



Communicator

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INSURANCE INSTITUTE

NORTHERN GAUTENG

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PRESIDENTS MESSAGE 2024

Dear Esteemed Members, Partners and Colleagues,

It is with immense honor and gratitude that I embark on my second term as President of the Insurance Institute of Gauteng North (IING). As we journey forward together, I am filled with a deep sense of pride for the accomplishments we have achieved and the challenges we have overcome.

Since its inception in 1954, our Institute has evolved to meet the ever-changing needs of insurance professionals and the broader landscape of the insurance industry. We stand as a beacon of professionalism and excellence, committed to advancing the interests of our members and promoting the highest standards of integrity and service.

I would like to extend my heartfelt gratitude to the insurance companies, brokers and service providers within our sector for their unwavering support. Your hard work, dedication and commitment to serving clients and the community are the bedrock of our industry, and I am truly grateful for your partnership.

However, despite our successes, we cannot ignore the challenges that lie ahead. Cybercrime continues to rise, posing a significant threat to our industry as we rely more on technology. The upcoming elections bring uncertainty, with the potential for unrest that could devastate the economy and our sector. Additionally, weather-related catastrophes and economic shifts are impacting our business landscape, requiring us to adapt and innovate to stay resilient.

In the face of the challenges, we must embrace technological advancements and innovation within the insurance sector. Digital tools, data analytics and artificial intelligence offer opportunities to improve efficiency, enhance customer experiences and maintain competitiveness in the market.

At the IING, we remain committed to promoting continued learning and professional development for our members. I encourage brokers and insurance companies to participate in our training programs and certifications to stay abreast of industry best practices and enhance their skills.

Collaborations and partnerships are essential in addressing common challenges and driving innovation within our industry. I urge brokers and companies to foster relationships with other stakeholders, including reinsurers, regulators and service providers to collectively drive positive change.

I am confident in the resilience and dedication of the IING team, our members and our partners. Together, we have laid a solid foundation for continued growth, impact and excellence within our industry. With our shared commitment and collective efforts, I am certain that the IING will thrive and continue to make significant contributions to the insurance sector in Gauteng North.

Thank you for your dedication, your passion and your unwavering support.

Warm regards

Adèle Cronjé

President of the Insurance Institute of Northern Gauteng

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ENSURING THE FUTURE OF YOUR DIGITAL ASSETS

 **W. LOUW**
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ENSURING THE FUTURE OF YOUR DIGITAL ASSETS: A GROWING CONCERN IN THE DIGITAL AGE"

As our lives become increasingly intertwined with digital media, the question of what happens to our digital assets after we pass away looms large. From smartphones to smart fridges, digital interaction pervades every aspect of modern living, even reaching the "Before Computers and Cell phones" generation. Consider, for a moment, your current engagement with this article - on your phone, perhaps? Indeed, cell phones serve as our go-to devices for virtually everything, from communication to medication management.

However, the convenience of electronic devices comes with its fair share of hazards and risks, with concerns about online safety and security. In this context, it becomes essential to define what digital assets encompass. They encompass items that can be bought, sold, or held online but cannot be physically touched. Digital assets include anything stored and transmitted electronically via a computer or other digital device, entailing ownership or use rights.



The array of digital assets is vast and complex, ranging from music, movies, and education to gaming, photos, social media accounts, and even cryptocurrencies. As digital ownership becomes increasingly common, it is crucial to take control and add value to these assets. For instance, storing important documents and contracts received via email or messaging apps exemplifies the evolution of digital assets.

Understanding the extent of your digital assets is vital, necessitating creating a comprehensive list to ensure their smooth transition in the event of unforeseen circumstances. If you wish to preserve your digital assets for your family's benefit, taking action now is imperative. Reach out to us for assistance with your free will, which can encompass provisions for your digital assets.

In our next discussion, we will explore effective ways to manage your digital assets to safeguard your family estate effectively.



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KING PRICE INSURANCE: EMPOWERING BROKER PARTNERS FOR BUSINESS GROWTH

JUSTINUS VAN DER WESTHUYZEN, CEO OF KING PRICE INSURANCE

Most South Africans know King Price Insurance for our funny ads. But, while we don't take ourselves too seriously, we take what we do very seriously. And we're serious about growing the commercial side of our business. When I say 'commercial', I mean everything from business insurance to engineering, sectional title communities, agriculture and crops, commercial value-added products, and cybercrime. We also work with our broker partners to insure your clients' personal risks. We've got the full portfolio, and we're not afraid to use it.

Being a values-driven organisation means that our values inform every single decision we make. One of our values is 'customer is king' and everything we do relates to how we can continue to offer simple cheap insurance, backed up with royal service, to all our clients... Including yours.

In the intricate insurance ecosystem, where risk and uncertainty are the only constants, the role of our broker partners can't be overstated. We understand that enabling you to grow your businesses is paramount to our own success. But what does this mean in practice, and why do we work so hard to foster strong relationships with our broker networks?

Firstly, it's essential to acknowledge the unique challenges faced by brokers in the competitive landscape of commercial insurance. Brokers operate in diverse geographical areas, each with its own set of operating norms and client needs and, recognising this, we empower local decision-making rather than imposing cumbersome centralised processes. We believe that, by facilitating quick and efficient service, we enable the businesses of both our broker partners and your clients to run smoothly.

