

Technology not only helps advisers to collect and analyse the most relevant data but also to model various financial outcomes and affordability based on the client's preferences. It allows the adviser to be more efficient in advising and servicing their clients and to serve them in a more personalised way. Insurtech and fintech also allow the financial consumer to use self-help options providing greater flexibility to their required service needs.

In what ways are data analytics and AI helping advisers predict and respond to client needs more effectively?

Having access to relevant and quality data is a critical element for being able to design bespoke and effective investment solutions and plans for financial consumers. Artificial intelligence (AI) should be viewed by the adviser as augmented intelligence that compliments their unique human skills in meeting the psychological and financial needs of the client. AI can help advisers create more realistic financial plans by modelling different scenarios based on the client's preferences and past market trends, making the plans easier for clients to understand and relate to. It also facilitates the ongoing monitoring of the success and progress made in achieving the client's financial objectives and making timely adjustments to the financial plan as and when required.

How has the management of risk changed with the shift towards a more holistic approach to advice?

In applying a more holistic approach to financial planning, the financial adviser can better balance the various risks the client may be facing. This is achieved by considering the client's life-stage-specific needs and ensuring that the various risks are addressed within the client's scope of financial means. Having too much insurance but not saving enough for retirement can create future risks, such as outliving one's savings and running out of money in retirement. By continually reassessing the client's life-stage-specific needs, the necessary adjustments can be made to keep the various financial risks in balance.

What strategies can advisers implement to guide clients towards long-term financial security and risk mitigation?

Advisers should apply an outcomes-based advice approach by starting with the end in mind. This provides the client with a clear picture of the financial goal that needs to be worked towards. Knowing how much capital needs to be saved up for financial independence during retirement and how much time is available to achieve this goal provides a sound base from which to do long-term planning. These long-term objectives and the savings required to meet them need to be balanced with the more immediate risk needs like death, disability, critical illness and income protection based on the client's life stage, preferences and available financial resources.

What exciting developments in financial advice and risk management should professionals keep an eye on?

The most exciting development for the financial services and advice industry is the possibilities that the advancement of technology and the use of AI as an enabler offers advisers and clients. Advisers need to focus more on how technology and AI can enhance the way they provide advice –making it both highly personalised and efficient –

Johan Gouws, Head of Wealth Advisory at PPS

from crafting tailored financial plans to implementing them and supporting their clients. Technology can be used to service more clients in a way that suits their needs and preferences. The necessary balance should, however, be found for each client in terms of providing personalised versus technology-enabled service and advice based on their literacy level and comfort when it comes to technology.

How do you see the relationship between advisers and clients evolving in the next five years?

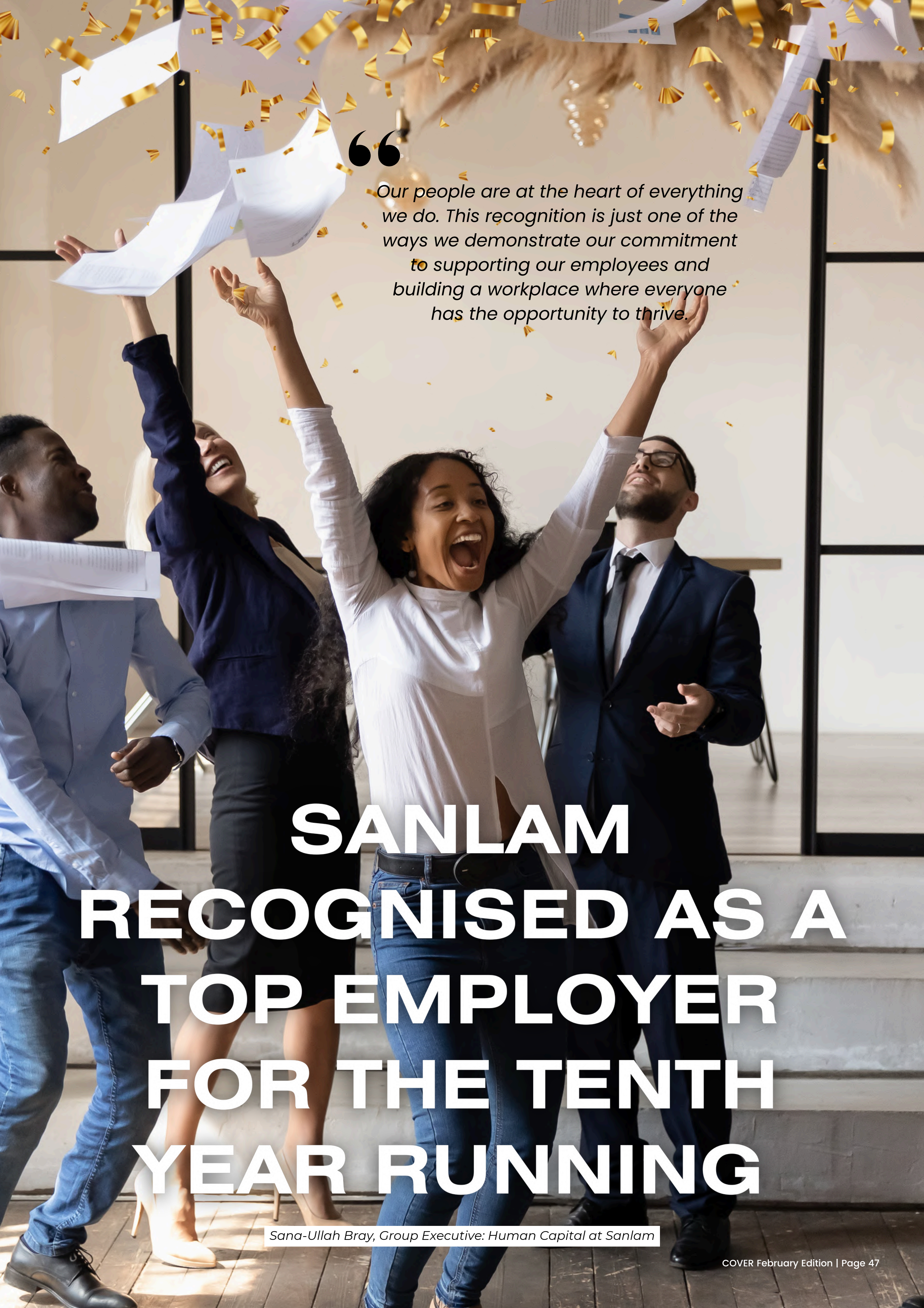
The relationship between advisers and their clients will continue to be shaped by various elements. The expected introduction of the Conduct of Financial Institutions (COFI) Bill will provide greater protection for the financial consumer and create a stronger framework within which financial products and services are delivered, and advice is provided. Greater consumer awareness and improving financial literacy levels will require advisers to have sound and strong technical knowledge when it comes to providing advice. Technology will open the possibilities in terms of service models and the level of personal interaction between the client and the adviser. A more wellness-orientated approach to life by consumers will require that the adviser becomes more of a life coach who is also able to speak to the lifestyle, health and generational planning elements of a broader life plan for their clients.

As the financial landscape continues to evolve, the role of advisers is becoming more dynamic, balancing technical expertise with behavioural understanding and technology-driven solutions. Johan Gouws' expertise highlights the importance of a personalised, outcomes-based approach to financial planning—one that empowers clients to navigate uncertainty and achieve long-term financial security.

FINANCIAL PLANNING

"We may face many challenges in South Africa, but I firmly believe partnering with expert financial advisers can be powerful in unlocking our collective potential. "

Aldert Brink, CEO, Momentum Financial Planning



SANLAM RECOGNISED AS A TOP EMPLOYER FOR THE TENTH YEAR RUNNING

> *"Our people are at the heart of everything we do. This recognition is just one of the ways we demonstrate our commitment to supporting our employees and building a workplace where everyone has the opportunity to thrive.*

Sana-Ullah Bray, Group Executive: Human Capital at Sanlam

Sanlam has been ranked the 10th Top Employer in South Africa for 2025, based on the Top Employers Institute's global ranking methodology. The Top Employers Institute, a global authority on recognising excellence in people practices, has recognised Sanlam's ongoing commitment to creating a world-class work environment that fosters a culture of integrity, innovation, care and collaboration.

The Top Employer certification is a symbol of Sanlam's continued dedication to aligning its people practices with global best standards. In achieving this recognition, Sanlam's Human Capital team has demonstrated its ability to adapt and evolve in line with the changing needs of employees, ensuring a workplace where talent can thrive and grow. With an overall score of 97.9%, Sanlam's performance significantly surpasses the South African benchmark score of 84.45%, highlighting the financial services group's commitment to maintaining exceptional people practices.

"We are incredibly proud to receive the Top Employer certification for the tenth consecutive year, and even further to be ranked 10th employer in the country" says Sana-Ullah Bray, Group Executive: Human Capital at Sanlam. "This recognition underscores our commitment to creating an environment where our employees feel valued, supported, and empowered to reach their full potential. It's a testament to the dedication of our Human Capital team and the entire Sanlam family."

This year, Sanlam scored higher than the benchmark across every domain measured and has seen improvements across various areas of the Top Employer certification process, reflecting the company's continuous efforts to enhance its employee experience. Key areas of improvement included onboarding, offboarding, and learning, where the company's practices were rated as exceeding industry benchmarks. In particular, Sanlam's focus on employee listening initiatives helped to elevate the overall satisfaction scores significantly, demonstrating a high level of engagement and trust across the organisation.

"We are always looking for ways to enhance our people practices and ensure they align with the evolving needs of our employees," says Bray. "The insights we gain through the Top Employer process are invaluable in helping us refine our practices and continue to build a workplace where employees are truly empowered."

Sanlam's Human Capital team implemented several initiatives to ensure that its practices remain modern, relevant, and attractive to both current and prospective employees. These initiatives were designed to enhance the company's culture, improve employee wellbeing, and create an inclusive and diverse environment that supports growth and success.

Some of the standout achievements in this year's certification include:

- *Work Environment:* Sanlam is committed to maintaining an environment that balances employee needs with business requirements within a hybrid organisation culture.
- *Diversity, Equity, Inclusion and Belonging (DEIB):* Sanlam continues to champion diversity and inclusion across all levels of the organisation. The company's approach to DEIB is embedded in its culture, with leadership focusing on creating an environment where every employee can thrive, feel valued, and contribute their best.

Sana-Ullah Bray, Group Executive: Human Capital at Sanlam

- *Employee Wellbeing and Development:* Employees are supported through future-fit leadership and initiatives promoting financial, emotional and physical wellbeing. Sanlam's comprehensive employee wellness offerings, spanning physical, emotional, and financial wellbeing, were particularly praised. The company provides a range of resources, from mindfulness workshops to financial coaching, ensuring that employees have the support they need to succeed both professionally and personally.

"Sanlam is committed to listening to our employees, responding to their needs, and continuously improving the work environment to foster growth and success," says Bray. "This recognition reflects our ongoing efforts to create a place where our employees can do their best work and feel supported every step of the way."

As Sanlam celebrates its tenth consecutive year as a Top Employer, the company remains focused on enhancing its human capital practices and creating a thriving workplace where employees can grow, innovate, and succeed.

"Our people are at the heart of everything we do," says Bray. "This recognition is just one of the ways we demonstrate our commitment to supporting our employees and building a workplace where everyone has the opportunity to thrive."

LOVE WITHOUT MARRIAGE

FINANCIAL PLANNING 101 FOR UNMARRIED PARTNERS

Queen Malobane, Provincial General Manager at Metropolitan

Marriage rates in South Africa dropped by 29.5% between 2013 and 2022, according to Stats SA data on civil marriages. This shift suggests that nearly a third of committed couples are choosing to live together as life partners, without legally tying the knot. For some, marriage may not feel necessary to demonstrate commitment; for others, it's a deliberate choice to retain financial or personal independence. But even without the wedding vows, the financial implications of these partnerships can still be substantial.

