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1	LATEST NEWS.....	2
	VESA members nationwide offer the quality products and services.....	2
	Transformation – The Financial Sector Charter	3
2	IMAGE & REPUTATION	4
	SAIA Publicity Campaign.....	4
	Consumer education update.....	4
	Sustainability of Insurance.....	6
	SAIA Functions planned for 2010	6
	Micro-insurance.....	7
3	LEGISLATION & REGULATION	7
	Binder Regulation.....	7
	Discussion Paper on Access Products and Micro-insurance	8
	FAIS.....	8
4	MOTOR.....	9
	Update on Motor Body Repair Issues.....	9
	Compulsory third party motor property insurance	9
5	FINANCE & OPERATIONS	9
	International Financial Reporting Standards IFRS 4	9
6	SOLVENCY ASSESSMENT AND MANAGEMENT (SAM).....	10
	Don't leave the disclosure requirements under Solvency II/SAM until last	10
7	STRIDE UPDATE.....	12
8	OTHER ARTICLES	12
	INSETA celebrates 10 year milestone and stands poised for continued success	12
9	RADIO, TELEVISION ONLINE AND OTHER COVERAGE	15
10	PRESS CLIPPINGS.....	19
11	CIRCULARS	21

1 **LATEST NEWS**

Guest article

VESA members nationwide offer the quality products and services

Currently there are hundreds of vehicle security devices that are not tested which have been approved by insurers. Certain critical test procedures are essential to ensure that the device is safe to use before it is sold to the consumer. It is therefore essential that the insurance industry realize that by just accepting any type of vehicle security device which has not been *effectively* tested, that standards within this industry will reduce even further. There will be no reduction in crime levels as a result of:

- Ineffective protection of vehicles and assets, resulting in losses suffered by the insured as well as the insurer
- Ineffective protection of vehicles resulting in continuous vehicle theft crime

The prevention of crime starts by the implementation of high values and standards. By insisting on VESA Approved Products and Services, the insurance industry can be assured of high quality and consistency in the required standards, by members who are dedicated to preventing vehicle theft crime.

Who is VESA?

The Vehicle Security Association of South Africa (VESA) is a non-profit (Section 21) company that has been setting vehicle security standards and independently auditing its members in line with such standards for 23 years.

More about VESA

1. VESA has over 300 members nationwide.
2. VESA sets standards for quality vehicle security devices which offer security and most importantly, safety, in line with internationally approved standards.
3. VESA sets standards for the installation of such approved devices.
4. VESA measures the consistency of products and service delivery within its member base by ensuring annual re-evaluations of products and services.
5. VESA ensures that it is up to date with the latest developments in standards by attending various technical workshops and working with the SABS and various other partnerships within the standards industry.
6. VESA staff members are independent personnel who are not from member companies, which provide the assurance that audits are done independently and confidentially.
7. VESA Administrative policies and procedures that are in line with ISO 9001:2008.

What benefits does VESA provide to the short-term insurance industry?

1. VESA has national coverage through its comprehensive member base.
2. Vehicle inspections and vehicle security upgrades can be carried out in line with the insured's insurance policy at any VESA installation centre and the information is captured electronically.
3. VESA Validation Certificates (confirming the vehicle's existence only) is issued free of charge whilst VESA Certificates of Approval (confirming the vehicle's existence including the vehicle security device) may include a nominal fee upon inspection of such vehicles' security device.
4. All vehicle particulars, including the condition (dents, tyre tread condition, etc.) and content (extras and sound) are captured electronically by VESA Installer dealers.
5. Registered brokers and underwriters may log onto the VESA Database to access such vehicle detail at a nominal fee.
- 6.

What products and services does VESA approve?

1. Alarm/Immobilisers which include upgrades to OE Systems such as alarms only, anti-hijack, etc.
2. Clutch Pedal Locks
3. Mechanical Gearlocks
4. Motorcycle Alarm/Immobilisers & Locks
5. Radio Trunking Network
6. Truck and Trailer locks
7. Vehicle Identification (Microdotting)
8. Vehicle Security Telemetry (tracking and recovery)
9. Wheel Locks

General

VESA collates vehicle theft statistics from vehicle theft information received by a number of insurance assessors, which then provides VESA with a guideline to finding solutions for vehicles that could be deemed as high risk vehicles.

“Pride in Workmanship, Integrity in Conduct, and Dedication to reducing vehicle theft crime”

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

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Latest News

Transformation – The Financial Sector Charter

The Board of the Financial Sector Charter Council has finalised the process of preparing documents for the first phase of the gazetting process. This will see the conversion of the Financial Sector Charter (FSC) into a Sector Code. This phase deals with the alignment between the FSC and the DTI Codes.

The FSC Council has forwarded Phase 1 of the proposed Sector Code to the Minister of Finance, who in turn has forwarded the Phase 1 draft to the Minister of Trade & Industry. The Minister of Trade & Industry will publish these in the Government Gazette to allow a sixty day period for public comment.

The FSC Council has engaged on developing Phase 2 of the Sector Code, which includes access to financial services, empowerment financing and additional elements of ownership.

It is anticipated that this development process of Phase 2 will conclude during the first quarter of 2011, which should see a sector code for the financial sector being in place during 2011. Once the sector code is in place, companies who are active in the sector will be expected to report in terms of the sector code, rather than the FSC or the DTI codes.

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[Back to Index](#)

2 IMAGE & REPUTATION

SAIA Publicity Campaign

SAIA began rolling out a publicity campaign in October 2010 which will carry through to December 2010, which includes informative articles on the SAIA Code of Conduct, the ILO Report, SAIA Consumer Education, Road Safety, Consumer Credit Insurance and careers in the insurance industry.

