



# SAIA

SOUTH AFRICAN INSURANCE ASSOCIATION

## BULLETIN

January 2016 - Issue No. 01/16

# content

<b>FROM THE DESK OF THE CHIEF EXECUTIVE .....</b>	<b>2</b>
<b>1 TRANSFORMATION AND GOVERNANCE RISKS .....</b>	<b>2</b>
1.1 Draft Credit Life Insurance Regulations, 2015 .....	2
1.2 The Financial Sector Regulation Bill (B34-2015).....	3
1.3 Solvency Assessment and Management.....	3
Insurance Prudential Standards .....	3
1.4 Consumer Education .....	4
1.4.1 Next of Next Week – Industrial Theatre.....	5
1.4.2 Mathematical Literacy classes through Managing My Finances .....	5
1.4.3 Financial Sector Code.....	5
<b>2 VACANCIES .....</b>	<b>6</b>



# SAIA

SOUTH AFRICAN INSURANCE ASSOCIATION

## FROM THE DESK OF THE CHIEF EXECUTIVE

At the end of last year, the SAIA issued a media release that focused on the impact that the weakening rand will have on motor insurance, particularly as it represents approximately 45% of business for the South African short-term insurance industry. With the economic uncertainty predicted to continue in 2016, South African consumers are expected to see price increases on commodities as a result of the weakening rand, the rise in inflation and most recently the drought. Consumers will therefore face huge amounts of pressure to find ways to alleviate these added costs. The pressure will also impact the short-term insurance industry in the long run as consumers may lapse their policies, forcing insurers to increase premiums to maintain profit margins.

In the face of these rising costs, insurers are finding ways to keep premiums stable. The SAIA and its members have identified that the sustainability of affordable motor insurance needs to be addressed at an industry level. Therefore, several industry projects and initiatives are underway to address the issue. These include a call for compulsory third party motor property insurance, supply chain initiatives and the possible introduction of an insurance group rating system. With 2016 now in full swing, we continue to urge insurers to remain innovative and to find ways to minimise the impact of the economic down turn on both consumers and the industry.

Viviene Pearson

---

## 1 TRANSFORMATION AND GOVERNANCE RISKS

### 1.1 Draft Credit Life Insurance Regulations, 2015

The Department of Trade and Industry (dti) issued the Draft Credit Life Insurance Regulations (the draft Regulations) for public comment by 6 January 2016. The SAIA held a workshop with its Consumer Credit Insurance Work Group on 8 December 2015 to solicit comments from members for the SAIA's submission. The SAIA proposed in its submission to the dti that the draft Regulations be aligned to the insurance legislative framework, particularly in respect of the Draft Insurance Bill, 2015.

☞ For more information contact Easvarie Naidoo

✉ [Easvarie@saia.co.za](mailto:Easvarie@saia.co.za)



## 1.2 The Financial Sector Regulation Bill (B34-2015)

The Financial Sector Regulation Bill (FSR Bill), in respect of which comments were submitted to the Standing Committee on Finance (SCOF) by the SAIA on 16 November 2015, is open for further public comment from 14 January 2016 until 12:00 on Monday, 1 February 2016.

Public hearings on the FSR Bill will be held at Parliament on 2 February 2016.

The Standing Committee on Finance confirms that there have been no changes to the FSR Bill since the SAIA's last submission on 16 November 2015.

Due to the limited time afforded for initial public comment on the FSR Bill in November 2015, the SAIA invited further comments, if any, from its members, in order to facilitate a timeous industry submission by the SAIA to the Standing Committee on Finance.

☞ **For more information contact Aatika Kaldine**

✉ [Aatika@saia.co.za](mailto:Aatika@saia.co.za)

---

## 1.3 Solvency Assessment and Management

### Insurance Prudential Standards

In their SAM Newsletter 17, issued on 15 December 2015, the Financial Services Board (FSB) indicated that it is their intention to allow for three rounds of comments on the Insurance Prudential Standards (SAM Subordinate Legislation).

Round 1 of consultation will be with the relevant FSB SAM Task Groups, for initial comment only. These Standards will be published in tranches between December 2015 and March 2016. The first tranche of Insurance Prudential Standards (Standards) will be the Financial Soundness Standards for solo insurers (i.e. Pillar 1 standards). In Round 2 of consultation, a complete suite of revised Insurance Prudential Standards will be released for initial public comment. The final round of consultation (Round 3) will be conducted in terms of the formal process of public consultation for Standards provided for in the Financial Sector Regulation Bill.



On 21 December 2015 the FSB released the first tranche of Standards (Financial Soundness covering solo insurers and reinsurers) to the FSB SAM Task groups as part of Round 1 of the consultation referred to in the FSB SAM Newsletter 17.

These new Standards require careful consideration and meticulous review. The SAIA would like to earnestly encourage all members that have representatives serving on the various FSB SAM Task Groups to actively participate in providing input, comment and review during this important first round of consultation on the Standards.

The three rounds of comments on the Standards are expected to be the only opportunity that the Industry will have to provide comment and exercise any form of influence over the finalisation of the Standards, before these become the new Law. It is therefore imperative that the industry takes full advantage of the opportunities provided by the FSB to comment during each allotted round, in order to ensure that the collective voice of the short-term insurance industry is heard.

The SAIA looks forward to the active participation from all our members during 2016, as the Industry and the FSB enters the decisive bend in the race to finalise the drafting of the new Insurance Prudential Standards.