Financial planning is crucial for all committed couples – regardless of their marital status. Many couples assume that living together without marriage means avoiding complex financial ties, but the reality is that cohabiting partners need just as much financial planning as married couples – if not more.

Protecting your partner with life cover and estate planning

For any long-term couple, a shared life usually means shared expenses – from rent and groceries to larger financial commitments and investments. However, without formal protection, one partner could be left financially vulnerable if the other passes away unexpectedly. Life cover is one way to safeguard the surviving partner and ensure they aren't left financially stranded. Unlike in marriage, unmarried partners lack legal inheritance protection, so designating your partner as a life cover beneficiary is crucial to ensure they are provided for in the event of your death.

A clear estate plan is very important, especially considering that unmarried partners in South Africa do not have automatic inheritance rights. A will allows you to specify asset distribution, ensuring your partner benefits rather than distant family members. Regularly updating your life cover and estate plan with an adviser will help keep your assets aligned with your evolving needs and protect your loved ones.

> *For cohabiting partners building wealth, a cohabitation agreement is recommended, clarifying ownership and protecting both parties' interests.*

Queen Malobane, Provincial General Manager at Metropolitan

Planning for children as beneficiaries

Unmarried couples who have started a family should ensure that their financial arrangements and legal documents protect their children if anything happens to either parent. Establishing a testamentary trust in a will allows assets to be managed for children until they reach a certain age, shielding the inheritance from any complications that might arise. Equally important is keeping wills up to date and ensuring beneficiaries are regularly reviewed to reflect any changes in family dynamics or financial goals.

Unmarried and building wealth? Have a plan in place

Cohabiting partners often build wealth together, whether it's through property, savings, or investments. Without a formal arrangement, these assets can become difficult to divide if the relationship ends. For this reason, a cohabitation agreement is recommended, that clarifies ownership and protects both parties' interests, preventing conflict down the road.

Unmarried partners should also consider joint investments or savings accounts, but with clear terms on ownership and access. Without marriage laws to regulate how assets are split, formalising arrangements in writing is even more important.

Seek advice from a financial planner

While financial planning for unmarried couples may seem complex, working with a financial adviser can simplify the process. An adviser can guide you through selecting life cover, structuring your estate plan, and formalising agreements. In the absence of automatic protection, advisers can help ensure assets are allocated according to your wishes, establishing financial security for both partners.

Even if couples choose to never formalise their relationship legally, they still share lives, responsibilities, and goals. Financial planning can bridge the gap, ensuring both partners are protected, regardless of marital status.

DEEPSEEK DISRUPTION HIGHLIGHTS NEED FOR RESILIENT PORTFOLIOS

Paddy Flood, Portfolio Manager and Global Sector Specialist, Technology at Schroders , Simon Webber, Head of Global Equities at Schroders & Johanna Kyrklund, Group Chief Investment Officer at Schroders

While the impact of DeepSeek's innovative approach to AI is yet to be fully understood, highly concentrated markets had become vulnerable to a pullback.

Stock markets suffered a sell-off on Monday 27 January as China's DeepSeek claimed new advances in the field of artificial intelligence. DeepSeek says it has trained a generative AI chatbot at a fraction of the cost and time required by the market leaders.

The news raises important questions for investors about the implications for the technology sector, given that the AI theme has powered stock markets in recent years. The Nasdaq index fell 3% on Monday and shares of some AI-related companies were down much more.

Shocks such as this also reinforce the need for an active approach in building resilient portfolios.

Equities perspective from Paddy Flood and Simon Webber

What has DeepSeek done?

DeepSeek, a Chinese AI startup, has reportedly developed large language models (LLMs) comparable to market leaders, but at significantly lower training costs. If accurate, this could imply reduced demand for high-performance semiconductors required for the computational workloads associated with AI.

However, this conclusion hinges on whether DeepSeek's cost data is truly comparable to the incumbent players and, more importantly, that other factors remain unchanged.

> *Major equity indices do not offer the diversification they did in the past. Investors wanting to build more resilient portfolios will need to take an active approach, looking across sectors and geographies, to build genuine diversification. - Johanna Kyrklund, Group Chief Investment Officer at Schroders*

Increased efficiency in compute power does not necessarily translate into reduced demand for chips. Jevon's Paradox—a well-established economic concept—suggests that improvements in resource efficiency often drive greater consumption of that resource. In this context, higher compute efficiency could spur further adoption and expansion of AI, potentially offsetting any direct reduction in chip demand.

Which companies could be the winners and losers?

If increased compute efficiency leads to reduced demand for chips/AI equipment, companies like Nvidia and other compute infrastructure providers could face headwinds. However, this outcome is far from certain, particularly given Jevon's Paradox, as previously mentioned.

On the other hand, this development could prove favourable for software companies. Lower AI costs might make these technologies accessible to a broader base of customers who were previously deterred by high price points. For software providers embedding AI capabilities into their products, this could bolster adoption while preserving profitability.

Additionally, large hyperscale companies such as Microsoft, Meta, and Google could stand to benefit. Concerns have been growing around the potential returns on their substantial AI-related investments. If this situation results in reduced spending requirements for these companies, it could lower their capital expenditure needs and drive significant increases in free cashflow generation.

What next for the markets?

There are still a lot of uncertainties that need to be resolved, such as clarifying DeepSeek's cost structure and whether cheaper infrastructure would really lead to less spending in the global AI race. This uncertainty does create risk, but the severity of these moves is likely to create opportunities for active investors, particularly in technology and industrials.

There will be a heightened focus on this topic in the days and weeks ahead. This will be especially relevant as several major tech companies are scheduled to report earnings this week and next, potentially providing additional clarity or signalling shifts in sentiment.

Johanna Kyrklund: Market shock highlights need for resilient portfolios

We've discussed before the dangers that highly concentrated equity markets can pose to investors. The level of index concentration now far surpasses that of the late 1990s. From a portfolio standpoint, having such high unintentional exposure to just a handful of companies does not feel prudent. Understanding the underlying stocks is crucial, and an active approach is needed to manage the risks.

The full implications of DeepSeek's technology still need to be understood. But this example highlights that markets are vulnerable to a misstep by one of the large US megacaps, or by the emergence of new competition.

Major equity indices do not offer the diversification they did in the past. Investors wanting to build more resilient portfolios will need to take an active approach, looking across sectors and geographies, to build genuine diversification.

Read more: The two key risks facing investors
Any reference to sectors/countries/stocks/securities are for illustrative purposes only and not a recommendation to buy or sell.

SHORT TERM

"It is up to us, as insurers, to educate both clients and intermediaries to understand the changing nature of risks and weather patterns, and their impact on the value chain."

Thabiso Rulashe, Head of Investor Relations and Strategy at Santam


FPI Financial Planning Institute of Southern Africa
THE PROFESSIONAL STANDARD
Become a
REGISTERED FINANCIAL PRACTIONER (RFP™)
Scan the QR Code for more information
SCAN ME

THE RISING TIDE OF CLIMATE CHANGE: BUILDING RESILIENCE THROUGH INNOVATION

Coen de Bruin is the Head of Specialist Lines at Hollard Insure

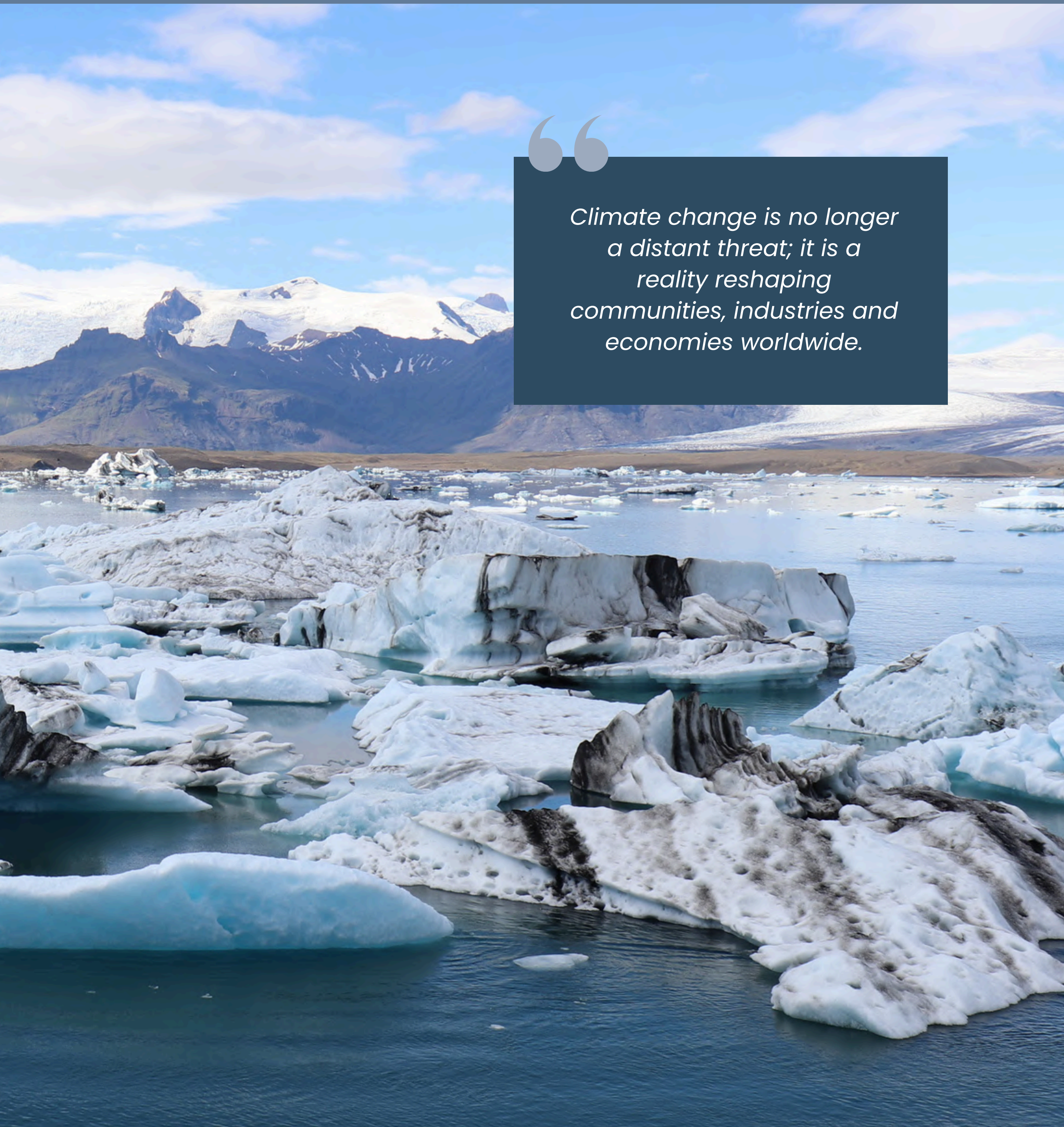
Climate change is no longer a distant threat; it is a reality reshaping communities, industries and economies worldwide. Rising sea levels, unpredictable rainfall, and the increasing frequency of natural disasters are placing immense pressure on societies—and on the insurance industry, which often serves as the last line of defence. But tackling these challenges isn't just an industry problem—it's a team effort, requiring collective responsibility, shared innovation and bold action.

In Africa, the stakes are particularly high. Agriculture, which contributes between 30% and 40% of GDP and employs 65% to 70% of the labour force, is highly vulnerable to climate variability, according to the World Bank. Frequent droughts, floods, and other extreme weather events threaten food security and economic sustainability across the continent.