See the following breakdown of SAIA's publicity schedule:

Date	Topic	Newspaper
14 October 2010	SAIA Code of Conduct	Business Day
21 October 2010	SAIA Code of Conduct	Star, Pretoria News, Mercury and the Cape Times
29 October 2010	SAIA Code of Conduct	Beeld, Volksblad, Burger, Finweek
4 November 2010	ILO Report and Consumer Education	Star, Pretoria News, Mercury and Cape Times
19 November 2010	Road Safety	Beeld, Burger, Volksblad, Finweek
December 2010	Consumer Credit Insurance	Daily News
December 2010	Careers in the insurance industry	InMag Magazine

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[Back to Index](#)

Consumer education update

SAIA 2010/11 Foundation Consumer Education Initiative

Bright Media was contracted on 5 October 2010 as the service provider on the Managing Your Money Project and the Community Project. The planning process for the seminars and the workshop has already begun which includes consultation with stakeholders from the Department of Basic Education and developing the educational material namely booklets, CD's, Posters, etc.

Financial Education Fund - Financial Freedom Radio Broadcasts

The Financial Freedom Radio Broadcast project was developed to research the usefulness of a radio education drama, including a talk combination, as a way of increasing financial literacy in communities in South Africa. This project is funded by the Financial Education Fund (FEF).

1. Production of the Radio Broadcasts

Bright Media developed the content and wrote scripts for episodes 1 – 26 and sent these scripts to the stations. The episodes have been broadcast as follows:

1.1 Radio Broadcast

Episodes	Content	Ukhozi	Motsweding	Phalaphala	Lesedi
Ep1	Bad Credit	27/09/10 @20:35 – 21:00	11/10/10 @ 10:30 – 11:00	20/09/10 @ 14:05 – 14:30	23/09/10 @ 21:30- 22:00
Ep2	Savings	30/09/10 @22:25 – 23:00	15/10/10 @ 11:05 – 11:30	21/09/10 @ 14:05 – 14:00	26/09/2010 @ 21:30 – 22:00
Ep3	Risk Of No Insurance	04/10/10 @20:35 – 21:00	18/10/10 @ 10:30 – 11:00	27/09/10 @ 14:05 – 14:30	30/09/10 @ 21:30 – 22:00
Ep4	Budgeting	07/10/10 @22:35 - 23:00	22/10/10 @ 11:05 – 11:30	28/09/10 @14:05 – 14:00	03/10/10 @ 21:30 – 22:00
Ep5	Car Insurance	14/10/10 @22:35 – 23:00		04/10/10 @ 14:05 – 14:30	07/10/10 @ 21:30 – 22:00
Ep6	Increase	18/10/10 @20:35 – 21:00		05/10/10 @ 14:05 – 14:30	10/10/10 @ 21:30 – 22:00
Ep7	Loan	21/10/10 @ 22:35 – 23:00		11/10/10 @14:05 – 14:30	14/10/10@ 21:30 – 22:00
Ep8	Household Insurance			12/10/10 @14:05- 14:30	17/10/10 @21:30 – 22:00
Ep9	Stokvel			18/10/10 @14:05 – 14:30	21/10/10 @21:30 – 22:00
Ep10	Claiming From Insurance			19/10/10 @14:05 – 14:30	24/10/10 @21:30 – 22:00

2. Feedback On Broadcast

Audience

Feedback from the audience on the drama has improved a lot. Often the presenter has had to cut the number of callers because of time constraints. This indicates that the listeners are interested in getting help regarding their financial situations. The public interest is outstanding.

Radio station feedback

Phalaphala FM

The feedback received has been good. The Venda speaking community has responded well through the range of questions they have asked.

Ukhozi FM

A good response has been received from listeners.

Lesedi FM

Positive feedback has been reported from the audiences.

Motsweding Fm

Audience feedback has been outstanding

Conclusion

The drama is very helpful to our communities, and the feedback has been very positive.

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[Back to Index](#)

Sustainability of Insurance

As previously communicated, SAIA started the journey to an integrated strategic response to sustainability (as understood from an environmental, social, governance risk factor perspective) on 1 September 2010. This journey is conducted in a participative manner from a business and collective insurance industry angle, considering both risks and opportunities for the industry as a whole.

Phase 1 has progressed well with valuable insights gathered from interviews with representatives from members, engagements with other stakeholder bodies and knowledgeable parties, including international experts and associations.

The synthesis from this phase will be shared with the Board during November and the way forward discussed at the Board meeting in November. Members that wish to add additional insights are requested to email Vanessa Otto-Mentz on vanessa@saia.co.za or contact her on 082 875 4343.

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[Back to Index](#)

SAIA Functions planned for 2010

Listed below are the dates for SAIA functions that will take place in 2010/11. Please note that the dates are subject to change.

- SAIA Consumer Education Report Back Function – 23 November 2010
- SAIA Committee Lunch – 12 November 2010
- National Treasury/SAIA/FSB Liaison Lunch – 16 November 2010-10-28
- SAIA/FIA Board Liaison Lunch – 18 November 2010
- Johannesburg Media Lunch – 22 November 2010
- Cape Town Media Lunch – 19 November 2010
- SAIA/IISA/FIA Insurance Conference (Sun City Pilanesberg) – 24 to 27 July 2011

For more information on any of the above functions, contact the SAIA Public Relations Officer, Kirsty Udemans, on 011 726 5381.

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Micro-insurance

The National Treasury issued a Discussion Paper on Proposed Micro-insurance Legislation in the first half of 2008. The SAIA formulated and submitted industry comment through an ad hoc Task Team on this Discussion Paper in July 2008. Subsequent to this, the SAIA had had several discussions with National Treasury and the Financial Services Board regarding the industry comment and input and related issues. National Treasury has recently indicated that they are expecting to issue a policy statement on proposed micro-insurance legislation during October or November 2010. As soon as the policy statement is published, the SAIA will address this topic through the original ad hoc Task Team, as well as the SAIA Micro-insurance Committee.

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3 LEGISLATION & REGULATION

Binder Regulation

The Draft binder regulations proposed are listed under the Short-term Insurance Act, 1998. These regulations will potentially impact the business, organisational and strategic aspects of members. The draft binder regulations were published for comment and all submissions are due by 31 October 2010 to the Registrar of the FSB. After consideration of the comments, the regulations will be submitted to the Minister of Finance for consideration, thereafter, they will be published in the Government Gazette and submitted to Parliament. All agreements concluded before or on the date on which the Draft Regulations will commence, must be aligned with the regulations within one year of it coming into operation.