In the realm of commercial insurance, where time is of the essence and businesses can't afford delays, turnaround times are crucial. Unfortunately, the industry has been characterised by long turnaround times due to excessive administrative requirements and outdated processes. At King Price, we know that your clients can't wait for days to get their cover confirmed or claims processed. That's why we've streamlined our internal processes to ensure prompt responses and efficient service delivery.

Moreover, we understand that successful insurance relationships are built on collaboration and trust. Unlike traditional corporate insurers, which are often bogged down by red tape, King Price has adopted a more entrepreneurial and relationship-based approach. We prioritise open communication and problem-solving, inviting our broker partners to sit around the table with us and find solutions to their challenges. By fostering this collaborative environment, we ensure that our broker partners feel supported and valued every step of the way.

We've also invested heavily in our commercial division employees to ensure they're equipped with the knowledge and skills to provide exceptional service. Furthermore, we've developed cutting-edge systems in some areas, and implemented the systems that we know you use in your own offices, to enable real-time quoting and decision-making, thus putting control back into your hands.

At King Price, we recognise the pivotal role that our broker partners play in driving business growth and delivering value to clients. In fact, because we know that no one knows your clients' businesses better than you, or has a clearer understanding of your clients' business' unique risks, we'll only insure commercial risks through brokers.

In the 22/23 financial year, our broker book grew around 40% in premium... Due to a number of factors. The first of these is our systems integration. Secondly, our turnaround times on claims lead the industry. On our community insurance book for example, we're the only insurer that has a portal that can manage claims from end to end, from quoting to handling and settling a claim. We can produce quotes in seven minutes. Less time, less hassle and less admin.

Thirdly, we have strong industry expertise across all lines of business. Our products are world-class and talk to the needs of your clients. The fourth contributing factor is that we have an appetite for all levels of risk, which means you don't have to go anywhere else, and our reinsurance strategy is sound so you never need to worry about our ability to pay even the largest claims.

But most of all, while we're serious about our business and compliance, we also really value relationships. We listen. We have an open-door policy. We're people. And we know it's tough out there right now. That's why we're geared to helping you to maintain your client relationships and build your businesses.

By prioritising service excellence, embracing collaboration, and empowering our broker partners, we're not just building an insurance business; we're building lasting partnerships that will future-proof both your businesses and ours. Together, we're not just insuring risks; we're shaping the future of insurance in South Africa.

NAVIGATING HCV INSURANCE IN SOUTH AFRICA

A Guide for Insurance Brokers



CURTIS DAVEY - DIVISIONAL DIRECTOR

NATSURE HCV & COMMERCIAL A DIVISION OF NATSURE UNDERWRITING MANAGERS (PTY) LTD

For Insurance Brokers in South Africa, navigating the complexities of heavy commercial vehicle (HCV) insurance requires a deep understanding of the unique risks and challenges faced by businesses in the transportation and logistics sectors. The insurance broker's role is crucial in helping clients secure comprehensive coverage that protects their assets and mitigate potential liabilities. This article aims to provide insurance brokers with valuable insight into HCV insurance, empowering them to better serve their clients and enhance their business offerings.

Understanding the Landscape:

The transportation and logistics industry form the backbone of South Africa's economy, facilitating the movement of goods and services across vast distances and diverse terrains. Within this industry, heavy commercial vehicles, including trucks, trailers and goods transported, play a vital role in ensuring the efficient flow of goods and services. However, operating these vehicles comes with inherent risks, ranging from accidents to cargo damage to theft and third-party liability.

Tailoring Cover to Clients' Needs:

As an insurance broker, your primary objective is to understand the unique needs and risk profiles of your clients and tailor insurance solutions that meet their specific requirements. When it comes to heavy commercial vehicle insurance, this means considering factors such as the type and size of the vehicles, the nature of the cargo being transported, and the geographical areas of operation, as well as the client's budgetary constraints.

Comprehensive Cover options

This provides protection against a wide range of risks, including theft, fire, vandalism, and damage to the insured vehicle. For businesses operating in high-risk environments or transporting valuable cargo, comprehensive insurance provides peace of mind and financial security. Comprehensive insurance is particularly important for heavy commercial vehicles, given the likelihood of accidents and the potential for significant financial losses,

Third Party, Fire and Theft Cover / Limited Cover

This cover is restricted to loss or damage arising from fire, lightning, or explosion, or by theft or hijack or any attempt thereat.

Third-Party Liability:

This foundational coverage protects businesses against legal claims and compensation costs arising from accidents involving their vehicles. Ensuring adequate third-party liability coverage is essential for safeguarding clients against financial liabilities.

Goods in Transit Cover

This covers the goods/cargo being transported by the insured vehicle. It offers protection against losses or damage to the cargo caused by accidents, theft, and fire. It is important to obtain correct information to assess the risk of goods transported,





Optional Extension Cover

Depending on the nature of the business and the specific risks involved, HCV insurance can include additional specialized coverage options. This may include Pollution Liability, Loss of Use cover and Excess Buy Down options.

Factors Affecting Premiums:

Several factors influence the cost of HCV vehicle insurance in South Africa.

Vehicle Characteristics

The type, size, age and value of the vehicle being insured significantly impact insurance premiums. Newer, more expensive vehicles typically have higher premiums due to the increase cost of repairs or replacement.

Use and Distance Travelled

The intended use of these vehicles, including the nature of the routes and the frequency of operation, influence insurance premiums. Vehicles used for long-haul transportation may face higher premiums than those used for short-haul and local deliveries due to increased exposure to risk.