☞ **For more information contact Gareth van Deventer**

✉ [Gareth@saia.co.za](mailto:Gareth@saia.co.za)

---

#### **1.4 Consumer Education**

Work on season three of the popular Next of Next Week (NONW) edutainment comedy series is currently underway. The new season will be a six part, 24 minute sitcom to be aired on national television. NONW 3 will still feature our two main characters – Innocent and Kanana - as well as many of the other main characters that were in the first two seasons, but will pick up from the end of season two which saw our heroes start their own business. A full length sitcom will increase the viewership of the show and allow audiences to develop deeper connections with both the characters and the messaging of the show.



#### **1.4.1 Next of Next Week – Industrial Theatre**

In order to enhance the effectiveness of the lessons contained in the television show through direct interaction with people within the defined target market, we will be holding industrial theatre shows throughout the country in 2016. The shows will be made of live comedy sketches based on scenarios played out in the television series. After each sketch, the MC as well as the industry experts will unpack the issues dealt with in that specific sketch and give the audience members an opportunity to ask questions. The entire show will be concluded with an open question and answer session.

#### **1.4.2 Mathematical Literacy classes through Managing My Finances**

The 2016 project is well underway for the next round of the Managing My Finances project. The rollout of the 46 teacher workshops will commence at the beginning of February. We are extending the resource to all districts that have not previously received it, and to provide a version in Afrikaans. The Afrikaans version will be developed for Grades 10, 11 and 12 (as is done for the English version).

Through this project 6,200 files containing a combined 18,600 books of teacher resource material will be delivered to schools throughout the country. To date we have produced and delivered 90,000 teacher resources for Mathematical Literacy teachers to use in the classroom, with an estimated 720,000 learners being reached.

#### **1.4.3 Financial Sector Code**

The Financial Sector Charter Council has finalised the alignment process of the Financial Sector Code to the DTI Codes of Good Practice on Broad-Based Black Economic Empowerment. The revised FSC was submitted to the Ministers of Finance and Trade and Industry in December 2015.

The Department of Trade and Industry (DTI) is currently reviewing the document and it is expected to be gazetted for public comment by the end of February 2016.

Financial Sector companies will continue to be measured against the existing FSC until the revised FSC is gazetted.

☞ **For more information contact Leila Mooda**

✉ [Leila@saia.co.za](mailto:Leila@saia.co.za)



## **2 VACANCIES**

The following positions are available at SAIA Constantia Office Park, Willowbrook House North Wing Ground Floor, 14th Avenue and Hendrik Potgieter Street, Weltevredenpark- Johannesburg.

### **General Manager Insurance Risks**

Responsible for delivering on the insurance risks department's strategy that is focused on motor, property and other insurance risks. The incumbent will report directly to the SAIA Chief Executive and will have the support of an Insurance Risks Manager and a Personal Assistant.

### **Education, Qualifications and Experience (Skills, Knowledge, Attitude)**

- Minimum qualification: degree,
- Masters degree advantageous
- 10 years or more experience working with short-term insurers or within the short-term insurance or related industry preferably within the short-term insurance company market as a senior manager
- Proven track record essential
- Strategic thinker
- Deadline driven
- Ability to work and communicate with multiple levels of authority in the insurance and related industries
- Leadership ability
- Report writing (critical)
- Ability to work with no or little supervision
- Ability to run with several projects at the same time
- Ability to work in a team
- Excellent verbal and written communication
- Excellent interpersonal skills
- Analytical thinking
- Problem solving skills
- Excellent interpersonal communication skills
- Ability to multi-task
- Project management skills
- Negotiation skills
- Presentation skills



# SAIA

SOUTH AFRICAN INSURANCE ASSOCIATION

- Planning skills
- Time management skills
- PC skills – Excel, Power Point, etc.

### **Junior Forum Secretariat**

The incumbent will be responsible for providing support services to the SAIA forum department by supporting the work of the Senior Forum Secretariat, attending forum meetings, coordinates and implements forum projects, works towards achieving objectives as set-out by each forum.

### **Education, Qualifications and Experience (Skills, Knowledge, Attitude)**

- Preferably a degree (business administration, organisational development) alternatively a diploma in the above
- Diploma or Certificate in Secretarial Services
- Minute taking skills (critical)
- Report writing skills (critical)
- Planning and coordination skills (critical)
- Excellent command of the English language (written and verbal)
- Presentation skills
- Time management
- Computer literacy (Word, Excel, Outlook, PowerPoint, MS Project, Ms Access)
- Excellent people/interpersonal skills
- Excellent organisational and planning skills
- Must be flexible and able to work under pressure
- Information gathering and monitoring skills
- Problem analysis and problem solving skills
- Judgement and decision-making ability
- Takes initiative
- Maintains strict confidentiality
- Attention to detail and accuracy
- Must be a self-starter and have the ability to work independently
- Positive attitude

For more information on any of the above positions or to apply please contact Nicol Champaud on (011) 726 5381 or email [hr@saia.co.za](mailto:hr@saia.co.za). Application closing date: **20 February 2016**.





**SAIA**  
SOUTH AFRICAN INSURANCE ASSOCIATION

**IMPORTANT NOTICE**

For information on the SAIA bulletin or content published herein  
Contact Tessa Kerspuy, Communications Administrator

✉ E-mail: [tessa@saia.co.za](mailto:tessa@saia.co.za) ☎ Tel: (011) 726 5381

☎ Fax: 086 647 2275

[www.saia.co.za](http://www.saia.co.za)



**COPYRIGHT WARNING NOTICE** *Copyright subsists in this Bulletin. No part of the Bulletin may be reproduced, transmitted or downloaded in any form or by any means, without the permission of SAIA.*

© 1999-2015