As climate risks grow more severe and irregular, the insurance industry has had to think beyond conventional models. Simply raising premiums to account for higher risks is a short-term patch, not a sustainable solution; akin to bailing water out of a sinking ship without plugging the leak. The real answer lies in innovative approaches that bring everyone to the table.

Natural ecosystems often play a critical yet underappreciated role in climate resilience. Coastal buffers like mangroves, dunes and wetlands have long absorbed wave energy, reduced flood risks and protected inland communities. For instance, mangroves can reduce wave heights by up to 50%, nature's very own safety net.

Unfortunately, these ecosystems are being rapidly destroyed to make way for urban and agricultural development, leaving communities more exposed to the impacts of climate change. Wetlands and floodplains, which naturally mitigate flooding, are often drained or paved over, exacerbating the risks posed by heavy rainfall and urban sprawl.



> *Climate change is no longer a distant threat; it is a reality reshaping communities, industries and economies worldwide.*

The Sri Lanka Colombo Wetland Project is a compelling example of what can be achieved when we work with nature instead of against it. By transforming a degraded ecosystem into a thriving wetland, the project now provides natural flood protection, supports biodiversity, and demonstrates how ecological restoration can create practical solutions to climate challenges. Africa has the potential for similar transformative initiatives.

Innovating insurance: The role of parametric models

As risks evolve, so too must the tools we use to manage them. One promising innovation is parametric insurance, which offers pre-determined payouts based on measurable triggers such as rainfall levels or wind speeds. Unlike traditional claims processes, this model ensures quicker access to funds, helping communities and businesses bounce back faster.

As one of the leading pan-African insurers, companies like Hollard Insurance are at the forefront of integrating parametric solutions into its risk management models. By leveraging scientific data like rainfall volumes or wind speeds, parametric insurance provides faster recovery mechanisms, which are particularly vital for vulnerable regions.

For Africa, where the protection gap remains significant, the potential of parametric insurance is immense. The World Economic Forum highlights its benefits, stating, "The safety net that parametric insurance offers the most vulnerable countries in Africa is now more crucial than ever. As these disasters gain momentum, parametric insurance is increasingly recognized as a way to build resilience in vulnerable countries."

While parametric insurance is not without limitations, it represents a vital step forward in addressing the 'unsures' posed by climate change.

Insurance, while essential, cannot solve these challenges alone. Governments, communities, and businesses must come together to create resilient systems and sustainable practices. In South Africa, the Climate Change Bill is a step in the right direction, providing a framework for climate adaptation and mitigation. However, as noted by the International Monetary Fund, more work is needed to address structural constraints, attract green investments and improve governance.

Urban planning also plays a critical role. Poorly planned cities with impermeable surfaces and inadequate drainage systems magnify the effects of heavy rainfall and flooding. Informal settlements, often built on marginal land, are particularly vulnerable to landslides and storm surges. Integrated strategies that combine urban planning, infrastructure investment and ecosystem restoration are essential for addressing these vulnerabilities.

The way forward

Climate change poses profound risks, but it also offers an opportunity to rethink how we build resilience. By leveraging innovative solutions like parametric insurance, rehabilitating natural ecosystems and fostering collaboration across sectors, we can help communities and economies better withstand the impacts of a changing climate. Insurance companies like Hollard continue to collaborate with stakeholders to develop tailored insurance solutions that reflect the realities of climate change while supporting broader resilience efforts. By aligning innovation with the needs of vulnerable communities, the insurance industry can play a pivotal role in building a future that is both sustainable and secure.

This is not just about insuring against life's 'unsures' —it's about enabling more people to create and secure a better future

earnix

The Earnix 2024 Industry Trends Report

Detailed insights into the latest trends, strategies driving innovation, and the role of technology in shaping future performance.

The Need to Modernise Operations

49%

of insurers admit that they are behind schedule in their effort to transition away from legacy systems and fully modernise their operations.

Implementing AI

70%

of respondents expect to deploy AI that makes predictions based on real-time data in the next two years.

Underwriting Speed to Market

30%

of executives said that they can implement underwriting rule changes in three to four months, while even fewer (11%) reported that they can make these changes in just one to two months.

Interested in Learning More?

For even more insights into these trends and key findings from the research, download the 2024 Industry Trends report today.

Download Now

SOUTH AFRICA MUST ACT NOW TO ADDRESS ESCALATING WILDFIRE RISKS

Volker von Widdern, Principal of Strategic Risk at Riskonet Africa

> *This adaptation requires more than reactive firefighting efforts; it demands a comprehensive strategy that includes preventative measures, technological investment, and community engagement.*

As wildfires have burned across the Western Cape and other parts of South Africa, the urgency for a coordinated and effective wildfire management strategy has never been greater. The ongoing wildfire crisis in Los Angeles provides a sobering example of the challenges South Africa faces.

Wildfire incidents in December 2024 nearly doubled compared to the previous year, with Working on Fire reporting a 96% increase in fires and a 67.6% rise in out-of-season incidents, highlighting the escalating impact of climate change. Prolonged periods of no rain have been punctuated by sudden downpours, creating conditions where drought and high winds turn vegetation into fuel for devastating fires. The impact has been catastrophic, with homes destroyed, lives lost, and infrastructure crippled.

Climate change models indicate that the Western Cape will become drier. Conditions similar to LA can develop and strategic planning is needed to address these conditions. These events highlight the necessity of advanced fire detection technology, robust infrastructure planning, and community resilience.

The situation in the Western Cape has highlighted the vulnerability of both urban and rural communities. Thousands of hectares of land have been scorched, displacing families, destroying infrastructure, and disrupting agricultural production. These fires are a threat to lives and livelihoods and jeopardise South Africa's biodiversity and economic stability.

The lesson is clear: South Africa must adapt to an increasingly volatile climate. This adaptation requires more than reactive firefighting efforts; it demands a comprehensive strategy that includes preventative measures, technological investment, and community engagement.

One critical area for improvement is early detection and response. The deployment of advanced fire and heat-sensing technologies, such as drones, infrared cameras, and satellite systems, is no longer optional—it is essential. These tools can identify potential fire outbreaks in their infancy, allowing for rapid intervention before they spiral out of control.

However, technology alone is not enough. South African homes, especially those in high fire load areas such as forested land, dry vegetation, and fynbos, are vulnerable to wildfires, with timber and thatch constructions being particularly at risk. Even brick homes can ignite under intense heat if surrounded by combustible vegetation. Water shortages further exacerbate the problem, highlighting the importance of personal emergency water resources like rainwater harvesting and boreholes supported by solar or generator power to ensure uninterrupted water availability for firefighting and community needs.

Community involvement is another cornerstone of effective wildfire management. We need to educate and empower local communities to play an active role in prevention and preparedness. Public awareness campaigns, training for volunteer firefighters, and well-coordinated evacuation plans can make the difference between disaster and resilience. Reducing fire risk involves treating combustible materials, clearing vegetation, and adhering to environmental laws while consulting fire authorities for controlled burns. Preparedness is key. Residents must assess their local fire department's capabilities, ensure water accessibility with pumps and hoses, and maintain internal safety measures like smoke detectors, fire extinguishers, and evacuation plans. In emergencies, swift action and proper preparation can save lives and minimise damage.

Volker von Widdern, Principal of Strategic Risk at Riskonet Africa

Our situation is dire but not hopeless. We need a unified national strategy that prioritises prevention, invests in advanced technology, secures critical infrastructure, and fosters resilience in communities. We must learn from international best practices when tailoring solutions to our unique challenges. By working together, government, businesses, and civil society can mitigate the risks and protect our people and environment.

As the frequency and intensity of wildfires continue to rise, the cost of inaction grows exponentially. The Western Cape is a harbinger of what lies ahead if we fail to act decisively. The time to act is now. Let us not wait for another crisis to remind us of what is at stake.

INSURANCE SECTOR SHOWING POSITIVE GROWTH AND STABILITY

KPMG insurance survey 2024

KPMG South Africa today launched its annual South African Insurance Industry Survey for 2024, its 26th anniversary edition, which surveyed twenty-seven non-life insurers, seventeen life insurers, and four reinsurers. This year's results reflect a strong recovery compared to those experienced in 2022, reflecting the stabilisation of the insurance market following muted natural catastrophe events and the positive effects of strategic initiatives implemented by insurers over the last few years to moderate risk exposures, such as premium rate increases and underwriting limitations.

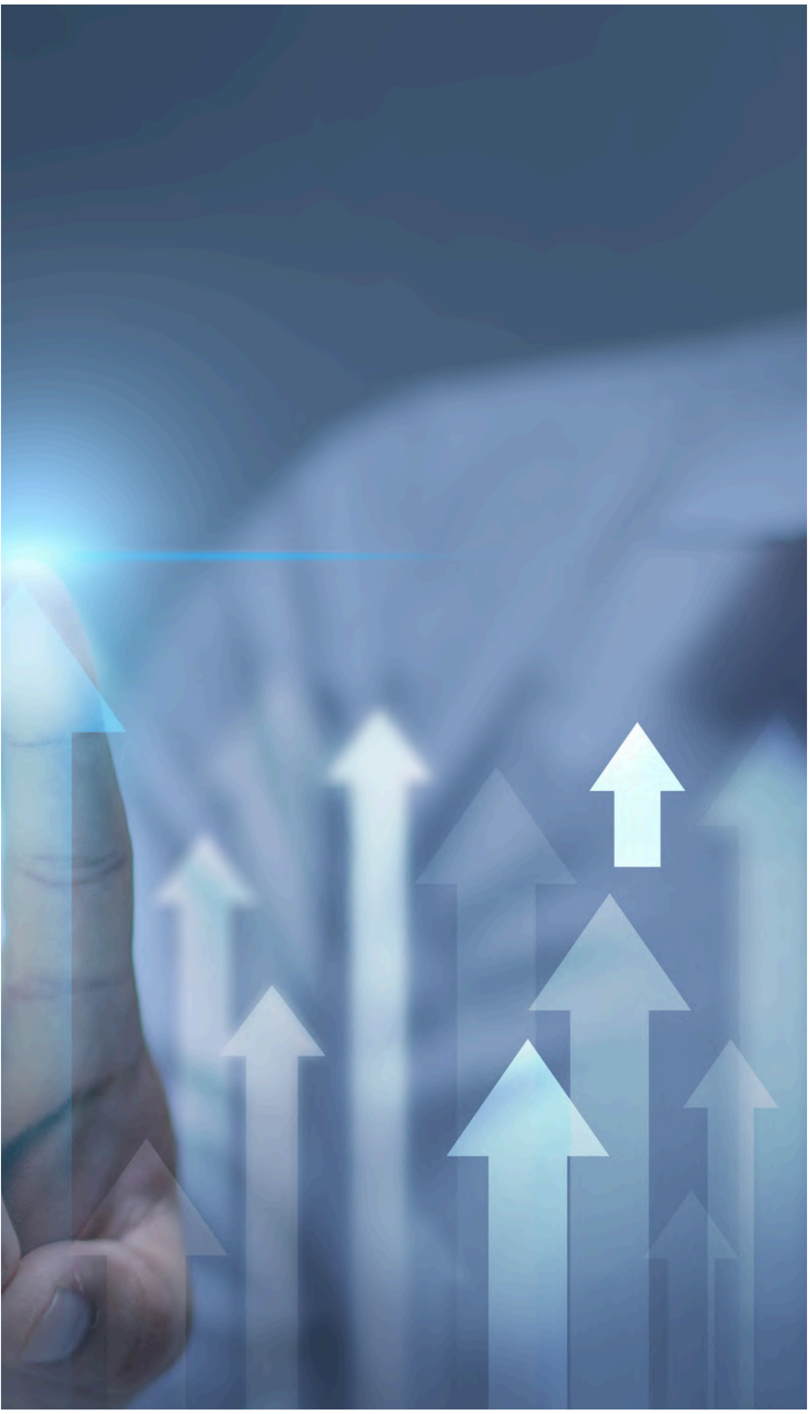
"The constrained macroeconomic environment, uncertainty around the frequency and severity of natural disasters as a result of climate risk, and ongoing geopolitical conflicts have continued to influence the results of the insurance industry. This resulted in changes to the demand for insurance products, costs of insuring risks, and enhanced risk management initiatives being employed in responding to the dynamic risk environment. However, despite these factors, the insurance sector at large reflected positive results for 2023. As the industry looks forward, insurers are expected to continue to apply a cautious approach to risk management. We can also expect to see an increased use of new and emerging technologies including artificial intelligence, and the reassessment of risk management strategies and operating models," says Mark Danckwerts, Partner and Africa insurance practice leader at KPM

Non-life insurance industry

The non-life insurance industry saw growth of 16.6% in IFRS 4 gross written premium and 7.9% growth in IFRS 17 insurance revenue.