Driver Profile

It is imperative that operators/drivers of the Heavy Commercial Vehicle complies with the National Road Traffic Act 93 of 1996 (as amended) and the regulations issued thereunder or any relevant traffic ordinance insofar as they apply to vehicle licenses, clearance certifications, operator permits, Professional Drivers Permits and permits for handling certain dangerous goods transported.

Risk Management Measures

Implementing risk management measures such as driver training programs, vehicle maintenance protocols and security systems such as GPS Tracking devices and Camera systems can help mitigating risk of theft and assist with monitoring driver behaviour, ultimately minimizing potential losses.

Selecting the right Insurance partner

In navigating the landscape of heavy commercial vehicle insurance, the brokers must carefully select the right insurance partner to ensure the best outcomes for their clients. When choosing insurance providers, brokers should consider factors such as:

Reputation and Financial Stability

Choose an insurance provider with a solid reputation and a strong financial standing. It is important to look for proven track record of reliability and prompt claims settlement.

Cover Options

Seek out insurers that offer a comprehensive range of cover options and ensure that the specific needs of HCV operators are met. Look for insurers that offer customize policies tailored to the unique requirements of the clients.

Claims Process

Review the claims process and service reputation. A streamlined claims process and responsive customer support are essential for resolving issues quickly and minimizing downtime.

Competitive Pricing

While cost is an important consideration, brokers should prioritize value over price alone. Comparing premiums and coverage options from multiple insurers allows brokers to identify competitive offerings that meet their clients' needs and budgetary constraints. Finding the balance between cost and value is key.

HCV Insurance requires a comprehensive understanding of the industry's unique challenges and regulatory requirements. Partner with an insurer that understand the challenges and enhance the value proposition to the end user.

*Natsure HCV & Commercial a division of Natsure Underwriting Managers (Pty) Ltd an Authorised
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BROKERS TO LEAD A SHIFT IN FOCUS FROM RISK TRANSFER TO RISK MITIGATION

FANUS COETZEE - CEO | SANTAM BROKER SOLUTIONS

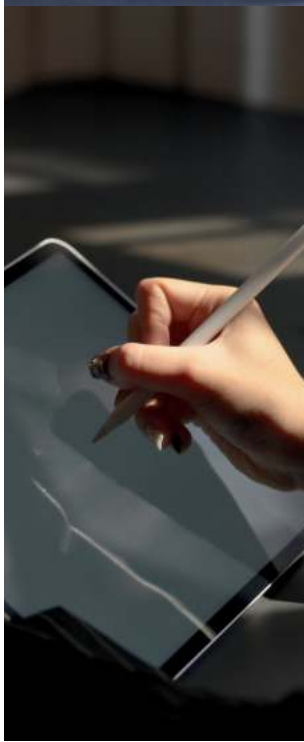
Brokers advising businesses and individuals on their short-term insurance cover have a tough job navigating the ever-changing risk environment, and constraints – such as policy exclusions and cover limits – that go hand in hand with the shifting environment. This complex risk landscape does, however, present an opportunity for brokers to differentiate themselves with a unique value proposition.


Insurers and brokers must learn to balance the tightrope between economic viability and providing effective value-driven cover to ensure the sustainable growth of the insurance industry. To do this, more emphasis is needed on risk management – shifting focus from ‘repair and replace’ to ‘predict and prevent’ with a move from commoditised risk transfer to collaborative risk mitigation as the cornerstone of sustainable, affordable insurance. Without a meaningful change in our approach to risk, brokers and insurers will end up perpetuating the cycle of double-digit premium increases as the industry response to the ever-increasing risk curve. This inflation-plus annual premium increase cycle will only be stopped by making clients more risk aware, investing in risk management, and redirecting premium savings to improve an insured’s risk resilience.

According to the latest Santam Insurance Barometer Report, 52% of brokers rate the track record in claim settlement as among the most important considerations when choosing an insurer. I couldn’t agree more, in fact, this number should probably be higher. Price, somewhat surprisingly, only featured 10th on the list. While price is important, the “best price” should not be confused with the best value policy – it is the quality of the cover that should be emphasised.

The research further showed that 40% of brokers surveyed had changed their insurer recommendations due to price. This is understandable in the current constrained economic market, but brokers should not sell policies based on price alone because clients who go the broker route are generally accepting of a higher premium in return for personalised advice and tailored risk solutions. They recognise that brokers are best equipped to solve the ‘risk management plus risk mitigation plus risk transfer equals price’ equation. If we sell on price alone, we risk our clients being better served by the cheaper direct and digital channels.

But tech has its place in the broker model too; greater use of digital platforms and technology in the broker segment is critical for driving business growth and enhancing efficiencies. The Insurance Barometer found that more than 30% of brokers planned to invest in IT infrastructure over the coming year. Although this was a positive finding, that number should perhaps be higher if we compare it with the almost 80% of commercial and corporate survey respondents who said they wanted more applications and tech-based services from their brokers. The goal is, however, to accelerate the use of technology in the risk management space; this is where insurers should invest more in innovation.






