



**South African Insurance Association**

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## **Chairman's notes: SAIA Annual General Meeting & Cocktail Function 2009**

Good evening ladies and gentlemen!

It is a great pleasure to welcome you, our special guests, to the 2009 Annual SAIA Cocktail Function. We see this event as the highlight of the short-term insurance calendar, an event that provides us with the opportunity to thank our members and associates for their support, and most importantly as an opportunity to cement valuable existing relationships and establish important new ones.

### **The new Board**

As is customary, the Annual General Meeting of the SAIA took place earlier tonight. The important matters on the agenda of this meeting included, of course, the election of the new SAIA Board. I would like to take this opportunity to congratulate those Board members who had been re-elected, and extend a special word of welcome to those who were elected for the first time. The new SAIA Board members are: (To be provided after the AGM)

Congratulations!

### **Collaboration**

It is heart warming to see so many representatives of our member companies, business partners, fellow industry associations, government departments, the regulator, the media and others here tonight. Your presence is extremely valuable as it signifies the support that our association enjoys.



Directors: RS Napier (Chairman), MC Truter (Deputy Chairman), TJ Creamer, MR Durek+, CW Hitchcock, S Isaacs\*, K Kennedy, A Khilosia\*, IM Kirk++, A Klennert+, NG Kohler, BN Madhav\*, V Martindale\*, AL Mhlanga, RJ Moletsane, HR Moses\*, S Naidoo\*, JJ Ngulube, C Nolte\*, N Omar, WT Roos, MA Samie, SH Schoeman, B Scott, D Shaw, J Sibanda, S Somers\*, L Vermaak\*, PG Walters\*

\*Alternates, + German, ++ Irish

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SAIA has always approached all activities, issues and topics of importance to the industry in a collaborative, co-operative and constructive manner. In light of this, we thank TransUnion for their valuable financial contribution towards making this event so special.

We believe that joining hands and working together bring mutual benefits to all parties involved and generally lead to success stories rather than failures. This partnership approach has proven hugely successful for the SAIA over time. Partnership means much more than just working together. The SAIA partnership model is about a different way of structuring relationships to the mutual benefit of all parties involved by optimizing the strengths of each partner, and complementing each other in such a way that the partnership offers more to the partners than each of the partners could have achieved on its own. In addition, successful partnership between parties for a specific reason often leads to an excellent general relationship between these partners enhancing the opportunity to have successful dealings with each other at all levels and with regards to other issues as well.

It is with this in mind that the theme of the 2009 SAIA Annual Review was selected. This year's theme is 'Collaboration'.

We believe that animals set perfect examples of how working together brings mutual benefits to all parties involved and generally lead to success stories rather than failures. Take for instance the wild geese featured on this year's front page. Scientists have determined that the V-shaped formation that wild geese use when migrating serves important purposes, such as energy conservation. By flying in a V-shaped flight formation a flock of wild geese collaborates to ensure that each trailing bird receives lift from the wingtip vortex of the bird in front of it, resulting in a reduction of wind resistance on each goose so they fly faster and with less individual effort. The birds take turns being in the front, falling back when they get tired. In this way, the geese can fly for a long time before they must stop for rest. The V-shaped formation also enables the geese to keep track of each other. The Tour de France also provides a perfect example of positive collaboration.

In the same way, SAIA made good progress this year by implementing the new strategy as identified by the SAIA Board in 2007/8 using a collaborative approach. This strategy focused on three strategic areas, namely 'Image and Reputation', 'Legislation and

Regulation', 'Transformation' and 'Motor'. SAIA believes that by using this collaborative approach, we are building a strong foundation for an industry that will continue to thrive in good times and bad.

**The issues facing us at present are:**

**Transformation**

The uncertain future of the Financial Sector Charter provides a challenge for our industry. SAIA and its members have adhered to the requirements of the Charter since it was signed in October 2003. This was on the understanding that it would, if implemented correctly, have had a long-term positive effect on our industry. However, the Charter, after much deliberation, has still not been gazetted. There may however be some positive news on this front in the next few days.