However, this sector was significantly impacted by rising claims costs over 2023, largely driven by systemic load shedding, an increasing number of motor vehicle accident claims, and rising motor vehicle repair costs. This experience was compounded by disposable income pressures on consumers and high crime levels.

Relative to the previous year, 2023 was considered to be stable in respect of weather-related catastrophe events.



> Employing agile operating models, continuous assessment of the risk landscape and innovative product offerings are key imperatives for reinsurers to be able to maintain and gain a competitive edge, whilst at the same time protecting their balance sheets. - Mark Danckwerts, Partner and Africa insurance practice leader at KPMG

"Insurers have had to respond swiftly with adjustments to policies, premiums, and risk management strategies to maintain their financial stability, with the outcomes of these initiatives clearly reflected in the 2023 results," continues Danckwerts.

"It is great to see that despite the challenges experienced, the non-life insurance industry went from a loss of R16.7 billion in 2022 (driven significantly by the political unrest and flooding in Kwa-Zulu Natal) to a profit of R13.7 billion in 2023. While reinsurance rates hardened over the period and inflationary and interest rate pressures persisted, exposure to natural catastrophe events was muted compared to that experienced in previous reporting periods – improving results dramatically," states Danckwerts.

Life insurance industry results

Similar to the past two years, the results of the life insurance industry for 2023 highlight the underlying resilience of the global and local economies. This year's results indicate double-digit growth improvements in profitability, and a higher-than-expected return to shareholders than predicted.

The largest insurance groups in the country all showed significant growth over the past financial year. The life insurance industry continued to generate profitable results, with an increase in profits from R27.3 billion in 2022 to R37.4 billion in 2023.

"These results are reflective of the return to normal mortality levels post the COVID-19 pandemic and the relatively robust performance of investment markets" continues Danckwerts.

Life insurers experienced growth of 10.4% in IFRS 4 net premium income and 3.9% growth in IFRS 17 revenue.

We can attribute this success to following key trends:

- continued focus on the personalisation of insurance products;
- risk mitigation measures particularly in the non-life insurance industry;
- M&A activity within multinational groups;
- investments into certain countries in East Africa and Asia;
- attention to capital management and balance sheet optimization;

- strongly capitalised businesses with sufficient liquidity, improving cash generation; and
- cost containment measures, contrasted with a deliberate focus on capital deployment for project spend.

Reinsurance industry results

“Insurance revenue declined slightly by 2% over 2023, with varied results being experienced across all reinsurers surveyed. However, we are beginning to see a restoration of profitability and balance sheet strength through price increases and the implementation of stricter underwriting principles” states Danckwerts.

We noted mixed performance results across all reinsurers surveyed, reflecting the complexity and nuances of market dynamics on each reinsurer’s business operations. Munich Re and Hannover Re continue to lead the reinsurance market with a combined market share of 80% (2022: 81%) measured by insurance revenue.

Looking at the split of insurance revenue between the life and non-life insurance results, Munich Re and Hannover Re are leading the life insurance market with a combined market share of 88% (2022: 88%), with Munich Re and Africa Re leading the non-life insurance market with a combined market share of 81% (2022: 84%).

Reinsurers achieved an average return on investments (including cash and cash equivalents) of 7.07% despite the year-on-year increase in investments and cash and cash equivalents of 14%. The investment performance of reinsurers surveyed relative to market returns is indicative of the conservative investment strategies employed considering the industry’s exposure to uncertain market forces.

“While hardened reinsurance renewals rates continued into 2024, South African reinsurers can be expected to continue with a cautious approach as they move into the 2025 underwriting cycle. Employing agile operating models, continuous assessment of the risk landscape and innovative product offerings are key imperatives for reinsurers to be able to maintain and gain a competitive edge, whilst at the at same time protecting their balance sheets” says Danckwerts.

Conclusion

As we look forward, the combination of expected reductions in inflation and interest rates are likely to bring financial relief to customers and improve confidence levels over time. It is important for insurers to embrace product and technology innovation. Much of the success we’ve seen stems from strategic partnerships between insurance companies and technology providers, retailers and alternative distribution channels.

Insurtech remains a disruptive force in the industry and there is no doubt that new and emerging technologies like generative artificial intelligence offer a host of potential benefits to insurers that are willing to embrace change. Integrating these technologies improves the accuracy of actuarial predictions, expedites processes, improves the management of customer interactions and enables product personalization. However, it is really in understanding the interconnectedness of all of these elements that is key.

Insurers see social inflation as a phenomenon that will encompass more geographies and accelerate in severity in the years ahead, pressuring excess casualty and liability lines of coverage most significantly.

MANAGING INCREASED VOLATILITY TO BUILD RESILIENCE AND CAPTURE GROWTH IN MINING

Paul Pryor, Aon Global Mining Practice Leader

Paul Pryor, Aon Global Mining Practice Leader, unpacks some of the key risk and insurance market trends as they pertain to the mining and natural resources sector.

Mining companies face a precarious balancing act. The industry has a vital role to play on the path to decarbonization by providing the critical minerals needed for renewable energy and climate technologies. However, increasing mining activity often comes at a significant environmental cost. Increased carbon emissions and land disturbance are intrinsically linked to a rise in natural catastrophes, which can, in turn, severely impact mining operations.

Yet the quest to balance economic growth and environmental sustainability isn't the only issue challenging the mining industry. Volatility has increased on multiple fronts - from fluctuating commodity prices and industry-wide labour and talent shortages, to rising geopolitical risks and the challenge of managing reputation in the face of tightening regulation and increasing stakeholder demands.

For industry players, managing and mitigating these increasing risks have never been more critical. Failure to take meaningful action on sustainability and social responsibility and ensure good governance practices increases an organization's risk across multiple factors, including risk capital challenges, talent strategies and litigation risk. In this environment, companies must adopt holistic risk management frameworks that cover both physical assets and human capital investments that includes expanding environmental, social and governance (ESG) expectations, and reflects the industry's rapidly rising insurance needs.

State of the insurance market

While many insurance markets have swung back in favour of buyers, underwriting remains disciplined, with insurers focused on 'profitable growth.' For mining businesses with well-managed risks and clear energy transition plans, this means more favourable pricing and renewals, with trends expected to continue into 2025, barring any major loss events.

- *Property*

The property insurance market is seeing a phase of stabilisation and softening as of the second half of 2024, following an almost six-year hard market that exerted tremendous pressure on the mining sector in terms of pricing and available capacity.

Going into 2025, we expect to see increased competition among insurers and barring any major loss events, we should see more favourable pricing and terms for insureds with well-managed portfolios and loss ratios. The second half of 2024 brought average rate reductions on Aon's mining property book in the mid-single digit percentage range, and we see that continuing into 2025 and even accelerating to double-digit rate decreases.

For hard-to-place portfolios – notably risks with a high percentage of thermal coal – finding capacity remains a significant challenge as many global insurers and reinsurers have continued to withdraw capacity to align with the Paris Agreement and meet Net Zero targets. In 2015 when most of the European insurers signed up to the Paris Accords, what was initially anticipated to be a gradual withdrawal of insurers from coal turned into an immediate disruption, with reduced capacity and rates that increased exponentially.

While capacity and pricing remain challenging on this front, there is growing consensus that the energy transition will take time and that there are many incredibly complex trade-offs that industry sectors and economies face as they navigate the energy transition.

Paul Pryor, Aon Global Mining Practice Leader

The insurance market is grappling with the tension between immediate market needs and long-term sustainability goals, and whether a more measured approach, like selective underwriting based on transition plans and robust ESG plans could address some of the criticisms and pitfalls of abandoning the thermal coal market, while still maintaining alignment with climate objectives.

Geopolitics also plays a role, and across the globe there are shifts to more conservative governments, which could further play a role in the speed of the energy transition. Critical mineral supply is also becoming an increasingly geopolitical issue on the path toward clean energy.

- *Casualty/Liability*

A hard casualty market saw five years of severe rate increases, but during 2024 we saw the market soften and rate reductions start coming through, albeit at a low rate. Insurers are likely to remain cautious though due to loss trends and the impact of social inflation. Liability claims are typically long tailed, so insurers price now for claims that may eventuate in 5-10 years' time, and where the impact of social and economic inflation as well as mental anguish can have a dramatic impact.

Social inflation has become a disruptor that is increasing risks for the mining industry. In recent years, the insurance sector has been navigating escalating costs of liability-related insurance claims, particularly personal injury. These continue to rise over and above general economic inflation. While recent economic volatility has contributed to this challenge, other factors include increased litigation and higher settlements. The concept of social inflation reflects an increasing pressure largely attributed to more aggressive legal tactics and a shift in societal attitudes from the growing recognition of social and income inequalities, a public shift in sentiment toward corporations and an increase in the appetite and ability of claimants to file lawsuits. [1]

Insurers see social inflation as a phenomenon that will encompass more geographies and accelerate in severity in the years ahead, pressuring excess casualty and liability lines of coverage most significantly. [1]

For mining industries, the impacts of social inflation could translate into higher insurance premiums, lead to lengthy and costly legal battles and inflict significant reputational damage.

In addition, worker to worker events are starting to arise in the market. As a new theme, we have seen dramatic awards for mental injuries associated with mining incidents and they are becoming extremely hard to control. i.e. workers claiming mental anguish whilst they are at home because they 'could have been there'.

- *Directors & Officers*

D&O market conditions remain favourable, with abundant capacity and competitive pricing. However, insurers are focusing on sustainable pricing, and some insureds are leveraging the current environment to purchase additional coverage.

Emerging risks, such as artificial intelligence (AI), are gaining attention as mining companies integrate technology and automation, increasing their exposure to cyber threats. ESG risks also continue to reshape corporate liability coverage in mining and resource industries.

- *Cyber*

Across all sectors, cyber pricing has continued to soften, yet underwriting is disciplined, and risk differentiation and detailed underwriting information are required for a positive renewal outcome. A growing number of insureds are taking advantage of favourable market conditions to purchase additional limits, using data and analytics to support their decisions.

However, despite the widespread and evolving risks that cyber threats present to all industries, the mining sector is lagging in defence against these threats. In Aon's most recent Global Risk Management Survey, cyber risk is cited as the number one risk for all industries, yet the mining sector is an outlier, not even landing as a top ten industry risk. [3]

As mining operations modernize, increased connectivity exposes operational technology (OT) networks to cyber risks. Attacks can disrupt operations, compromise safety, and damage reputations. Examples include blocked tanks and pipelines, shut-down of heating, ventilation and cooling (HVAC), cooling and fire suppression systems, catastrophic failure of equipment due to over-speeding, train derailments, port blockages, unsafe furnace shutdowns and uncontrolled chemical reactions. Whether through a cyberattack on a remote operations centre or an espionage campaign targeting highly sensitive and valuable exploration data, the results of a cyber breach can have catastrophic consequences on operations, safety and reputation. The mining industry's oversight of cyber risks must be urgently addressed as exposures increase through greater digitalization and automation.