It's common knowledge that direct and FinTech channels pose a perceived threat to brokers. But the reality is that the barrier to entry for these models is very high and this will buffer their growth in the shorter term; and digitised commercial solutions are still some way off. It's important to note that these new solutions can be used by brokers too. By way of example, Santam has invested in Ctrl, which is best described as a multi-quote digital adviser for low-value, high-volume books such as motor insurance. It's still a broker model but is backed by artificial intelligence (AI) and digital technology. The innovation is aimed at offering advice-led insurance and easier quote integration to, for example, motor dealers at the point of sale.

Undoubtedly, the competition between direct channels and brokers will continue. Brokers add significant value in both the commercial and personal lines insurance space, but they cannot lose sight of why clients choose to transact through a broker, and how they deliver against those expectations. We hope to see more independent brokers professionalising their practices to offer risk management in addition to product advice. This would be a major win for an industry where the cost of claims to insurers, and premiums to insureds, is directly correlated to risk.

When dividing their time, brokers must now place greater focus on guiding their clients through the complex risk environment by conducting site visits and providing expert risk management advice. A more granular view of risk allows for accurate pricing and the structuring of hyper-sensitised, hyper-tailored solutions, further enhancing the value of broker-client interactions.



By way of example, if a broker is converting on average 40% of their engagements, it means they're getting a 60% discount on the advice they provide. There are significant benefits to changing this model over time. Santam has for some time now talked about the importance of monetizing advice so that brokers can invest in their practices to add value to clients through an advice-led offering. We are now starting to see a shift in this area. Some of South Africa's large national brokerages are investing in expertise by bringing on engineers as they build out their Risk Management Practices (RMPs). These RMPs have developed strong risk management interventions and advice capabilities and are competing in the corporate space with the likes of management consulting firms PwC, EY and Deloitte.

For smaller brokers without the resources to invest in an RMP, there is another advice-led model actively emerging. In this model, the broker works with large commercial and corporate risk committees, and for a fee, develops a risk management programme to help identify and understand risk exposures. As part of the risk management service, they review existing insurance policies to see if they are well-structured and to detect potential gaps in cover.

Going forward, technology, skill and expertise will be critical for future sustainability. Brokers who help clients prevent and manage risks and assist with restructuring policies, will add the most value by moving the inflection point from risk transfer to risk management and prevention. Brokers who upskill and differentiate themselves with a clear value proposition will ultimately triumph in this complex landscape. The shift in focus to risk management is non-negotiable to ensure the sustainability of the insurance industry – and to keep the wheels of the global economy turning.

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Now, as we celebrate this milestone, we're not just honoring the past; we're excitedly stepping into the future. Our dedication to excellence remains strong, as we continue to empower partners and make a positive impact. Our purpose, "We are a Force for Good, Creating Sustainable Shared Value by Doing Right by People," drives everything we do.

Join us as we celebrate 30 years of Brolink and embark on the next chapter of our journey. Share your memories and well-wishes on social media using the hashtag #Brolinkturns30.

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Insurance

THE RISKS OF BEING UNDERINSURED – AND HOW TO AVOID IT

KAREN RIMMER - HEAD OF DISTRIBUTION AT PSG INSURE

Insurance provides a much-needed safety net against unforeseen events and disasters, and it remains one of the most effective ways of preventing the potentially devastating financial impact of a sudden and unexpected loss. While most recognise the importance of having insurance, a less apparent but equally significant risk is being underinsured.

Sharing her expert advice on this topic is Karen Rimmer: Head of Distribution at PSG Insure. In the below release, Rimmer shares some insight into the frequency of underinsurance in South Africa, the factors that result in it – as well as how (and why) it should be avoided at all costs.

Underinsurance is common – but not for the reasons you may think. In many cases, being underinsured is less of an intentional decision and more of a miscalculation or a misunderstanding. Some policyholders, for example, become underinsured when they conduct property upgrades, for example, when doing alterations and renovations that make a material difference to their asset's market value. Others become underinsured when they fail to account for the rate of inflation and to update their cover accordingly as time progresses, an exercise that should be conducted annually.


“We may face affordability issues and will try to cut costs by lowering the sums for which they are insured. While this may provide temporary financial relief, it is a short-sighted approach, given that the cost of needing to cover the shortfall out of pocket is likely to lead to unmanageable financial hardship.”

According to insurance valuation experts, Quantam, recent statistics on the local market showed that almost 80% of South Africans are underinsured by over 50% of the value of their valuable possessions, compared to only 20.6% who are over-insured by just under 28%. These findings highlight a pressing need for consumer education on the implications of underinsurance and how to avoid it.

Consider a scenario in which someone takes out insurance on their home, but not enough cover to rebuild it entirely. Consider also that the basic principle of insurance is to return the owner of the asset to the same financial position that they were in prior to the damage or destruction of that asset.

“If the house in this scenario were to burn down in a fire resulting in a total loss, the insured would not be able to recover the full replacement value of the property via an insurance claim. Instead, the insurer will apply the ‘average condition,’ which indemnifies the client only for the portion of the loss that has been covered in the policy document. In this case, if the house were worth R2 million, but the value covered by the insurance policy was set at R1 million and the client tried to claim for a total loss – they would only be paid out the R1 million, leaving the client personally liable for the balance. The reason for this is because the client was underinsured by 50%,” says Rimmer.





However, should the client only need to claim for a partial loss, the payout will be calculated differently. Consider a scenario where the client, who insured their house for R1 million but the real value was R2 million, tries to claim for a partial loss of R400,000. In this situation, the client's insured value would be divided by the real value, and multiplied by the partial claim amount, resulting in a payout of only R200,000. This would again leave the client to foot the bill for the remaining 50%. Depending by how much a client is underinsured by, these calculations will be worked out differently.