What are binder functions?

Binder functions are a collective term for functions that a binder holder performs as the agent of the insurer. The binder holder acts as if the binder holder is the insurer. According to the regulations, only binder functions can be contained in binder agreements resulting in separate agreements for other (non-binder) arrangements. Binder functions, in a binder agreement, are restricted to be performed by the binder holder and cannot be outsourced to third parties. The FSB is currently developing a directive and guideline in respect of non-binder functions e.g. issues relating to intermediary relationships raised in the Contractual Savings Discussion Document, outsourcing of core insurer functions to third parties and ownership structures or cell arrangements.

The result will be that intermediaries need to decide if they will act on behalf of the insurer or if they will act on behalf of the policy holder. The principles of binder regulations will be that the insurer, as license holder, will be accountable to the policy holder irrespective of whether the binder functions are outsourced. The policy holder will be protected, responsible outsourcing will follow and potential conflict of interest will be managed properly.

The process followed

The SAIA set up a workgroup that was held on Thursday, 14 October 2010. Thereafter, a first draft of comments was circulated to the members of the SAIA for comment. The final comments will thereafter be submitted to the FSB before the due date of 31 October 2010.

Consumer Protection Act and the Companies Act

The implementation of both the Consumer Protection Act and the Companies Act have been deferred to April 2011, to allow additional time for adequate preparation of the administrative systems by government, to ensure the efficient and effective implementation of the legislation. It

will also result in sufficient time for business and the public to prepare for compliance to the legislation.

On 11 October 2010, the DTI published the proposed determination of monetary threshold applicable to the size of the juristic person, in terms of Sections 5(2)(b) and 6(1) of the Consumer Protection Act, which in turn, will determine the exemption of transactions in which the consumer's asset value or annual turnover equals or exceeds the determined threshold value. Written comments must be submitted by 31 October 2010. The Draft Companies Amendment Bill was introduced to cabinet on 27 October 2010. The DTI confirmed that a public hearing should follow between 9 and 12 November 2010. The draft Bill proposes to provide for the administration of the principal Act, in particular, to:

- establish a proper foundation for certain necessary regulations
- address significant errors, infelicities and ambiguities in the principal Act
- correct various numbering, spelling, punctuation, reference, alignment and typographical errors
- to continue to allow for the transfer of registration of foreign companies to the jurisdiction of South Africa.

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[Back to Index](#)

Discussion Paper on Access Products and Micro-insurance

The Discussion Paper on Access Products (proposed under the FAIS ACT) was released for comment by the FSB. Access Products will allow low income earners access to financial products that they would normally be excluded from. Although comment was due by 25 October 2010, the FSB has agreed that the SAIA comment could be submitted by 8 November 2010.

The Policy Statement on Micro-insurance is expected to be released before the end of 2010. The FSB indicated that micro-insurance will allow limited risk through a restricted product definition by capping benefits with a term of less than 12 months, covering both life and short-term products with simplified terms and conditions.

FAIS

The FSB issued a circular confirming the First Level Regulatory examinations, KI level 1: Category I, II, IIA, III and IV (RE1) and representatives (RE 5) will be available from **1 November 2010**. The FSB confirmed the four recognised examination bodies. The pass mark for the regulatory examinations has been set as 65%. An additional two months (up to 28 February 2012) have been allowed for repeat examinations. The circular also confirmed that the fees for the exams are R900 (VAT inclusive) per examination.

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[Back to Index](#)

Previous reference: Articles on regulation featured in the November 2006, December 2006, January – November 2007, January – November 2008, January – November 2009 and January, April – July 2010 issues of the Bulletin.

4 **MOTOR**

Update on Motor Body Repair Issues

The first DTI/MBR/Insurer Steering Committee meeting on 19 October 2010 had to be postponed, as a result of two associations in the MBR Forum having had a disagreement regarding representation which needs to be addressed before the process can continue. The postponement of this meeting set back the important process of finding long term sustainable solutions for the sustainability of affordable comprehensive motor insurance, and the transformation of the MBR industry to the benefit of all parties involved.

This meeting is now planned for 15 November 2010, following a process to resolve the issues in the MBR Forum, and to ensure (if possible) the participation of all the relevant parties.

The SAIA believes that it is imperative that all relevant stakeholders in this process participate, in order to ensure that the MBR and insurance industries embrace the outcome of the work of the Steercom, and that the purpose of this process can be achieved. The SAIA has forwarded a letter reiterating the industry's commitment to the process, the importance of the participation of all parties, as well as the important role of the DTI in facilitating a solution to this impasse to the DTI. We will keep members updated, but please feel free to contact Vivienne Pearson at the SAIA if more information is needed.

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[Back to Index](#)

Compulsory third party motor property insurance

A new motivation for Compulsory 3rd Party Motor Property Insurance was drafted and forwarded to the SAIA Workgroup on Compulsory 3rd Party Motor Property Insurance, as well as the SAIA Vehicle Committee, for their input. A final amended document was forwarded to the SAIA Board Committee: Motor. This Board Committee added further input, but in principle, agreed with the document, pending the proposed amendments, at its meeting on 20 October 2010. The final document will be available soon, and will then be forwarded to the Road Traffic Management Corporation (RTMC).

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[Back to Index](#)

5 **FINANCE & OPERATIONS**

International Financial Reporting Standards IFRS 4

Introduction

The issue of Exposure Draft ED/2010/8, (Insurance Contracts), by the International Accounting Standards Board (IASB), on 30 July 2010, has resulted in much discussion and elicited much writing in industry press around the draft, and rightly so.

The awareness being created and discussion around the draft will surely assist those who are prudent and participate in the debate from the early stages, through to the implementation stage.

It will be a difficult and costly process, however, as early participation in the process, together with the relevant service and technology providers, will allow for the detection of areas that may not be possible or feasible to implement – these areas can then be raised as comments to the IASB, resulting in the objective of a relevant and appropriate final standard being released. Please note that the final date for comments is 30 November 2010.