Better risk decisions through data-led insights

Fundamentally, with data-led insights, leaders can identify and quantify specific risks to make better risk mitigation, retention and transfer decisions. As risks become more complex and connected, it is essential to address their interconnectedness across the business, with an enterprise-wide approach to risk that helps improve decision making and strengthens organizational resilience. With greater resilience against uncertainty comes greater opportunities.

By adopting a forward-thinking approach to risk management, mining organizations can position themselves as industry leaders, attracting vital investment, unlocking sustainable innovation and building lasting trust with stakeholders to drive long-term success.

References:
1 - Social Inflation: Navigating the Evolving Claims Environment, The Geneva Association
2 - Aon's Global Risk Management Survey: Mining, 2023

A NEW ERA OF RISK – INSURANCE IN A CHANGING CLIMATE

Thabiso Rulashe, Head of Investor Relations and Strategy at Santam

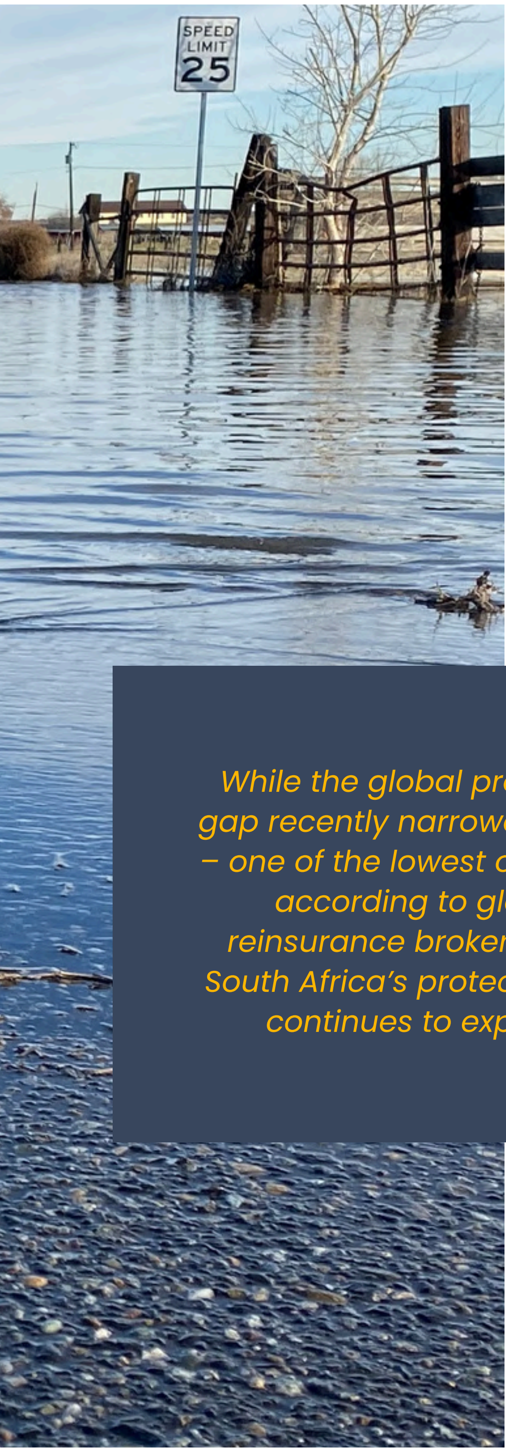
Over the last couple of years, we have seen an increase in both the frequency and intensity of climate-related disasters. These have accelerated at a rapid pace, creating both a physical and socioeconomic divide in terms of risk exposure and protection. At a global level, insurance premiums for physical risks and natural catastrophe protection are set to increase by 50% by 2030, reaching $200 - 250 billion.

South Africa has traditionally been viewed as a relatively low-risk environment for natural disasters, but this is no longer the case. Last year, we faced particularly adverse weather and fire-related claims, as well as exposure to the Türkiye earthquake losses. In the Western Cape, floods cost Santam R403 million, while the Gauteng hailstorm added R180 million. Fire claims reached R422 million, marking a nearly 9% increase from 2022.

The upward trend has continued into 2024. During the first half of the year, Santam covered R607 million in weather-related claims for policyholders, a significant jump from R150 million in 2023. The growing frequency of extreme weather events will inevitably become more expensive for the industry and create affordability challenges for households and businesses in the future.

At the same time, this trend exacerbates the protection gap, disproportionately affecting low-income communities. The protection gap – the difference between economic losses and insured losses – is a global issue that heavily impacts emerging economies and poorer populations, where most losses remain uninsured. Narrowing this gap is vital for building resilience and mitigating the social and economic effects of extreme weather events.

While the global protection gap recently narrowed to 60% - one of the lowest on record, according to global reinsurance broker, AON – South Africa's protection gap continues to expand. In the EMEA region, which South Africa is part off, the protection gap is 83%. Unfortunately, harsh macroeconomic factors such as low economic



While the global protection gap recently narrowed to 60% – one of the lowest on record, according to global reinsurance broker, AON – South Africa's protection gap continues to expand.

Thabiso Rulashe, Head of Investor Relations and Strategy at Santam

growth, rising unemployment and the cost-of-living crisis continue to place pressure on the consumer, further exacerbating this gap.

Insurers need to recognise that each unprotected asset represents a potential setback, impacting not only individuals but entire communities by diminishing their capacity to recover from catastrophic events. It is up to us, as insurers, to educate both clients and intermediaries to understand the changing nature of risks and weather patterns, and their impact on the value chain. This includes raising awareness around the challenges we face and encouraging proactive change.

The evolution of climate risk is clear in the regulatory landscape as well, with mandates for climate-related disclosures, such as the Task Force on Climate-Related Financial Disclosures (TCFD) and Sustainable Finance Disclosure Regulation. Progressive climate regulation and stakeholder pressures have also acted as a driving force in encouraging action towards climate change. To comply with these standards, insurers are challenged to improve the quality of their data, embed climate risk assessments into underwriting, and support green business models.

For insurers, data-driven innovation is key to creating solutions that match the pace of climate change. Using advanced technologies like predictive analytics, geocoding, and scenario analysis allows us to better understand risks and set premiums that reflect the shifting landscape. However, the demand for resilience goes beyond product design; it requires a proactive approach to partner with communities and stakeholders, fostering mutual understanding and collaboration.

Santam's Partnership for Risk and Resilience (P4RR) programme reflects this commitment. By working with local municipalities and research bodies like the Council for Scientific and Industrial Research (CSIR), we aim to support the development of climate adaptation plans in vulnerable communities. We also focus on collaborative data-sharing and risk assessments to build predictive capabilities that inform disaster preparedness. This systematic approach emphasises the importance of early warning systems and proactive risk management, improving emergency response and disaster management capabilities within these communities. This partnership-based approach highlights insurance's dual role as a risk manager and an enabler of public safety, financial inclusion, and sustainable development.

Ultimately, the role of insurance in the changing climate is clear: we are here to provide financial protection and resilience against increasingly frequent and severe weather-related losses, helping individuals, businesses, and communities recover and adapt. By focusing on partnerships, innovation, and accessible solutions, we at Santam aim to support sustainable growth and bridge the protection gap across the communities we serve.

In this new era of risk, we challenge the industry to rise to these responsibilities because our choices today will shape our resilience of tomorrow. Every initiative, every product, and every partnership can contribute to a more resilient future – one that ensures our collective ability to withstand and recover from the shocks of a changing climate.

> Brokers (specifically with binders) play a crucial role in claims management, and having a trusted supply chain partner can make all the difference. However, constant lower cost of claim is the main driver.

THE EVOLUTION OF INSRAP AND ITS VALUE PROPOSITION FOR BROKERS

Tony Van Niekerk, COVER

In the ever-evolving landscape of insurance and claims management, efficiency, cost-saving, and streamlined processes have become paramount.

Recently, I had the opportunity to speak with Cameron Clark, Business Executive at INSRAP, and Alan Kinloch, General Manager, about the origins of their company and how their approach has evolved over the years.

INSRAP was founded in 2016 as an spawned out of Admin Plus, a company specialising in mobile device insurance. Recognizing an opportunity to create a supply entity that aggregates pricing, integrates multiple suppliers, and streamlines the claims process, INSRAP quickly grew into a fully independent entity – INSRAP is a company that by design has a purpose to reduce the cost of a claim (Its owned and built by "insurance people") as opposed to a cellular wholesaler/retailer supplier will by design, seek to inscrease sales and margins. A very subtle yet distinctive difference. According to Cameron, what started as a basic idea for an online e-commerce replacement business has expanded into something much more comprehensive. Today, INSRAP provides replacements for electronic devices, white goods, brown goods, and repair services, making it a key replacement partner in the industry.

The Drive for Speed and Efficiency

Speed and efficiency are at the core of INSRAP's operations. Cameron emphasised the importance of keeping customers updated throughout the process, as delays in replacement can significantly impact customer satisfaction – In the cellular space specifically speed and human touch are so important. INSRAP ensures that orders placed before 2:00 PM are fulfilled 93% of the time within a 24-hour period in main metropolitan areas, Various courier services are utilised to maintain timely delivery, yet cost of claim reduction remains paramount

From a broker and insurer perspective, this level of efficiency is critical. The ability to provide swift replacements means that brokers can uphold service levels and maintain trust with their clients. In an industry where expectations are high, INSRAP ensures that customers receive their replacements promptly and with minimal hassle.

The Value Proposition for Brokers

INSRAP's partnership with insurers and thier brokers is built on reliability, transparency, and efficiency. Brokers (Specifically with binders) play a crucial role in claims management, and having a trusted supply chain partner can make all the difference. Cameron highlighted several key benefits that brokers experience when working with INSRAP – However constant lower cost of claim is the main driver.

- *Personalised Service:* Brokers have direct access to INSRAP's team, ensuring smooth communication and seamless claims processing. All of this can be done online
- *No Additional Fees:* Unlike other supply partners in the market, INSRAP does not charge fees for their services, providing cost savings without compromising on quality.
- *Vetted Suppliers and Strong Contracts:* By ensuring strict service level agreements (SLAs) with suppliers, INSRAP guarantees a legitimate and reliable supply chain, offering peace of mind to brokers and their clients.
- *Expert Technical Assistance:* Many brokers may not have in-depth knowledge of device specifications. INSRAP's team assists brokers in determining suitable replacements, verifying device specifications, and ensuring fair value replacements.

To become an INSRAP partner, brokers can easily connect through INSRAP's website and undergo a simple onboarding process. Training sessions are conducted to familiarise claims handlers with the system, and each consultant receives personalised logins for easy access. The goal is to integrate smoothly into the broker's existing workflow, minimising disruption while maximising efficiency.

INSRAP also offers an online chat function and direct communication channels, allowing brokers to get real-time assistance when needed. Whether it's identifying a suitable replacement device or handling customer queries, the support system ensures a frictionless experience.

A National Footprint and Competitive Edge

One of the standout aspects of INSRAP is its national coverage. Whether servicing brokers in major cities or remote towns, INSRAP ensures consistent service delivery. This extensive footprint enables brokers to serve their clients efficiently, regardless of location.

Cameron also emphasised that cost savings are a significant advantage. By keeping claims costs low, brokers can help maintain favourable loss ratios, reducing the risk of premium increases for their clients. This strategic approach benefits both brokers and insurers, making INSRAP a valuable partner in the insurance ecosystem.

As the insurance industry continues to evolve, technology-driven solutions like INSRAP are setting new standards in service excellence. By integrating technology yet maintaining personalised service, INSRAP provides brokers with the tools they need to remain competitive while ensuring policyholders receive fast, reliable replacements.