According to Rimmer, instances like these can have serious, long-term financial consequences on both individuals and businesses. A similar principle would apply when it comes to insuring your home contents and similarly, care should be taken to ensure you are not underinsured. The good news is that it can be avoided

To avoid being underinsured, it is crucial to have a clear understanding of how to determine the sum insured and to work through the policy conditions thoroughly, with the help and guidance of an insurance adviser. Rimmer advises: "In the case of property, using a qualified surveyor to conduct a property valuation will ensure that the sum insured accurately reflects the value of the building as it appreciates over time. Additionally, it should be standard practice to take regular inventory of your house contents to ensure that every asset, from crockery and cutlery to garage items and clothing, is accounted for in the coverage amount.

When making significant new purchases or undertaking alterations that increase the property's value, these upgrades should be communicated to your insurer or broker who will provide insight into how the sum insured should be adjusted."

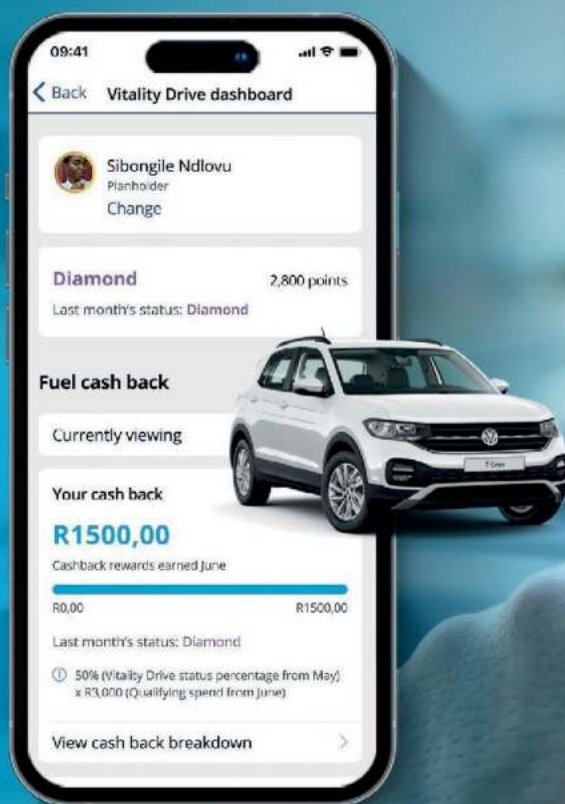
Furthermore, all valuations on assets such as jewellery, homes and antique furniture should be kept up to date to reflect the most current replacement rates. To simplify this process, some insurers provide checklists as helpful guidelines to prevent overlooking specific items in your coverage.

Regular policy reviews are a highly effective way of avoiding underinsurance and the pitfalls involved. Reviews offer clients the valuable opportunity to assess any changes that may have occurred in their lives, such as lifestyle changes or significant events.

As Rimmer concludes: "Several factors need to be considered in these reviews, which should be conducted in partnership with an adviser, who will be able to explain instances where policy wording has changed, or conditions updated. In general, being proactive is the key to making informed decisions that can accommodate your insurance needs as they evolve and will help ensure that you have sufficient coverage in place."

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SHORT-TERM INSURERS GRAPPLE WITH RECORD-BREAKING FREQUENCY OF CLIMATE CHANGE CATASTROPHES

SOUL ABRAHAM, OLD MUTUAL INSURE RETAIL CHIEF EXECUTIVE

The sustainability of short-term insurers is being put to the test in a world where the number and frequency of climate catastrophes is climbing. Yale Environment calculates that the US experienced 25 separate one-billion-dollar-plus catastrophic climate events – a record – in 2023 and the average time between these disasters shrank to 10 days compared with 82 days in the 1980s.

Elsewhere in the world, the Turkey and Syrian earthquake was the year's biggest humanitarian disaster and the catastrophe, according to Munich Re, with the greatest insured losses of \$5.5 bn. Drought, wildfires, and flooding were experienced in Europe and the East simultaneously during their summer season. Scientific research has found that the most notable trend in 2023 was the distinct upward trend in severe thunderstorms and heavy hailstorms as a result of climate change. Known as severe convective storms, the frequency with which these have occurred in the US during 2023 has been unprecedented.

South Africa had its own fair share of disasters, with the Western Cape floods and Ladysmith storms wreaking havoc on infrastructure and homes and the Gauteng earthquakes and hailstorm ratcheting up further insured losses that insurers must bear.

In all, natural disasters in 2023 are estimated to have resulted in worldwide economic losses of about \$250 billion and insured losses of \$95bn, according to reinsurer, Munich Re. Climate analysts also point out that the year was characterized by higher frequency smaller and medium-sized events everywhere and all the time rather than mega-disasters. Adding extra pressure to the system is that, in response to the current CAT environment, global reinsurers have reduced the amount of cover offered to insurers, reducing the supply of a key "ingredient" in the insurance recipe.

Lloyd's of London estimates that insurers are now having to pay out more than \$100 billion a year for natural catastrophe losses, with the burden on these costs threatening the bottom lines of non-life insurers globally after already having experienced a tough five years in terms of growth and profitability, particularly with rampant inflation severely affecting the sector since 2021.