Ignore the imperative of early planning regarding the above at your own peril and receive a standard that does not work for your business.

Besides the concerns around a reporting format that is appropriate for your business, there are two other considerations that require adequate thought and proper planning:

- The impact on IFRS 4 of the new Solvency Assessment and Management (SAM), Framework and the identification of common areas especially for reporting purposes – timelines are especially important as effective dates have been indicated but may not be final at this point.

Please see the outstanding article in the Cover magazine (October 2010, Pg 56 “ The journey towards developing a comprehensive accounting standard for insurance contracts”), setting out key changes between the current IFRS 4 and the proposals in the new ED.

- The changes required to, for example, business information systems and human capital, enabling the provision of relevant information, in line with the requirements of SAM and IFRS 4.

The above of course will result in comparable financial statements – a pre-requisite if one thinks of the SAM bottom line of global equivalence and improved reporting that will better meet the needs of financial statement users.

SAIA has learnt that recent developments overseas point to much dissatisfaction with the exposure draft and that the ground to be covered between the exposure draft and the final document is not insignificant, as is usually the case – with this in mind, SAIA will be setting up a workshop to discuss the need for industry comments directly through to the IASB/FASB in addition to the SAICA process.

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[Back to Index](#)

6 SOLVENCY ASSESSMENT AND MANAGEMENT (SAM)

Don't leave the disclosure requirements under Solvency II/SAM until last

The Financial Services Board (FSB) is developing a new risk-based solvency regime for South African Insurers to be in line with International Regulatory Standards. The Solvency Assessment and Management regime (SAM), which is expected to be in effect by 2014, will be based on the principles of the Solvency II Directive of the European Parliament and Council (Solvency II). Solvency II is built around three pillars of Quantitative Requirements (Pillar 1), Risk Management & Governance (Pillar 2) and Reporting & Disclosure requirements (Pillar 3).

Increased transparency in the financial services industry has been high on the international agenda and companies' disclosures have been the subject of market scrutiny to a great extent. Solvency II is set to impose significant extra demand on risk and capital management disclosures.

The Solvency II disclosure requirements will include information on:

- The nature of insurers' business and external environment, objectives, strategies and performance.
- Governance structures, responsibilities of the Board, senior management and key committees.
- Risk profile and risk management approach for each category of risk.
- Valuation bases for assets and liabilities, with explanations for differences between Solvency II and the bases used in the financial statements.
- Capital management including minimum capital requirements (MCR), solvency capital requirements (SCR) and the quality of solvency reserves.
- Any breaches in MCR, SCR or capital add-ons imposed by supervisors.

While the Solvency II disclosure requirements are comparable to Basel II, Solvency II is expected to go into more detail than its banking counterpart. However, lessons can be learnt from Basel II, the most important of which is to address Pillar 3, alongside the other Pillars rather than leaving it until last or looking at it in isolation. The qualitative and quantitative disclosure requirements of Solvency II are extensive and diverse. Discussions around Pillar 3 disclosures have already created a lot of discussion and comments in Europe. The Committee of European Insurance and Occupational Pensions Supervisors (CEIOPS) has, as part of its advice on the implementation measures for Solvency II, published a Consultation Paper (CP) 58, which generated over 600 pages of comments. Furthermore, approaching Pillar 3 simply as a compliance exercise could result in an insurer missing out on an opportunity to enhance its external communications and distribute inconclusive data and messages to the market, whilst competitors reap the full benefits of the process.

The significance of a clear and well planned communications strategy is imperative. Insurers will need to allocate sufficient time and resources to assess how solvency and financial reporting requirements will interact and be viewed by stakeholders, regulators and the investor community. In particular, insurers will need to explain differences between International Financial Reporting Standards (IFRS) and Solvency II reporting. A key difference is that the primary purpose of Solvency II is to safeguard against the failure to meet policyholder obligations, compared to reporting financial performance under IFRS. In addition, Solvency II covers contracts issued by the entity as a whole (i.e. financial instruments and insurance contracts) rather than just insurance contracts as defined by IFRS 4 Insurance Contracts.

In determining the key messages, insurers should identify the particulars that they would like to communicate to the market and decide on how these messages will be explained in the context of the reporting bases. It is envisaged that SAM will be aligned as close as possible to Solvency II. Given the volume of information needed to comply with these disclosure requirements, insurers must understand the impact of collating and collecting data. It is important to assess whether the information is currently available, how it will be collected and how it will impact both financial reporting under IFRS as well as regulatory reporting under the SAM regime, without having unnecessary duplication of efforts. While it is expected to be challenging to produce the necessary information for the new disclosure requirements, insurers will be presented with an opportunity to enhance communication with regulators and stakeholders. It is important that the Board and senior management are involved from the outset in an insurer's vision and strategy on how to present, disclose and communicate its approach to risk management and its capital requirements under the new solvency regime.

This article was compiled by the Reporting & Disclosures Task Group chairperson, Francois Kruger, Insurance Technical Partner at PwC Southern Africa. Francois can be contacted at: francois.kruger@za.pwc.com

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[Back to Index](#)

7 STRIDE UPDATE

What is the value of shared information? Information is power - in order to unlock the power of your organisation, you need accurate, complete, real-time information. Information enables:

- Improved risk assessment
- Accurate pricing
- Improved customer service
- Up- and cross sell opportunities
- Cost efficiencies
- And many more...

With STRIDE, we aim to benefit all the parties involved in the insurance transaction – intermediaries, insurers and the consumer. South Africa will, for the first time, be involved in ACORD's international Implementation Forum where various countries and industries will share their experiences with each other. Not only will we be able to share our story with the rest of the world, but we will be able to learn from countries where ACORD and data exchange is already implemented. This will enable us to learn from their mistakes and benefit from their lessons, helping us to develop a better solution in a shorter period of time.