As we move into 2025, it's clear that INSRAP is well-positioned to continue its growth and deliver exceptional value to the insurance sector. For claims teams looking to optimise their claims processes and enhance their service offerings, INSRAP presents a compelling solution from your desktop.

Cameron, Alan, and the INSRAP team are paving the way for a more efficient, cost-effective, and customer-centric approach to claims replacement. With a strong commitment to innovation and service, they have positioned themselves as an essential partner in the insurance industry.

TECHNOLOGY

When discussing digital transformation, it’s important to emphasise that it’s not just about AI.

Graham Harvey, CEO of Cardinal Group

DIGITISATION MASTERCLASS

brought to you by: COVER

The COVER Digitisation Masterclass aims to equip participants with the knowledge, skills, and strategic insights necessary to lead digital transformation initiatives in their organisations effectively, in a fast paced, digitally transforming industry.

Benefits of attending:

Enhance your understanding of digital technologies, supporting the creation of strategic vision to give you a competitive advantage in improved operational efficiency and optimal business growth.

A 02 DAY IN-PERSON WORKSHOP HOSTED IN NAIROBI & ACCRA.

Acquire new skills and knowledge that can be applied in your current role or for future career advancement & Position yourself as a leader, capable of driving change and innovation in digital transformation within your organisation

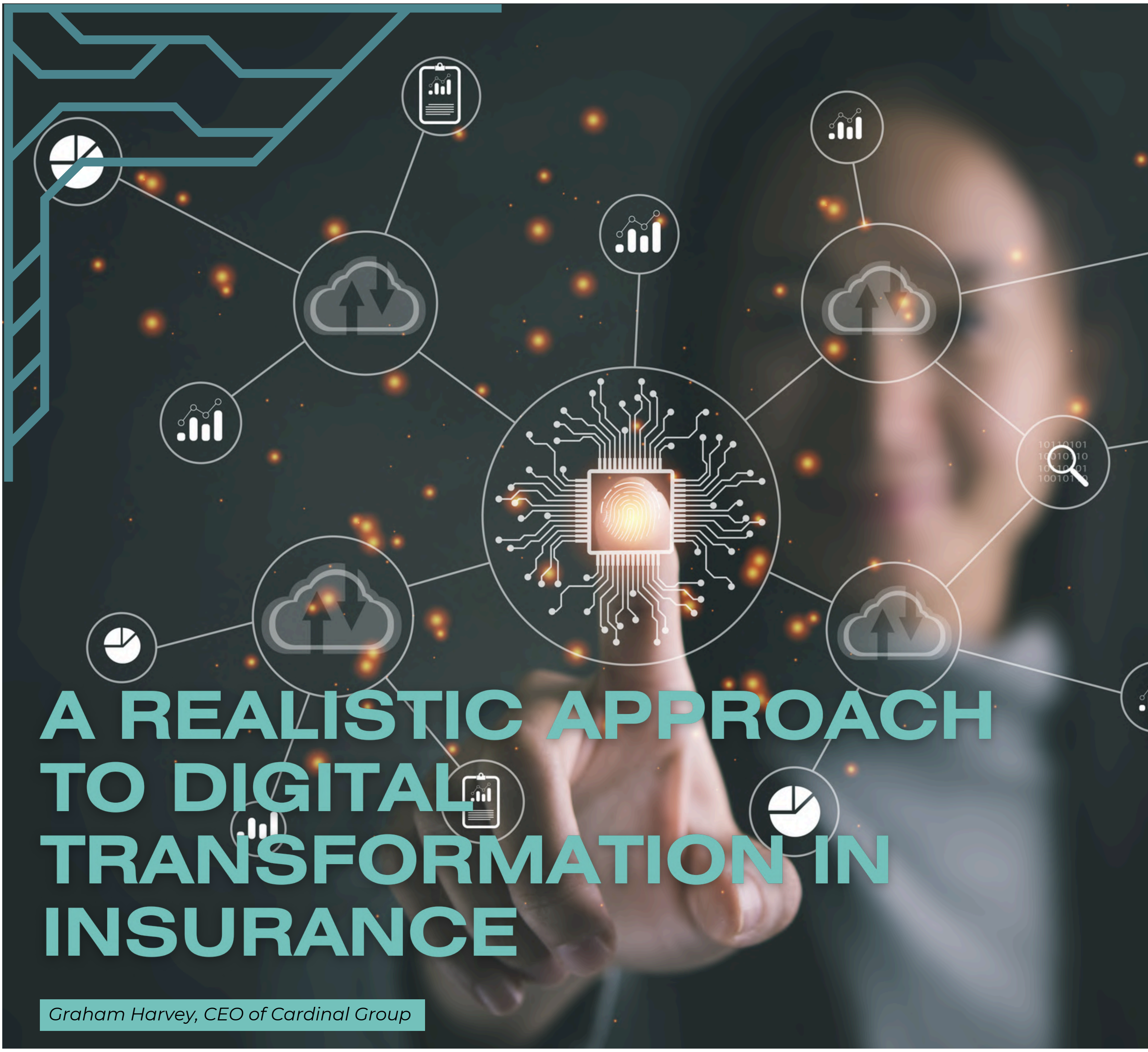
WWW.COVER.CO.ZA

DATES TO BE CONFIRMED

COST TO ATTEND:

$ 1,150

1 PERSON



A REALISTIC APPROACH TO DIGITAL TRANSFORMATION IN INSURANCE

Graham Harvey, CEO of Cardinal Group

In recent years, discussions around digital transformation have been dominated by buzzwords like Insurtech, artificial intelligence (AI), machine learning, and robotics.

While these terms capture the imagination, they often mask the deeper challenges and opportunities faced by industries like insurance.

During a recent conversation with Tony Van Niekerk from COVER, I shared my thoughts on what digital transformation truly means and how businesses can approach it strategically.

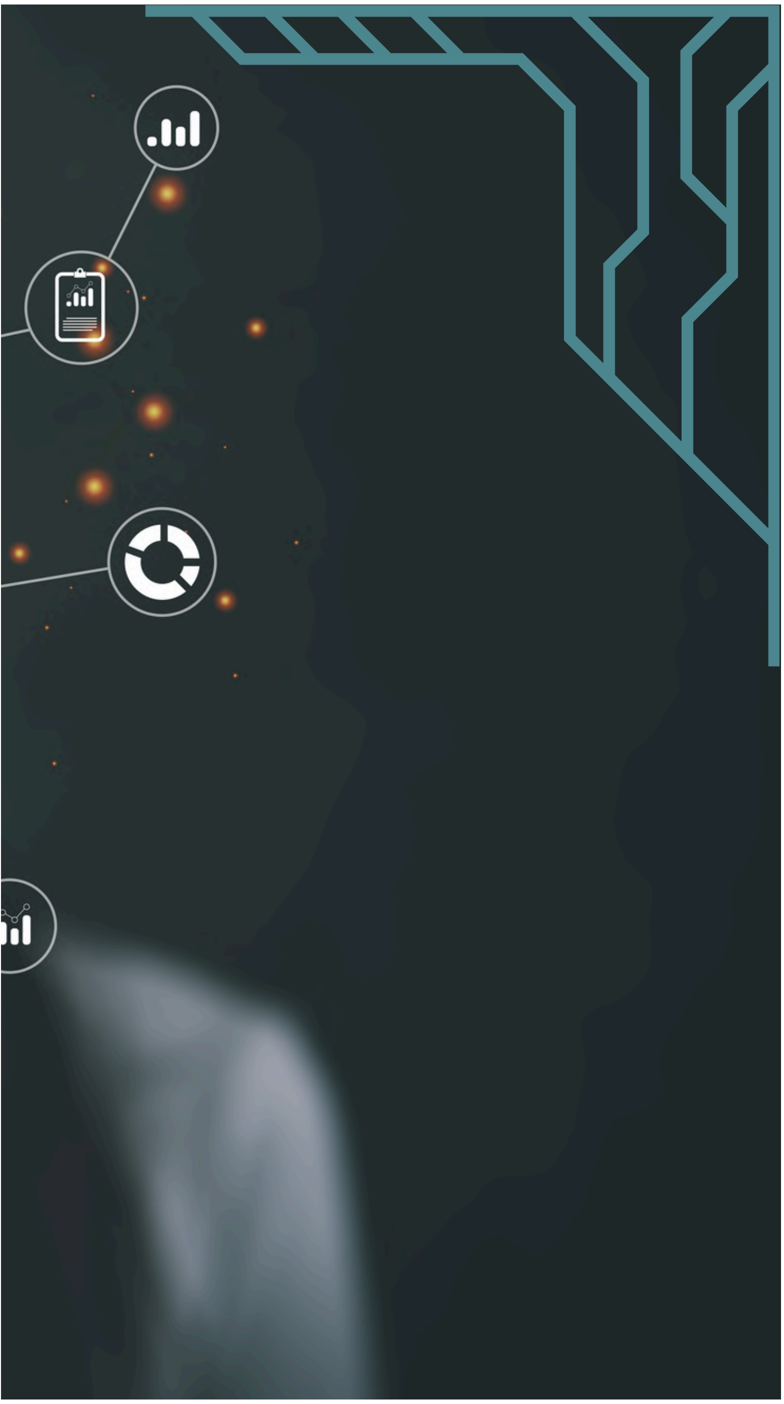
Buzzwords vs. Reality

The last two years have seen AI emerge as the central theme in technology conversations. It's easy to get caught up in the excitement of AI-powered tools, whether they involve voice sentiment analysis, visual recognition, or process automation. These tools, deployed in cloud environments with sleek front-end interfaces, certainly represent powerful innovations. However, much of the current activity in AI feels like "tinkering" rather than transformative progress.

In many cases, companies are experimenting with AI to solve specific problems, such as extracting data from hard-copy documents using optical character recognition (OCR). While this is a step forward, these solutions often falter when confronted with variability—like a change in document format. This underlines the fragmented nature of many digital transformation initiatives. They're often narrowly focused and lack the comprehensive strategy needed to drive meaningful change.

The Leadership challenge

One of the key points I raised in my conversation with Tony is that digital transformation cannot simply be outsourced to external consultants. While consultants can provide valuable insights, they are unlikely to fully understand the unique challenges and opportunities within an insurance organisation. Each company's environment is distinct, and successful digital transformation requires leadership and expertise from within the organisation itself.



> You can't just rip out core processes and replace them with AI without system providers being part of the process.

Reskilling employees and fostering a culture of innovation are critical. Leaders must prioritise building internal capacity to drive transformation. This involves not just adopting new technologies but also redefining processes, rethinking customer interactions, and aligning the organisation's goals with its digital ambitions.

Moving beyond AI

When discussing digital transformation, it's important to emphasise that it's not just about AI. True transformation is about reimagining how a business operates at its core. This includes everything from workflows and customer engagement to data management and compliance. For example, many insurance companies still rely on outdated processes, such as paper forms and manual data entry. Digitising these processes is just the first step. The ultimate goal should be to create a seamless, customer-centric experience.

Digital transformation is also about addressing fundamental challenges like data privacy and workforce readiness. As technology evolves, so do regulatory requirements and consumer expectations around data security. Companies must be proactive in addressing these issues, ensuring that their digital strategies are not only innovative but also compliant and trustworthy.

A Holistic approach to transformation

One of the key takeaways from my discussion with Tony is that digital transformation cannot be approached as a one-size-fits-all solution. Instead of trying to implement a sweeping strategy, companies should focus on addressing specific problems or opportunities, one step at a time. This targeted approach allows organisations to build momentum and learn from each phase of their transformation journey.

For example, an insurance company might start by automating claims processing to improve efficiency and reduce costs. Once this process is optimised, the company can turn its attention to other areas, such as customer onboarding or policy management. By breaking the transformation process into manageable phases, organisations can achieve sustainable progress without becoming overwhelmed by the complexity of change.