Old Mutual Insure, for instance, saw a six-fold increase in catastrophe claims in 2023, with net catastrophe payouts amounting to approximately R400m, making it the worst net of reinsurance catastrophe year for the insurer since inception. The insured losses of just three events during the year, namely the Western Cape and Paarl floods and the hailstorm in Johannesburg, racked up insured losses of more than R250m. While the strong solvency position of Old Mutual Insure – and South African insurers in general – has not been affected by these events, some action is needed to ensure the future sustainability of the local insurance industry.



Weather catastrophes also put a strain on the entire value chain because there aren't sufficient assessors to process claims, supplies of goods needed to repair the damage are limited, and there are not enough suppliers to complete the work timeously.

For instance, the storms in Ladysmith in KwaZulu Natal resulted in 200 claims coming through in three hours, which was equal to about five years of claims in that region needing to be processed and fulfilled. Insurers had to send additional assessors to the town, given the volume of claims, and contractors and goods had to be brought in from other parts of the country, often resulting in surge inflation.

With climate change expected to intensify in the coming years, it is critical the insurance companies prepare in advance for the insured losses likely to come through. Balance sheets and insurance solvency ratios will need to be actively managed and claims management will need to evolve.

As part of our journey of adapting to this climate-affected world, Old Mutual Insure has initiated a program of catastrophe analytics to inform pricing of policies and, eventually, share information with communities situated in risky areas of South Africa. These measures to mitigate the growing impact of climate change on insurers' financial viability include becoming more detailed in pricing potential flooding, hail, and wildfire catastrophe risk based on accurate data. Insurers will also need to manage their exposure to these perils at an address, street and suburb level.

Where insurers are overexposed, they will need to charge higher premiums, reduce exposure or potentially come off risk totally, as has been the case in several areas of the US. Given the frequency and severity of these catastrophic weather events, reinsurance premiums are surging, and more and more markets are becoming uninsurable. For instance, in the US, the biggest US insurers are no longer selling wildfire insurance in California, and many are abandoning Florida, where premiums are three times the average.

Key is to avoid an insurance crisis in South Africa, as has played out in those states in the US where policyholders can no longer insure their homes and cars. Whereas Florida has a government insurer of last resort, no similar mechanisms exist in South Africa. Another option is for the Regulator to license insurers to issue parametric insurance products in South Africa, which can offer climate cover in an innovative – and potentially cheaper – manner. For both these mitigants to become available, government support and action is required.

Policyholders also have a crucial role to play by managing their exposure to climate change and the damage it could do to their insured assets. Measures they can take include floodproofing their homes, putting in place early warning systems and remaining cognisant of the risks of buying property vulnerable to flooding because premiums are likely to increase in their areas to reflect the rising risks or, at worst, insurance may not be available at all. As pricing of risks becomes more sophisticated, increasing insurance costs should be taken as a signal of risk and those who responsibly mitigate risks will be credited for reducing those risks.

Last year's relentless number of adverse weather events shows that climate change catastrophes are the new normal. To maintain the sustainability of insurers and ensure that policyholders can continue to get affordable insurance, all stakeholders, including brokers who advise their clients, the insured clients themselves and the insurers, will need to take proactive action towards reducing the risks of climate change into the future – or experience the destabilisation of this critical industry.

BROLINK'S



TRANSFORMATIVE VENTURE INTO **PREMIUM COLLECTIONS**



In the dynamic financial arena, innovation and adaptability drive success. With over two decades as an insurance stalwart, Brolink has successfully entered the premium collections realm, redefining practices with convenience, efficiency, and excellence.

This move has introduced a competitive offering that promises attractive benefits.

While renowned in insurance, this leap into the financial solutions sector has signified a fresh phase built on experience, innovation, and client empowerment.

Experienced Foundation:

Brolink's move is not uncharted. With a solid 25 years in insurance, it brings expertise and solid experience to this venture. This underpins a premium collection service that is efficient and tailored to industry nuances.

Tech-Driven Advantage: Integrated Collection Platform

At the heart of Brolink's offering is an advanced integrated platform streamlining collections. Beyond risk reduction, it enhances cash flow by directly collecting from policyholders' accounts, into the insurers bank account, guaranteeing convenience and financial efficacy.

Brolink's commitment to efficiency

shines through its BEST system. More than a tool, it is proof of Brolink's precision and effectiveness in premium collections.

Compliant with FSCA regulations, it is a reliable industry solution. It commits to end-to-end reconciliations, business intelligence reporting, real time data and best practice in the industry.

Trusted Partner:

Brolink's consistent reliability and superior reputation, both to insurers and brokers highlights its commitment in this space. While you focus on core strengths, Brolink assures convenience, dependability, and excellence. Choosing Brolink means diverse benefits: heightened efficiency, reduced administration costs, improved cash flow, and excellent service. Compliance with data protection, cyber security and all FSCA Regulations solidifies its place in an industry that demands a good reputation and a solid foundation, both of which, Brolink possesses...



Holistic Approach:

Complementing Current Offerings
Brolink's premium collections integrate seamlessly with existing premium finance and broker finance products. Brolink currently performs the end-to-end collection process for several of the insurers in the industry and is ready to expand its portfolio.

Embrace the Future: Connect with Brolink

To explore Brolink's premium collection service, you can e-mail premiumcollections@brolink.co.za

Brolink's dedicated contact assures prompt, professional service.