In the meantime, the Request for Proposal responses is due on 3 November 2010 which means that the technical and business teams will be able to proceed with the evaluation process. The final selection will be made by early December 2010. The various elements of the project – business, technical and data – are now all coming together to reach the goals set out by the project. For more information, or if you want to participate in this project, please contact me at jenny@stridesa.co.za or visit our website at www.stridesa.co.za.

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[Back to Index](#)

8 OTHER ARTICLES

INSETA celebrates 10 year milestone and stands poised for continued success

INSETA, the Sector Training Authority for the insurance industry celebrates its tenth anniversary last week at a stakeholder function in Johannesburg.

According to Sandra Dunn, CEO of INSETA, the event represented a remarkable milestone for INSETA and provides an opportunity to reflect on a decade of hard work and achievement. INSETA is recognised as a performing SETA. Since its inception in March 2000, it has enabled the training of thousands of individuals and made a significant contribution to the acceleration of transformation in the sector. Currently there are 1 491 levy paying organisations falling within the ambit of INSETA which represent more than 137 000 employees.

“Today highlights some of our proudest achievements over the past 10 years,” said Dunn.

Such achievements include the fact that, in its first year of existence, INSETA obtained “green SETA” classification from government – meaning that it was deemed to have reached an acceptable level of capacity to successfully implement the skills development legislation. Its second vote of confidence followed quickly, when its Sector Skills Plan was rated “highly recommendable” and ranked amongst the top five in the country. The SETA's credentials were further boosted in its second year, when its Education and Training Quality Assurance division

received accreditation from the South African Qualifications Authority (SAQA). INSETA has since received two re-accreditations.

By the end of 2003, INSETA had developed a multi-level offering for the industry, having introduced learnerships as well as customised leadership programmes aimed at senior employees in the sector. The year was also notable for the first graduation from INSETA's Insurance Employment Preparedness Programme, a six-month programme providing learners from historically disadvantaged communities with entry-level employment skills.

INSETA's initiatives have retained an impressive pace with government policy developments. Following the launch of the Financial Sector Charter for Black Economic Empowerment in 2004, INSETA implemented Financial Sector Charter Learnerships. By the end of 2006, a total of 1 247 learners had completed the programme. INSETA's contribution to the practical advancement of this policy has endured. In 2008/2009, 348 unemployed black graduates completed their year-long Wealth Management Learnership, a programme specifically designed to bolster the entry of black South African graduates into the insurance sector. Dunn points out that INSETA has involved itself with other upliftment policy target groups. In 2004/2005, it launched its Women in Insurance (WIN) Management Development Programme, aimed at fast-tracking skills development for senior women employees in the industry. Its targeting of workers with disabilities has also produced solid results.

"We are proud of the fact that in 2008/2009, we exceeded our Service Level Agreement targets for training people with disabilities by 299%. This was further strengthened by our introduction of the National Disability Awards, which are aimed at raising the profile of workers with disabilities who are making a remarkable contribution to the insurance sector," said Dunn. According to Dunn, INSETA's history demonstrates the value of its openness to taking a novel approach. She cites as an example, the signing of a Joint Implementation Plan with SAQA in 2007/2008, which allowed INSETA to step up its research and development role. In terms of the agreement, research findings are analysed and appropriate qualifications and standards developed for the sector by a team of sector experts. More recently, INSETA funded a pilot articulation project between Further Education and Training (FET) and Higher Education and Training (HET) institutions – a first for the insurance sector and the country. This step helps remove hurdles and provides previously disadvantaged individuals with speedier access to the right qualifications to enable them to operate successfully in the sector.

But, over and above these many achievements, Dunn thinks that it is INSETA's solidity that has really inspired the industry. Over the course of its 10 year progression, INSETA's substantial discretionary grants and its mandatory grants payout ratio (currently 91%) constitute the most compelling testimony to its steadiness of purpose. "INSETA's results-driven performance, blend of steadfastness and innovation sets it apart from its peers. We are well on track to realise our envisaged status as the most effective SETA, as it enters its second decade of service," said Dunn. "In the years ahead we will continue to ensure that the needs of the sector and the government's national skills development plan imperatives are met. Our goals remain to enable transformation in the sector and to become the sector's partner of choice for training, development and research.

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[Back to Index](#)

INSETA, UWC and the Financial Planning Institute join forces to accelerate skills development in the financial planning sector

In a first for South Africa, a partnership between INSETA, UWC and the Financial Planning Institute (FPI) is set to transform the financial planning sector and offer new opportunities for young

people looking to carve out a career in the field. The initiative, dubbed FETI/HETI, because it offers a “seamless articulation” between Further Education and Training and Higher Education and Training institutes, will increase the number of qualified professional financial planners working in South Africa by making it easier and more affordable for students to gain the right accreditation and qualifications. The initiative allows Further Education Colleges (FETs) to offer the equivalent of a first-year university course. In terms of the deal struck between the partners, UWC will now recognize the NQF level 5 Certificate in Wealth Management as the first year of a B.Com Degree. The NQF 5 qualification will therefore become a bridge to a higher qualification, which learners can obtain through the UWC. The pilot programme is being funded by INSETA, and will allow 100 learners at five Western Cape public FET Colleges to undertake the NQF Level 5 Certificate in Wealth Management as the first step on the ladder to gaining a tertiary qualification.

Seamus Needham, Project Manager of the UWC FET Institute, explains that the unique three-way partnership will allow workers in the industry, who have heretofore been at a disadvantage due to the limitations of their qualifications and financial backgrounds, can now be granted equal access to tertiary education at no personal expense - and at no expense to the companies for which they work. “Companies benefit directly from this initiative, as there is no charge for this training. INSETA used discretionary funds to fund the 100 learners on this articulation pilot programme. Furthermore, companies can claim back portions of their skills levy for placing employees on accredited training”, he says. Mersey Booyesen, Head of Marketing and Business development at the FPI, says that the initiative, if taken nationally, will assist greatly in making it possible for learners to access universities and go through to complete their NQF level 7 qualification. “This in turn will help with the industry’s transformation strategy,” she said. “Currently, only approximately 5% of our membership base (by extension in the financial services industry) is from the previously disadvantaged community and therefore, are not reflective of the South African demographic.”