Looking ahead

As we move into 2025, the insurance industry faces a pivotal moment. The potential of digital transformation is immense but realising that potential requires more than just adopting the latest buzzword-driven technologies. It demands a strategic, customer-centric approach that prioritises innovation, internal leadership, and a willingness to tackle complex challenges.

Ultimately, the companies that will thrive in this new era are those that view digital transformation not as a technology project but as a business-wide initiative. By focusing on building internal expertise, addressing specific challenges, and fostering a culture of continuous improvement, insurers can position themselves for long-term success.

As Tony aptly summarised during our conversation, "You're not just transforming a system or a platform; you're transforming a business." This mindset is essential for any organisation seeking to navigate the complexities of digital transformation and emerge stronger, more innovative, and more customer-focused than ever before.

I believe the magic of digital transformation lies in its ability to bring people, processes, and technology together in a way that creates real value for customers and businesses alike.

By staying focused on the bigger picture and investing in the right areas, the insurance industry can unlock its full potential and set a new standard for innovation and agility.

CONTINUOUS PROFESSIONAL DEVELOPMENT
★ CPD ACCREDITED ★
NETSTAR

WHY TELEMATICS ADOPTION IN SA IS AMONG THE HIGHEST IN THE WORLD

Netstar

Telematics demand in South Africa is keeping pace with countries such as the US and Singapore, here's why.

The telematics industry is growing exponentially in South Africa, not just in terms of market penetration, but also in the variety and complexity of its products as the technology becomes available to a wider audience at a lower cost.

Industry experts at Netstar, a leading telematics and vehicle recovery services provider, say that telematics adoption in South Africa is growing compared to the rest of the world, and various reports back up these claims.

The mature SA market

Berg Insight is a vehicle industry analyst and consulting firm in Gothenburg, Sweden, with a special interest in automotive telematics. The findings in their latest in-depth analysis shows that the penetration rate of telematics in South Africa is comparatively high compared to other countries. And this is backed up by reports from McKinsey and Company, a global management consulting firm. In their report, the firm defines the telematics space in South Africa as a mature market, noting that South Africa has the third highest penetration rate in the world, after the US and Italy.

The impact of usage-based insurance

The findings in the McKinsey report shows a link between South Africa's demand for vehicle telematics and demand in the country for usage-based insurance (UBI), coverage based on the actual distance a customer drives and other driving variables, such as location, speed, and driver behaviour. "UBI relies on telematics devices to collect vehicle-operating data that insurance companies can analyse to price insurance policies more accurately, assess claims and even recreate accidents for analysis," McKinsey notes.

As a country with a growing demand for UBI, the person on the street is more familiar with this concept of processing logistics, distribution and insurance claims, all processes widely used in the northern hemisphere.

"Vehicle telematics is being used extensively by insurers and OEMs in Europe," explains Paul Visser, principal product manager at Netstar. "Pay as you drive' and 'how much you drive' are the most popular models," he points out. These models have been central to telematics
technology merging with insurance and are a result of the expansion of the Internet Of Things (IOT) technology into our everyday lives.

The Internet Of Things (or IOT) is an umbrella term that describes the use of devices with sensors that collect and process and exchange data. This flow of data-processed information between devices and the actions that follow are evident in telematics technology.

McKinsey and Berg Insight note that South Africa's marketplace has all the ingredients for UBI to flourish, but Netstar's Visser says there are more evolved and technologically advanced aspects of user-based insurance to keep in mind.

More than mere recordings

When it comes to vehicle telematics, it's not just about recording how much you drive and basing your premiums on this data, but also how you drive. "There is a shift to the 'Pay how you drive' model," Visser says.

The "how" element is crucial and shows the advancement of telematics technology. It's no longer just about the wheels turning but also about the safety of the passengers, the fuel costs, the efficiency of the route and the service plans of the engine. All of which has helped vehicle telematics gain traction in SA.

Netstar has developed several scoring models that track drivers' behaviours.

"These include time of day driving and over-speeding scores by road-speed bands," says Visser. This is a level of data-driven complexity that ensures the longevity of a vehicle, its driver, its passengers, and its cargo.

More affordable telematics

The research shows that South Africa shares the stage of top telematics-using countries with Singapore, Italy, and America, and has left experts interested in the drivers behind this growth in South Africa, something of an outlier among the above developed nations.

According to the Berg Insight report, South Africa has a "relatively mature telematics market" despite the country's weak economic performance. So, what's the reason behind the uptake?

This enthusiasm for telematics and dependence on data suggests an increase in affordability of telematics technology. Suddenly, and thanks to a well-documented steady rate of refinement and innovation on the global telematics sphere, the perks of user-based insurance are available to everyday South Africans.

Commercial use

One of the prime uses for telematics in vehicles on a business level in South Africa is in fleet management.

The team from Berg Insights predicts that the number of active fleet management systems in SA will grow at a compound annual growth rate of 12.2% and will culminate in 3.8 million telematics units on our roads by the end of 2027.

All of these will be driven by telematics technology and, perhaps most crucially in our country's context, these facilities are becoming more and more affordable. Rickard Andersson, the principal analyst at Berg Insight, ranks Netstar as being one of the top players in the South African fleet market.

A call for safety

One of the significant findings in McKinsey's report is that the rapid demand for telematics in South Africa is voluntary, whereas in other countries, such as Russia and Mexico, anti-theft technology is compulsory.

The analysis shows that Russia has mandated a anti-theft system for new cars by the end of 2017, and Mexico has sought mandatory radio-frequency-identification (RFID) tags to bolster vehicle anti-theft systems. Other countries such as China, Germany, Singapore, and South Africa have voluntary systems that provide UBI incentives.

Even though it's up to the vehicle owner's discretion, the uptake is significant compared to countries that enforce UBI. Recently released figures by the South African Police Service (SAPS) showed that over 2 500 truck hijackings had taken place in the first three months of this year, and it's understandable that safety on the roads is on many a South African's mind.

The research shows that South Africa shares the stage of top telematics-using countries with Singapore, Italy, and America, and has left experts interested in the drivers behind this growth in South Africa, something of an outlier among the above developed nations.

New tech, new opportunities

New players tend to enter the market as it expands, says Visser of Netstar. "There is also a movement where the monitoring of and communication with customers are being managed by third-party companies on behalf of the insurers," he explains.

They are already seeing a third-party approach in the telematics sphere when it comes to installing telematics consoles; new cars come off the showroom floors with telematics installed, but it's advisable to install a separate telematics system alongside the original equipment manufacturer (OEM) version.

Telematics and FNOL

"The majority of the insurers are keen on utilising first notification of loss (FNOL) as a service," says Visser.

FNOL is the initial report made to an insurer following a significant event such as theft, loss, or damage to an asset. Typically, this first notification will come through before any formal claim is filed. After this, a series of procedures must occur before a settlement can be made, and it's this often-arduous back and forth that creates friction between insurer and the insured. Telematics can remove this hurdle.

Using telematics technology, the owner and the insurer can get access to live, real-time feedback, and correct quantitative data that supports the event. Now, first notifications of loss can be instantly observed and documented, which allows for quicker processing and more accurate premiums.

The development of DaaS

Data-as-a-Service (DaaS) is the culmination of telematics technology and IOT-driven technology. Netstar, for example, offers DaaS offerings which record critical data from day-to-day vehicle use. A recent research report released by Market Research Future has predicted the Data as a Service industry to grow to over $67 billion by 2030.

What is Data as a service (DaaS)? It's a data management strategy utilising the cloud to deliver data storage, integration, processing, and analytics services, all through a network connection. The cloud aspect is critical, as it means that applications don't have to run locally on devices.

And while DaaS is following in the footsteps of its software as a service (SaaS) predecessor, it's only recently that adoption rates have increased. The reason for this delay was that the original cloud computing services couldn't handle the workload, but thanks to low-cost cloud storage and bandwidth, DaaS has become infinitely practical in today's data-driven marketplace.

What are the benefits of Data as a Service?

Lower operation costs, deep business insights, fast paths to innovation and improved risk management count among a few. In the vehicle safety and insurance context, because of South Africa's steady adoption of telematics technology, one can access a DaaS model that allows clients to stream and consume secure data.

The emphasis is on security, as the model is compliant with the POPI Act and the GDPR.

For a vehicle-user subscribed to the DaaS system, the benefits include reducing fraudulent claims, better tracking of assets, reducing costs through improving efficiencies, better driver behaviour, prevention against accidents and losses, and ultimately a better relationship with the client.

South Africa is holding its own as a mature player in the telematics standings, despite its economic challenges. The reason for this reliance on usage-based insurance (UBI) speaks of an emerging market hungry to embrace the benefits of technology in the interests of streamlining processes and mitigating risks, say the experts. It also shows a sense of self-reliance that defines many of the citizens of this country – people are voluntarily signing up for telematics controls based on a need to counter the effects of crime.

It also seems that the market is being carried by the momentum of an already established telematics industry. Telematics is no longer a foreign concept in South Africa, and since it's a part of vehicle-based commerce, it is only natural that the technology will advance further and bring with it more user-specific benefits. These include the speed at which FNOL are received and processed, slicing through the red tape that hinders client relations between insurers and their customers. Alongside the efficiency of FNOL is the arrival of DaaS.

By embracing DaaS, the most user-specific conclusions can be generated through the streams of a client's data. This level of attention to detail can cut through inefficiencies and reduce risk, which is what insurance is all about.

TRANSFORMING SALES AND SERVICE IN BANKING: ESCAPING THE APP TRAP

Eshmael Mpabanga, Client Account lead within the Financial Services practice at Accenture, Africa

In today's rapidly changing digital environment, mobile apps have become essential for managing both personal lifestyles and financial activities. However, despite their critical role, many banks find themselves caught in what we call the "vicious app trap." This trap arises from the tension between the seamless, relevant experiences banks aim to offer their customers, the technological constraints they face, and the organisational rigidities that prevent effective execution.

Accenture works with banks across the globe, and the challenges it encounters are remarkably consistent. However, simply acknowledging these issues is not enough. To achieve real transformation, banks must take immediate and decisive action to break free from this trap and improve their sales and service operations. The vicious app trap is a multifaceted challenge involving:

- *Customer expectations:* Today's customers expect a mobile banking experience that is intuitive, seamless, and deeply personalised. With the rise of digital-native services and on-demand solutions across industries, customers have grown accustomed to having information and services at their fingertips – whenever and wherever they need them. The mobile app is no longer seen as just a tool to access accounts or check balances; it has become the primary interface through which customers manage their finances, investments, and even broader lifestyle needs such as budgeting, saving, and shopping.

This shift has elevated expectations to new heights. Customers want their mobile banking experience to reflect their individual needs and preferences, offering tailored services that anticipate their financial decisions. They demand frictionless interactions, easy navigation, and immediate access to relevant insights, from personalised financial advice to automated notifications about spending habits. The challenge for banks is how to meet these heightened expectations and deliver an experience that feels intuitive and engaging, while also ensuring that the underlying banking services remain secure and efficient.

- *Technological constraints:* Despite the growing need for innovative mobile experiences, many banks are still burdened by legacy systems and fragmented technology stacks that impede their ability to deliver state-of-the-art solutions. These outdated systems were often designed for a different era of banking – before mobile technology and digital transformation became central to customer engagement. As a result, many banks struggle to integrate modern mobile solutions with legacy back-end infrastructure, which can cause delays, system incompatibility, and a lack of flexibility.