***In Conclusion: Brolink's Era of Innovation
Brolink's entry heralds a new era of convenience, efficiency, and innovation in premium collections. With a storied history and unwavering commitment to excellence, Brolink invites you on a journey where premium collections mean ease, effectiveness, reduced cost, and peace of mind***



Your Trusted Insurance Connection.

We're specialists in short-term insurance systems and portfolio administration. That's quite a mouthful... but basically means that we know our stuff.





UNDERSTANDING THE CURRENT INSURANCE LANDSCAPE TO HELP CLIENTS MANAGE THEIR RISKS

PHILIPPA WILD, CHIEF UNDERWRITING OFFICER | BRYTE

Navigating the complexities of the current insurance landscape requires an understanding of the various risk factors at play, including climate change, supply chain disruptions, and infrastructure challenges. All of these are contributing to the rising costs within the insurance market. For consumers, a persistent sluggish economy means continual increases in insurance costs in excess of CPI—for individuals and businesses alike.

For Bryte, it is evident that 2024 will present challenges similar to those in the previous year. Insurance brokers and companies need to proactively develop their products and services to remain relevant and effective in serving their clients. It is crucial for consumers to understand these dynamics when insuring their assets so that they can make the best decisions to ensure adequate coverage.

CLIMATE CHANGE: CATASTROPHES (CATS) AND MORE ATTRITIONAL WEATHER-RELATED CLAIMS

The effects of climate change and extreme weather events are putting extreme pressure on the insurance industry. Constant unpredictable weather patterns make the occurrences of CATs harder to anticipate. Not only do these events lead to loss, but they also result in increased insurance premiums, adding further strain to consumers' budgets.

In times like these, insurance brokers have a critical role to play by assessing the risk landscape and providing clients with the advice and protection they need to manage risks. When assisting clients to manage costs and adequately protect their assets, it is important to bear in mind that underinsurance is a major problem. As the cost of repairs and replacement increases, clients need up-to-date guidance.

FIRE AND THEFT REMAIN A CHALLENGE

Property fires and motor vehicle thefts are other major risks that clients have increasingly been subjected to. Damage to property or vehicle loss often results in substantial financial losses and business interruption. In some cases, catastrophic consequences of these events result in the tragic loss of life.

Brokers can assist by increasing people's appreciation for the level of destruction that can prevail and, most importantly, by providing advice on ways to prevent such disasters.

SUPPLY CHAIN INFLATION: IMPACT ON COSTS OF REPAIR AND REPLACEMENT

The insurance landscape is especially vulnerable to worldwide supply chain disruptions. Ever-rising inflation and supply chain costs have not only resulted in production shutdowns and labour shortages but have also put a strain on insurers when replacing or repairing damaged property or goods. Consequently, insurers need to adjust their premiums to account for these rising costs.

INFRASTRUCTURE CHALLENGES

Infrastructure deterioration, such as potholes, ineffective urban drainage systems and lack of adequate firefighting equipment, leads to increased claims costs for insurers. Road accidents caused by poor road conditions, flooding due to inadequate drainage, and property damage from fires highlight the urgent need for infrastructure investment to mitigate risks and reduce insurers' exposure to liabilities. Given this reality, it is important that South Africans continue to insure their assets, as the risk of damage has increased.

REINSURANCE COSTS REMAIN HIGH WITH ABOVE INFLATIONARY INCREASES

Reinsurance costs remain persistently high, which inevitably results in increased premiums.

THE BRYTE SOLUTION

To mitigate the impact of these cost increases, Bryte is turning its focus towards specific areas such as thatch, flood risks, and comprehensive risk management strategies. The underlying principle involves a thorough assessment, ensuring that clients are not only adequately insured but are also prepared for emerging risks like cyber threats and the implications of adopting alternative energy sources such as solar panels and lithium-ion batteries.

The role of insurance brokers is more critical than ever in this evolving landscape. They are tasked with understanding and adapting to these changes while ensuring that their clients are well informed and adequately protected.

This involves a commitment to staying ahead of trends, providing up-to-date advice, and emphasising the importance of coverage for both traditional and emerging risks.

By focusing on these areas, the insurance industry can better serve its clients, helping them navigate the complexities of today's risk environment and ensuring their resilience against the threats of tomorrow.



NAVIGATING EMERGING RISKS IN 2024

In 2024, we anticipate the continuation of trends observed since 2020, particularly in the business landscape:

- Pandemic coverage remains unavailable in the traditional insurance market, although parametric options are emerging in overseas markets. Uncertainty surrounding 2020 claims persists.
- SASRIA coverage is capped at R500 million per loss per annum, prompting clients with higher exposures to explore international markets. Business interruption coverage, especially under SASRIA, is limited. Ahead of an election year, it's advisable to review potential SASRIA exposures and corresponding business interruption covers.
- Public Grid Failure exclusions as well as limitations on Power Surge covers are expected to remain in place despite efforts to try and remedy the current load shedding crises.
- Climate-related and natural peril claims persist, with recent events such as earthquakes in Japan and flooding in KwaZulu-Natal and global occurrences such as flooding and heatwaves in Australia and the USA underscoring the expectation of continued climate-related losses.
- Attention to fire risk in South Africa is increasing due to a rise in metropolitan fires and concerns over infrastructure degradation. Informal settlement fires and recent large thatch losses further highlight this concern.
- War exposures in regions like Ukraine, Israel, and surrounding territories, coupled with potential conflicts in Europe and South-Eastern Asia, emphasise the importance of risk management.