As part of the initiative, FPI, which is moving away from a training provider role into that of a professional quality assurance body, has accredited the UWC FET Institute and the five FET Colleges to offer FPI Board exams that lead to different professional designations. These are available to be written at differing stages, depending on the applicant’s work experience and qualification. Graduates of the NQF level 5 Certificate will be allowed to enter the UWC SBF Advanced Diploma in Management Studies, a two year course at NQF level 6 and 7. Graduates will then be able to pursue a B. Com Honours Degree. Separately, having the NQF Level 5 Certificate in Wealth Management and with one year of working experience, learners are allowed to write the FPI Board exam, which leads to a Registered Financial Planner designation. With the Advance Diploma in Management Studies and two years work experience in the insurance industry, learners will be able to write the FPI Board exam at UWC, which leads to the designation Associate Financial Planner. With a B. Com Honours degree, and with three years work experience, learners are able to write the FPI Board exam at UWC, which gives them the designation Certified Financial Planner – an internationally recognised designation, of which there is a national and global shortage.

Sandra Dunn, Chief Executive Officer at INSETA, explains that “Government has identified the need for more qualified financial planners and advisors to be working in the economy as large numbers of South Africans desperately have need of this service. “INSETA is very excited about this initiative,” said Dunn. “We feel that it has the potential to revolutionize the financial planning sector by broadening access and accelerating skills development – something that is much needed. It is also part of a bigger drive to professionalise the sector so that financial advisors are equipped to render a service rather than just selling a product. This will benefit not just the sector and those working in it – but the millions of South Africans who use their services every day.”

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[Back to Index](#)

RADIO, TELEVISION ONLINE AND OTHER COVERAGE

DATE	STATION	TIME	PROGRAMME	TOPIC	DURATION	COMPANIES	PERSONS
2010/09/30	MNET	07:23:59 PM	Carte Blanche: Consumer	<u>Carte Blanche: Consumer - Car spare parts</u>	00:05:57	Automotive Component Manufacturers Association (MENTION), Gabriel (MENTION), Kinsey Report (MENTION), Manro (MENTION), NAACAM (MENTION), RMI (MENTION), South African Insurance Association (MENTION), VW Polo (MENTION)	Dave Naidoo (RECORDED), Dave Renwick (RECORDED), Malcolm Kinsey (RECORDED), Robbie Price (RECORDED), Roger Pitot (RECORDED), Twala Boco (RECORDED)
2010/09/30	MNET	07:29:56 PM	Carte Blanche: Consumer	<u>Carte Blanche: Consumer - Car spare parts/ Continues</u>	00:04:48	Capa Project (MENTION), Consumer Protection Act (MENTION), DTI (MENTION), National Consumer Commission (MENTION), RMI (MENTION), SABS (MENTION), South African Insurance Association (MENTION)	Jeff Osborne (RECORDED), Roger Pitot (RECORDED), Vivienne Pearson (RECORDED)
2010/09/22	702/Cape Talk	07:20:01 PM	A Word On Personal Finance with Leigh Bennie	<u>Discussion on the role of the Financial Services Board with Olivia Davids from the FSB (Continued)</u>	00:09:37	Angie Motshekga, Central Bank of Portugal, Consumer Education Department, Dept Education, Financial Advisory and Intermediary Services, Financial Advisory and Intermediary Services Act, Financial Services Board, Financial Services Board Act, Life Insurance Ombudsman, Long Term Insurance Act, Nedbank, Organisation for Economic Cooperation and Development, Pension Funds	Olivia Davids (LIVE), Paul Roelofse (LIVE)

						Adjudicator, Security Services Act, Short Term Insurance Act, Short Term Insurance Ombudsman, South African Insurance Association	
2010/09/22	702/Cape Talk	07:29:38 PM	A Word On Personal Finance with Leigh Bennie	<u>Discussion on the role of the Financial Services Board with Olivia Davids from the FSB (Continued)</u>	00:02:13	Angie Motshekga, Central Bank of Portugal, Consumer Education Department, Dept Education , Direct Marketing Association of South Africa, Financial Advisory and Intermediary Services Act, Financial Services Board, Financial Services Board Act, Life Insurance Ombudsman, Life Insurance Ombudsman, Long Term Insurance Act, Nedbank, Organisation for Economic Cooperation and Development, Pension Funds Adjudicator, Security Services Act, Short Term Insurance Act, Short Term Insurance Ombudsman, South African Insurance Association	Brian Mdluli (LIVE), Olivia Davids (LIVE), Paul Roelofse (LIVE)
2010/09/22	702/Cape Talk	07:35:19 PM	A Word On Personal Finance with Leigh Bennie	<u>Discussion on the role of the Financial Services Board with Olivia Davids from the FSB (Continued)</u>	00:08:34	Angie Motshekga, Central Bank of Portugal, Consumer Education Department, Dept Education , Direct Marketing Association of South Africa, Financial Advisory and Intermediary Services, Financial Advisory and Intermediary Services Act, Financial Services Board, Financial Services Board Act, Life Insurance Ombudsman, Long Term Insurance Act, Nedbank, Organisation for Economic	Olivia Davids (LIVE), Paul Roelofse (LIVE)