This technological lag creates a significant disparity between what customers expect and what banks can realistically deliver. While new technologies – such as cloud computing, AI, and machine learning – offer the promise of advanced capabilities, integrating these innovations with older systems can be a slow and complex

> *Banks must go beyond merely acknowledging challenges and take actionable steps to drive transformation. The first step is adopting a customer-centric design approach, focusing on mobile app features that enhance the customer's financial wellbeing.*

Eshmael Mpabanga, Client Account lead within the Financial Services practice at Accenture, Africa process. Additionally, many banks face challenges in scaling their mobile apps to accommodate the growing number of services and functionalities that customers now expect. Without a unified, adaptable tech stack, banks can find themselves perpetually playing catch-up, unable to provide the seamless, innovative mobile experiences their customers demand.

- Organisational hurdles: Even with the right technology, many banks find it difficult to execute a unified mobile strategy due to internal organisational hurdles. Many financial institutions still operate with siloed structures where different departments – such as IT, marketing, and customer service – function separately rather than collaborating toward common goals. This lack of coordination makes it difficult to align resources and priorities across the organisation, resulting in fragmented efforts that fail to deliver the desired mobile experience.

Moreover, resistance to change is often deeply ingrained within organisational cultures. Banks, particularly large, established ones, tend to have long-standing processes, hierarchies, and legacy ways of working. Change – especially rapid, technology-driven change – can be seen as a threat to existing power structures, creating reluctance to adopt new practices. This resistance can hinder the implementation of mobile initiatives, delay decision-making, and lead to inefficiencies. Even if the necessary tools and platforms are in place, without the organisational will and agility to embrace innovation, banks can find themselves stuck in a cycle of missed opportunities and slow progress.

Moving beyond admiration: A call to action

Banks must go beyond merely acknowledging challenges and take actionable steps to drive transformation. The first step is adopting a customer-centric design approach, focusing on mobile app features that enhance the customer's financial wellbeing. Key elements such as personalisation, ease of use, and real-time support are essential for creating a meaningful customer experience.
Next, banks need to modernise their technology by investing in flexible, scalable platforms. Leveraging cloud computing, AI, and machine learning can help deliver more intelligent and responsive mobile experiences that meet evolving customer needs.

An agile transformation is also crucial. By embracing agile methodologies, banks can break down silos and foster cross-functional collaboration. This enables rapid iteration and continuous improvement, ensuring mobile apps stay aligned with customer expectations and technological advancements. Lastly, strategic partnerships with technology providers can accelerate innovation. Collaborating with external experts can help banks access cutting-edge solutions and expertise that may not be available in-house.

At Accenture, we are leading the charge in sales and service transformation within the banking sector. Our industry expertise and proven success make us a trusted partner for banks aiming to break free from the vicious app trap.

UNLOCKING THE POWER OF PREMIUM FINANCE

Fulcrum Premium Finance Managing Director, Sachin Govender

As insurance products evolve, so do the financial solutions that support them. Premium finance, an often under-recognised financial tool, has emerged as a transformative option for policyholders, brokers, and underwriters.

Fulcrum Premium Finance Managing Director, Sachin Govender, discusses the growing significance of premium finance, particularly in helping businesses manage cash flow and optimise capital in the insurance landscape.

What Is Premium Finance?

For those unfamiliar, premium finance might sound complex, but it's straightforward. Premium finance offers policyholders—particularly corporate and commercial entities—a structured payment option for their annual insurance premiums. Instead of paying a large, upfront amount, clients can spread the cost over monthly installments, freeing up capital for other essential business needs. Fulcrum Premium Finance focuses on simplifying this process for all parties, making it a flexible, short-term financing solution.

The Value Across the Insurance Chain

Premium finance benefits extend to everyone in the insurance value chain: policyholders, brokers, underwriters, and insurers. Let's break down how it adds value for each.

1.Policyholders: Premium finance helps clients, particularly those with substantial insurance costs, manage their budgets. It offers the convenience of making smaller monthly payments instead of a single large outlay. This flexibility allows businesses to allocate their cash flow more effectively, whether for operational improvements or capital expenses. In some cases, there's even a VAT benefit when switching from a monthly to an annual policy, adding further financial efficiency for clients.

2.Brokers: Brokers gain numerous advantages. Firstly, they receive their commission upfront, improving cash flow and reducing administrative tasks, as Fulcrum handles the collections. Brokers can focus on what they do best—serving clients and growing their business—while we manage the financial side. Additionally, premium finance offers brokers a new way to enhance their client relationships by providing flexible payment options.

3.Underwriters: Like brokers, underwriters benefit from improved cash flow and reduced administration, as Fulcrum assumes responsibility for debit orders and client collections. With cash available immediately, underwriters have more options to invest or allocate their funds, potentially increasing their returns.

Premium Finance in the Commercial Sector

Premium finance has proven particularly popular in industries with high insurance costs, such as manufacturing and real estate. In these sectors, the ability to finance significant premium amounts is invaluable, enabling companies to invest in their operations without

> *Brokers enhance their client relationships by offering flexible payment options, showing clients they're not just selling policies but providing tailored solutions.*

depleting their capital reserves. For instance, instead of allocating substantial sums to annual insurance payments, a manufacturing firm can use that cash for equipment upgrades or expansion.

The real estate sector is a good example of an area of rapid growth, with premium finance becoming a key tool for real estate companies that face steep insurance costs. With premium finance, these companies can spread their payments over time, freeing up working capital to allocate to property maintenance, renovations or acquiring additional properties.

Brokers and Client Engagement

Brokers play a pivotal role in introducing premium finance to clients. Fulcrum works closely with brokers, allowing them to lead the client relationship and determine the level of Fulcrum's direct involvement. Brokers typically initiate the premium finance process by contacting Fulcrum, whose dedicated team provides quotes and handles documentation within a day—much faster than traditional financing options.

Fulcrum's swift approval process is another key advantage. While traditional bank financing can take a week or longer, we pride ourselves on a turnaround time of less than a day. This speed enhances brokers' service capabilities, enabling them to offer immediate solutions to clients.

Streamlined and Secure Financing

One of the standout aspects of Fulcrum's premium finance offering is its simplicity and security. Unlike other forms of financing, which often require collateral, Fulcrum's only security is the underlying insurance policy. In the rare case of default, Fulcrum's claim is limited to the policy's value, ensuring minimal risk and simplifying the process for clients.

Conclusion

Premium finance is more than just a payment option—it's a financial tool that supports growth and stability across the insurance value chain. Premium finance is all about giving clients options. In a time when flexibility and cash flow management are essential, premium finance stands out as a value-added service that benefits brokers, underwriters, and most importantly, policyholders. Fulcrum Premium Finance continues to lead in this space, helping businesses make the most of their resources while supporting brokers in delivering a comprehensive service to their clients.

For more information on Fulcrum Premium Finance and how it can support your business, visit Fulcrum.co.za.

FROM EPP TO AI:
THE FUTURE OF ENDPOINT SECURITY FOR BUSINESSES

Kumar Vaibhav, Lead Senior Solution Architect - Cyber Security at In2IT

Endpoint security is a critical pillar of cybersecurity, especially for South African businesses, which are becoming prime targets for cybercriminals. Endpoint security involves safeguarding devices such as laptops, desktops, mobile devices, and servers connected to a network from a range of cyber threats. As the number of connected devices continues to grow, understanding the key terms associated with endpoint security is essential for organisations aiming to protect their digital assets effectively.

Key terminologies in endpoint security

At the forefront of endpoint security is the Endpoint Protection Platform (EPP), the first layer of defence designed to prevent threats. Often compared to traditional antivirus software, EPP offers basic protection. However, as cyber threats become more sophisticated, so must the tools that combat them. Endpoint Detection and Response (EDR) takes things further by adding incident response features that allow for a deeper analysis of security events on devices. There are several security vendors that provide robust endpoint security solutions which enable businesses to monitor and respond to potential threats more efficiently.

Another powerful tool is Extended Detection and Response (XDR), which integrates data from multiple sources—such as networks and cloud environments—to provide a more comprehensive view of security incidents. This is especially useful in today's interconnected business world, where organisations operate across diverse platforms.

For businesses needing extra expertise, Managed Detection and Response (MDR) services offer the ability to outsource security to third-party providers, allowing companies to leverage specialised resources without maintaining an in-house security team.

The role of artificial intelligence in enhancing security

Artificial Intelligence (AI) is revolutionising endpoint security, significantly improving the detection and response to threats. Using advanced behavioural analysis, AI can spot anomalies in processes, alerting administrators to potential risks before they become critical. For instance, AI can detect unusual login attempts that could indicate stolen credentials or insider threats. This technology is especially valuable for Security Operations Centre (SOC) analysts, who are often overwhelmed by a flood of alerts. By automating responses to lower-level threats, AI frees up analysts to focus on more complex challenges.

AI also excels at zero-day vulnerability detection through predictive analysis, identifying potential weaknesses before cybercriminals exploit them. As threats become more advanced, the integration of AI into endpoint security strategies is no longer just beneficial—it's essential.

Building an adaptive endpoint security framework

A successful adaptive endpoint security framework consists of several components working together to form a robust defence. EDR and XDR solutions are vital in detecting abnormal activity and providing insights into the nature of threats. For example, if an EDR system detects unusual network traffic from a workstation, XDR can offer further analysis to determine if the activity is malicious.

Sandbox environments also play a crucial role, allowing security teams to examine potentially harmful files or scripts in a controlled setting without risking the integrity of the broader system. This proactive approach helps organisations understand and counteract

Kumar Vaibhav, Lead Senior Solution Architect - Cyber Security at In2IT threats before they spread. Integrating threat intelligence and keeping systems updated with timely patches ensures defences stay strong against known vulnerabilities.

Sandbox environments also play a crucial role, allowing security teams to examine potentially harmful files or scripts in a controlled setting without risking the integrity of the broader system. This proactive approach helps organisations understand and counteract threats before they spread. Integrating threat intelligence and keeping systems updated with timely patches ensures defences stay strong against known vulnerabilities.

Implementing advanced endpoint security strategies

For South African businesses looking to bolster their endpoint security, implementing advanced strategies is crucial. This begins with establishing stringent security policies that outline clear objectives and practices. Regular risk assessments help identify vulnerabilities and mitigate potential threats before they escalate.

A Security Operations Centre (SOC) is a great solution to provide real-time threat monitoring and response capabilities and given that human error is a significant contributor to cyber incidents, comprehensive employee training should also be essential to reinforce security protocols across the board.

Leveraging expert third-party IT companies

Third-party IT companies play an invaluable role in helping businesses enhance their endpoint security. These providers offer specialised expertise and resources, allowing organisations to strengthen their security posture without hefty investments in technology or personnel.

By outsourcing security services like MDR, businesses gain access to cutting-edge technology and expert insights, enabling them to focus on their core operations while staying protected against ever-evolving cyber threats.

The strategic importance of robust endpoint protection

In business, where digital transformation is accelerating, strong endpoint security is more than a technical necessity—it's a strategic imperative. As companies increasingly depend on technology, they become more vulnerable to cyberattacks that can disrupt operations and compromise sensitive data.

To safeguard their future, businesses must invest in comprehensive endpoint protection strategies that incorporate advanced technologies like AI and partner with expert third-party providers. This not only helps protect critical data but also fosters trust among clients and stakeholders in today's increasingly digital world.

As cyber threats continue to evolve, businesses must stay ahead by continually enhancing their endpoint security efforts.

> *As the number of connected devices continues to grow, understanding the key terms associated with endpoint security is essential for organisations aiming to protect their digital assets effectively.*

GET IN TOUCH

If you'd like a COVER team member to get in touch around editorial, subscribing, or you would like to find out about one of our holistic bundles, we'd love to hear from you.

Email: *Brent@cover.co.za*

Telephone: *083 567 0757*

Address: *COVER Publications*
25 Harbour Heights Drive, Simons Town, 7975

Contact us

#knowledgeshared