Amidst these challenges, cyber exposures are rising globally, posing threats to national institutions and organisations, including those involved in warfare. It would be remiss of us not to mention the heightened exposures to businesses and individuals seeing that most of us are banking electronically, using social media platforms and sending and receiving emails.

On the personal insurance front, consumers face deteriorating claims trends, leading insurers to adjust terms and coverage. Theft, fraud, and motor vehicle losses are increasing, alongside technological advancements reshaping insurance buying patterns, with innovations like on-demand insurance gaining traction.

Looking ahead, we anticipate innovations in insurance products, such as revised motor policies for electric vehicles and adjustments to personal insurance to align with changing consumer needs. Technology will play a pivotal role in both advising on risks and assessing them, with insurers demanding more detailed risk information.

In conclusion we envisage that 2024 will bring its fair share of "interesting risk exposures," requiring proactive risk management strategies whether for individuals or for businesses.



Peter Olyott

CEO,
Indwe Risk Services



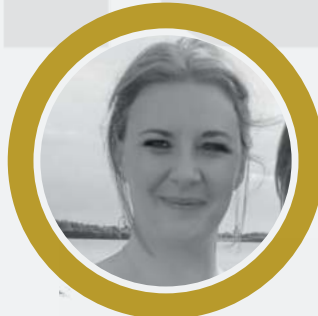
2024 COMMITTEE



ADÈLE CRONJÉ

NATSURE :
SNR PORTFOLIO MANAGER
IING ROLE : PRESIDENT 2024

"You never fail until you stop trying"



ROZANNE KNOESEN

INDWE RISK SERVICES
JUNIOR MANAGER: MIS

IING ROLE :
VICE -
PRESIDENT 2024

"Your success and happiness lies in your own hands"



WYNAND LOUW

AQUILLA FINANCIAL SOLUTIONS:
CEO

IING ROLE: TREASURER

"Be the difference you want to see."



FRIK VAN DEVENTER

INDEPENDANT

IING ROLE :
CO-TREASURER

"Byt vas, more is nog 'n dag"



ANNELIE BOTHA

BROLINK : CORPORATE TRAINER
BIB - FINANCIAL INSTITUTIONS

IING ROLE :
SECRETARY

"The future belongs to those who believe in the beauty of their dreams"



BETTA STEENKAMP

SANTAM
RELATIONSHIP MANAGER

IING ROLE :
CONVENOR
EDUCATION COMMITTEE

"think big, trust yourself and make it happen"



SARVANI NAIKER

PSG INSURE:
BUSINESS ANALYST

IING ROLE :
EDUCATION COMMITTEE
MEMBERSHIP &
MARKETING COMMITTEE

"Your life is as good as your mindset"



TUMELO STOFFEL

SASRIA
CUSTOMER RELATIONS
MANAGER

IING ROLE :
MEMBER - EDUCATION
COMMITTEE

"If you want to go far we go together, but if you want to go fast you can go alone."





GERRIT VENTER
TRACKER CONNECT
REGIONAL SALES MANAGER

IING ROLE:
CONVENOR
SPORT COMMITTEE

It always seems impossible until it's done



DANIE JANSEN VAN VUUREN

OLD MUTUAL INSURE
SALES DEVELOPMENT MANAGER

IING ROLE :
SPORT COMMITTEE

"Our greatest weakness lies in giving up. The most certain way to succeed is always to try just one more time."



KENNY HONEYBORNE

DISCOVERY INSURE
BUSINESS DEVELOPMENT MANAGER

IING ROLE :
MEMBERSHIP, MARKETING & COMMUNICATION COMMITTEE

"Be yourself; everyone else is already taken."



ANTON MINNIE

BRYTE INSURANCE :
BUSINESS DEVELOPMENT MANAGER

IING ROLES:
CONVENOR
MEMBERSHIP, MARKETING & COMMUNICATION AND MEMBER OF SOCIAL COMMITTEE

"Just one small positive thought in the morning can change your whole day."

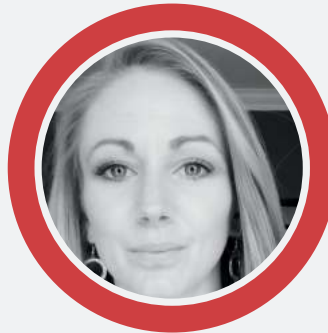


BIANCA LOUW

ENVIROSURE :
BUSINESS DEVELOPMENT CONSULTANT

MEMBER OF SOCIAL COMMITTEE

"Attitude is a little thing that makes a big difference."



SHANNEL VISSER

KING PRICE
BUSINESS DEVELOPMENT CONSULTANT

IING ROLE:
CONVENOR
SOCIAL COMMITTEE

"Do it with passion, or not at all"



SCHAUN VAN DEN BERG

OLD MUTUAL INSURE
COMMERCIAL DIRECT HEAD

IING ROLE:
CONVENOR
GOVERNANCE COMMITTEE

"In Life, the only two things you can control are your effort and your attitude. Everything else is not up to you"



JEAN COETZEE

SIMAH RISK ADVISORS:
MANAGER- LOGISTICS

MEMBER OF SOCIAL COMMITTEE

"Ask yourself if what you are doing today is getting you close to where you want to be tomorrow"



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NORTHERN GAUTENG

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