						Cooperation and Development, Pension Funds Adjudicator, Security Services Act, Short Term Insurance Act, Short Term Insurance Ombudsman, South African Insurance Association	
2010/09/22	702/Cape Talk	07:46:37 PM	A Word On Personal Finance with Leigh Bennie	<u>Discussion on the role of the Financial Services Board with Olivia Davids from the FSB (Continued)</u>	00:09:05	Angie Motshekga, Central Bank of Portugal, Consumer Education Department, Dept Education , Dept Trade & Industry, Direct Marketing Association of South Africa, Financial Advisory and Intermediary Services, Financial Advisory and Intermediary Services Act, Financial Services Board, Financial Services Board Act, Life Insurance Ombudsman, Long Term Insurance Act, National Credit Regulator, Nedbank, Organisation for Economic Cooperation and Development, Pension Funds Adjudicator, Rob Davies, Security Services Act, Short Term Insurance Act, Short Term Insurance Ombudsman, South African Insurance Association, Vodacom	Olivia Davids (LIVE), Paul Roelofse (LIVE)
2010/09/22	702/Cape Talk	07:59:03 PM	A Word On Personal Finance with Leigh Bennie	<u>Discussion on the role of the Financial Services Board with Olivia Davids from</u>	00:01:08	Angie Motshekga, Central Bank of Portugal, Consumer Education Department, Dept Education , Dept Trade & Industry, Direct Marketing Association of South Africa, Financial Advisory and Intermediary Services, Financial Advisory and Intermediary	Olivia Davids (LIVE), Paul Roelofse (LIVE)

				<u>the FSB</u> <u>(Continued)</u>		Services Act, Financial Services Board, Financial Services Board Act, Life Insurance Ombudsman, Long Term Insurance Act, National Credit Regulator, Nedbank, Organisation for Economic Cooperation and Development, Pension Funds Adjudicator, Rob Davies, Security Services Act, Short Term Insurance Act, Short Term Insurance Ombudsman, South African Insurance Association, Vodacom	
2010/09/02	5FM	04:43:11 PM	The Drive Fresh	<u>DJ Banter - Discussion on roadworthiness</u>	00:05:51	South African Insurance Association, WC Dept Community Safety	Leonard Max (QUOTED)

📧 Further information on the above-mentioned coverage : Sonja Etsebeth
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Publication	DN	Subject
Cover September'2010	# 82592 *SAIA # 82594 # 82595 *SAIA # 82596 # 82597 # 82397 *Viviene # Karen	<ul style="list-style-type: none"> ▪ SAIA Annual General Meeting (AGM) and Cocktail Function ▪ <u>Agricultural Insurance:</u> Crop insurance is key to transition from subsistence to commercial farming ▪ <u>Compulsory vehicle</u> insurance will lower premiums for South African motorists ▪ <u>Marine insurance:</u> vast in nature, so don't assume ▪ <u>Value-added tax (VAT)</u> implications of insurance: Part: 5: VAT rates applicable to Short-term insurance ▪ The Insurance Institute of South Africa (IISA) : The sustainability of <u>motor insurance</u> ▪ <u>Motor industry:</u> CO2 vehicle emissions and implications for the short-term insurance industry
RiskSA September'2010	# 82783 *Viviene	<ul style="list-style-type: none"> ▪ IISA Seminar focusses on the sustainability of the <u>Motor Insurance Industry</u> ▪ <u>Stolen Vehicle Recovery:</u> Boosted by compulsory microdotting
Insurance Times & Investments September'2010	# 82335	Consumer Affairs: <u>Geyser</u> gets hot under the collar: Solar panel scams
Enterprise Risk September'2010	# 82598 *SAIA # 82600 *Yvette # 82601	<ul style="list-style-type: none"> ▪ <u>Policyholder protection</u> rules and the <u>SAIA Code</u> ▪ <u>SAIA Code of Conduct:</u> Promoting sound insurance practice <p>How to <u>treat customers fairly</u> (tcf)</p>
Automobil September'2010	# 82599 *SAIA	<u>Motor Repair Industry:</u> Repairers seeks sustainability
Skyways 1/9/2010	# 82277 *SAIA	<u>Motor Insurance Industry:</u> Compulsory third party insurance?
MSN ZA News 1/9/2010	# 82135 *SAIA	<u>Motor Insurance Industry:</u> Compulsory third party vital for SA
Southafrica.info 1/9/2010	# 82137 *SAIA	<u>Motor Insurance Industry:</u> Third-party insurance 'vital for SA'
Beeld 2/9/2010	# 82141	<u>Earth quakes:</u> Aardbewings kan oor water al erger word
Sowetan 2/9/2010	# 82184	Top testing equipment to catch <u>drunk drivers</u>
Itinews 6/9/2010	# 82188 *Viviene	<u>Motor Insurance Industry:</u> How compulsory third-party car insurance will be administered
BUA News 6/9/2010	# 82190	<u>Consumer Protection Act (CPA):</u> New consumer act under spotlight

FAnews 7/9/2010	# 82198	Treating Customers Fairly (TCF): New regulations herald age of the consumer
All4women 7/9/2010	# 82205 *SAIA	Mircodot technology is endorsed by the SAIA
Beeld 9/9/2010	# 82216	Financial Sector Charter (FSC): Konsepkode oor SEB in finansiële dienste gou bekend
Business Day 9/9/2010	# 82217	Protection of Information Bill: Health expose would be a crime' under information bill
Business Day 9/9/2010	# 82218	Financial Sector Charter (FSC): New banking products for poor leave Mzansi brand behind
Business Day 10/9/2010	# 82246	Crime Statistics 'are not property' of police alone
IT-Online 9/9/2010	# 82229	Vehicle Tracking Industry: Insurance Telematics partners with tracking and recovery firms
Sabinet Law: 9/9/2010	# 82228	Timeframe for Financial Sector Charter (FSC) set down
FAnews 9/9/2010	# 82230	Health Professions Act: Medical Practitioners must be insured
Insurance Gateway 9/9/2010	# 82231	Sustainability under South African Underwriting Managers Association (SAUMA) spotlight
Motoring 9/9/2010	# 82232	Vehicle Security: Toyota adds extra line of defence for Hilux, Fortuner
Business Day 10/9/2010	# 82240	Crime Statistics: Mixed picture in battle against crime
Citizen 10/9/2010	# 82241	Crime Statistics: Murder rate drops – 8.6% decline : Theft and burglaries increase
Citizen 19/9/2010	# 82252	New number plates for cars in December
Business Day 14/9/2010	# 82275	Proposed new accounting standard will affect recognition of revenue
Business Day 20/9/2010	# 82336	Protection of Information Bill: Cwele firm on most parts of disputed 'secrecy bill'
Insurance Gateway 23/9/2010	# 82410	<ul style="list-style-type: none"> ▪ Vehicle Tracking Industry: Insure Telematics partners with tracking and recovery firms to shake up
	# 82459 *Viviene	<ul style="list-style-type: none"> ▪ Mutual & Federal (M&F) takes employees on a SAIA Code of Conduct educational journey
Insurance Gateway 24/9/2010	# 82412 *SAIA	<ul style="list-style-type: none"> ▪ Short-term Re-insurance and Insurance Data Exchange (Stride)
	# 82418	<ul style="list-style-type: none"> ▪ SAIA's participation in the Solvency Assessment Management (SAM)
	# 82420	<ul style="list-style-type: none"> ▪ SAIA Reinsurance Survey
	# 82423	<ul style="list-style-type: none"> ▪ CO2 vehicle emissions tax and implications for the short-term motor insurance industry
Weekend Post 27/9/2010	# 82411	National Health Insurance (NHI): Insurance plan must be backed up by better facilities and more staff
Sowetan 27/9/2010	# 82436	Recent crime statistics suggest home owners should beef up security
Sowetan 27/9/2010	# 82437	National Credit Act (NCA): Clear your credit record
Business Day 27/9/2010	# 82438	Insight: Risk Management: <ul style="list-style-type: none"> ▪ Problems of risk prediction ▪ Key cost factors