SAIA members are currently required to comply with the DTI Codes reporting, but, in case the Charter is gazetted this year, we have advised our member companies to also report against the Charter. Let's hope for a quick and positive outcome on this front.

**Image & Reputation**

SAIA has established itself as an association of which our members can justifiably be proud. Importantly, we need to ensure that we continue to position the SAIA as an organisation which can enhance the image and reputation of the industry we serve. We are therefore in the process of drafting a new Image & Reputation Strategy to focus our efforts on adding value to our member companies and the industry at large.

The elements of the new strategy will include, promotion of a strong self regulated environment, adding consumers as an important SAIA stakeholder and continuing with stakeholder relationship and public relations strategies and initiatives, developing a targeted publicity campaign, expanding the reach of consumer education initiatives, developing an organised communication campaign which includes effective information sharing and following a targeted approach in building the SAIA 'brand'/identity.

In line with the new SAIA Image & Reputation Strategy the SAIA Board approved the reviewing of the SAIA Code of Good Business Practice and a new SAIA Consumer Education Strategy.

Other recent activities and successes include the establishment of the South African Insurance Crime Bureau and other crime and road safety initiatives.

### **Motor**

Of specific concern are the difficulties that our industry is currently facing with regards to the motor insurance business.

The SAIA, on behalf of its members, have contributed immensely to the fight against crime and specifically vehicle crime in the recent past. Our initiatives led to a significant reduction in vehicle crime and that now needs to be kept under control. However, road safety has become an area of great concern. We are all aware that the motor account is under considerable pressure with around 70% of insurance claims being road accident related (and alcohol consumption is a factor in many of these instances).

I am proud to announce that SAIA and its members have already started to address this important issue by pledging a 7<sup>th</sup> annual donation to Business Against Crime South Africa to be used for crime fighting as well as to improve the safety on our roads by contributing to the creation of alcohol testing centre in Randburg, in co-operation with Business Against Crime South Africa and the Johannesburg Metro Police Department.

This centre will be launched soon and I believe that once in operation, it will have a positive impact on our industry as well as on the country at large but much work remains to be done to improve the situation as Arrive Alive reports that every day an average of 36 lives are lost on our roads. Of these, 15 are pedestrians and 3 are killed in taxi-related incidents. We believe that the figures are appalling and that it is high time that government and private industry get together to develop a national initiative to stop this carnage on our roads. South Africa can not afford to continue with the current appalling losses when something can be done to reduce the present unacceptable statistics.

In addition the increase in vehicle accidents and the reduction in new vehicle sales that we are experiencing will mean that motor insurers are facing tough times on their motor accounts.

Therefore, the SAIA currently focuses on putting in place initiatives to ensure that motor insurance remains available at an affordable price to the current and future policy holders of South African motor insurance and to protect the existence of our largest class of business.

### **Legislation & Regulation**

The Insurance Laws Amendment Act was tabled in Parliament during May last year with far-reaching consequences for our industry. A great deal of work is still to be done in formulating regulations during the rest of 2009. We would like to thank the SAIA members for assisting us in putting together well-versed responses as our efforts to meet stringent deadlines placed extreme pressure on the SAIA's workload.

### **Appreciation**

I believe that SAIA, although a small organisation, has a huge role to play in the wellbeing of the short-term insurance industry in general and its member companies in particular. SAIA's success in this regard is due to the knowledge, skills and passion of the people of its member companies who sit on SAIA committees and whose efforts often go unappreciated by their peers. I would like to thank each committee member for continuing to ensure the effectiveness of SAIA through active support and technical input. Their role is essential for the proper functioning of the organisation. I thank them all.

I would like to thank Barry Scott and his team who serve the needs of the industry often under extremely trying and difficult conditions. Without their contribution the SAIA would have been unable to execute its huge task so professionally.

Lastly, I would like to extend my thanks to the SAIA members for their unwavering support, input and guidance without which we would not be able to deliver any functions and to

each one of the former SAIA Board members for their dedication, time, and effort, especially during these difficult times.

**In closing**

It has been my privilege to serve our industry as SAIA Chair again and I wish the SAIA and each one of its member companies all the best for the future. Let us all enjoy the evening.