		<ul style="list-style-type: none"> ▪ Protect the bottom line ▪ All the disciplines must be integrated
Business Day 27/9/2010	# 82439	Understand clauses of short-term insurance for trouble-free claims
FAnews 28/9/2010	# 82455	National Health Insurance (NHI): National health might be less than you bargain for
Business Day 29/9/2010	# 82486	Delay in laws 'puts load on business' Companies Act , Consumer Protection Acts 'only in April'
Business Day 29/9/2010	# 82487	Road Accident Fund (RAF) : Court to rule on accident fund
Sowetan 29/9/2010	# 82488	Companies Act, Consumer Protection Act delayed – More time for consultation still needed
lafrica.com 29/9/2010	# 82520 *SAIA	Motor Insurance Industry: Insurance vital for SA
FAnews 29/9/2010	# 82524 *SAIA	Santam: Science and big thinking key to succeeding in specialist underwriting
FAnews 29/9/2010	# 82537	Lion of Africa Insurance: first SA insurer to achieve Level 1 Broad Based Black Economic Empowerment (BBBEE) status
FAnews 30/9/2010	# 82536 # 82538	<ul style="list-style-type: none"> ▪ An introduction to Treating Customers Fairly (TCF) ▪ Consumer Protection Act in full force 31 March 2011
Citizen 30/9/2010	# 82590	Administrative Adjudication of Road Traffic Offences (Aarto) camera fines being withdrawn
Beeld Sake24 30/9/2010	# 82589	Road Accident Fund (RAF): Ongelukfonds vir paaie in slegte posisie sedert 2004
Business Report 30/9/2010	# 82588	Companies Act, Consumer Protection Act: Law delay 'shows dti is in disarray'

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

11 CIRCULARS

The following circulars were issued during the month of September 2010: (Number of circular, title, date issued and contact person)

SAIA

SG 2010/072 FSB: Verification and Updating of Insurer Information held by The Registrar of Short-term Insurance and Long-term Insurance (8/9/2010)
 Contact: Charles Hitchcock

SG 2010/073 Draft Binder Regulations – Short-term for Consultation (8/9/2010)
 Contact: Vivienne Pearson

SG 2010/74 Clarification on the difference between the Motor Vehicle Security Association of South Africa (VESA), Vehicle Security Systems (VSS) and South African Independent Accreditation Services (SAIAS) (9/9/2010)
 Contact: Charles Hitchcock

- SG 2010/075 Sustainability Strategy for Short-term Insurance Industry (22/9/2010)
Contact: Vivienne Pearson
- SG 2010/076 Consumer Protection Act 2008 (No.68 of 2008) (27/9/2010)
Contact: Barry Scott
- SG 2010/077 Invitation to comment: FSB Discussion Document of Access Products in terms of FAIS (28/9/2010)
Contact: Vivienne Pearson
- G 2010/078 Request to Participate in a SAIA Code of Conduct Survey to be publish in Business Report: A supplement in the Star, Pretoria News, Cape Times and The Mercury on 21 October 2010 (28/9/2010)
Contact: Kirsty Udemans
- SG 2010/079 FSB Press Release: Orange Insurance Limited: Outstanding Claims and Guarantees (30/9/2010)
Contact: Barry Scott

AMUSA

- AM 2010/055 Casualty Report: "ST EFREM" (1/9/2010)
Contact: Elsebe Vetten
- AM 2010/056 AMUSA/SURVEYORS/FIA Liaison Meeting Minute (27/9/2010)
Contact: Elsebe Vetten
- AM 2010/057 Piracy Advice: "LUGELA" (28/9/2010)
Contact : Elsebe Vetten
- AM 2010/058 Update Piracy Advice : "LUGELA" (28/9/2010)
Contact : Elsebe Vetten

SAIA Managing Directors

- MD 2010/016 Financial Sector Charter (FSC) 20/9/2010
Contact: Barry Scott

Motor

- MT 2010/003 Release of SAPS and Business Crime Statistics (6/9/2010)
Contact : Vivienne Pearson
- MT 2010/004 Toyota Hilux and Fortuner Vehicles: An Update on Security (21/9/2010)
Contact : Vivienne Pearson
- MT 2010/005 DTI Motor Body Repairer Process: Update and SAIA structures to deal with this topic (28/9/2010)
Contact : Vivienne Pearson

 **Further information on all of the above-mentioned circulars : Sonja Etsebeth**
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[Back to Index](#)

IMPORTANT NOTICE

Should you know someone, who is not a SAIA member, who might be interested to receive the SAIA Bulletin, and other interesting short-term insurance related SAIA communication, let them contact Kirsty Udemans at SAIA to become a SAIA communiqué member.

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