SAIA
SOUTH AFRICAN INSURANCE ASSOCIATION

ANNUAL REVIEW 2024

THROUGH THE CLOUDS, CAME THE RAINBOW

THROUGH THE CLOUDS, CAME THE RAINBOW

CONTENTS

01

SAIA VISION AND MISSION

SAIA Vision

The vision of the South African Insurance Association (SAIA) is to promote and represent the interests of the non-life insurance industry while leading and enhancing the efforts of the industry to become recognised and trusted as an important contributor to the South African economy and society.

SAIA Mission

- Encouraging fair and ethical treatment of consumers of non-life insurance products.
- Representing the non-life insurance industry with all stakeholders and at all levels in such a way that these stakeholders have trust and confidence in the industry.
- Creating an environment in which the Members of our industry can share information, debate important and relevant issues, and create a common vision for the non-life insurance industry.
- Creating opportunities for the industry to continue with, and embark on, initiatives that will enhance its image and reputation among all stakeholders.
- Promoting understanding of non-life insurance to all stakeholders.
- Promoting awareness of the industry and its contributions to society and the South African economy.

02 SAIA ANNUAL REVIEW 2024 THEME AND RATIONALE

> **We live in a rainbow of chaos.**
> – PAUL CÉZANNE

Theme

"Through the clouds, came the rainbow."

Rationale

Reflecting on the past few years, it seems that the world has experienced one trial after another. The effects of the COVID-19 pandemic continued to be felt, as can be expected of a global event that was undoubtedly one of the most challenging crises in recent history. From the devastating loss of lives to its impact on business, the pandemic exposed the world to common challenges experienced by both emerging and developed markets. The tough economic times, which continued globally unabated, added to the challenges that are not just exclusive to South Africa or the African continent. In the South African context, the subsequent riots and looting in KwaZulu-Natal in 2021, disruptions in power supply, and extreme weather-related events continued to eat into the economy through business closures and higher operational costs. Increases in fuel prices and higher food inflation have added to the struggles that we as a nation continue to face.

Given every challenge that can be listed, 2023 saw the world gradually return to some pre-COVID-19 conditions. This assessment is in no way an attempt to paint a rosy picture of the current state of affairs but a way to show the benefit of noting challenges without forgetting to acknowledge positive changes, regardless of how insignificant they may seem to be at the time, bringing hope.

The non-life insurance industry continued to be resilient after every blow. In the face of a possible grid failure, the industry was vocal and provided guidance on preparing for the worst. Due to climate change, damaging weather conditions have persisted. Two such examples played out during the last months of 2023, when a hailstorm in the Midrand area caused major property and motor vehicle damage in November, and floods in KwaZulu-Natal led to the loss of 21 lives in December. The nature of these events is often unanticipated. The industry, however, always rises to the occasion and endeavours to pay out valid claims – an action that speaks to its sustainability.

As we reflect on the year that was, we can appreciate where we are as an industry and be hopeful for the future. As Paul Cézanne asserts, "We live in a rainbow of chaos". We can never expect a challenge-free environment, and in light of that, the industry has proven that we have the courage to face the challenges head-on with the expectation that the rainbow will eventually break through the clouds.

03

SAIA CHAIRPERSON'S REPORT

It's been a year that tested the mettle of South Africa's non-life insurance industry; we have witnessed the intensity of storms and the quiet strength that follows. This report reflects on a period where challenges—from global aftershocks to local tremors—have been ever-present, yet so too has been our sector's steadfast commitment to progress and resilience.

As the Chairperson for the South African Insurance Association (SAIA), I am proud to share how our industry has navigated through economic headwinds, infrastructure hurdles, and climatic shifts. We didn't merely endure, but we emerged with renewed purpose.

We have seen premiums grow despite adversity, solvency strengthen in uncertain times, and a resolute dedication to honouring claims even when they come in unprecedented volumes. These pages tell a story of an industry that doesn't just brace for impact but actively seeks the silver linings, working tirelessly to transform obstacles into opportunities for innovation, collaboration, and sustainable growth.

“We have witnessed the intensity of storms and the quiet strength that follows.”

Introduction

The events of the past three years compel us to pursue the path of gratitude in the understanding that things could always be worse than they are at any given moment. The events we have witnessed as a global community, a country, and individuals have, in many ways, altered how we perceive and experience the world we live in. Having experienced the COVID-19 pandemic, the July 2021 riots, and the floods (now a common occurrence) – all within the past three years – has tested the capability of preparing for the worst on the part of individuals who are policyholders and the non-life industry's ability to pay out valid claims even when they came in high volumes. These events have been the source of the significant losses experienced by the industry. It was in the year 2023, however, that we finally saw a glimpse of a light at the end of a tunnel that seemed very long and dark. In that year, it looked as if the industry had started to get to grips with a new reality, and, in many ways, it has shown that the industry is resilient and resourceful.

Resilience of the Non-Life Insurance Sector

Operating in tough conditions demands the sector to constantly re-evaluate the products and services it offers, the value of these products to the policyholders, and ways to mitigate risks to ensure the industry's sustainability. Issues of climate change, increased standards of living (and the opposite), loadshedding, cyberthreats, and geopolitical tensions continue to be of concern to the industry. However, despite these challenges, which amount to added layers of risk, the resilience of the sector was affirmed by a gross written premium increase from R38.66 billion to R43.45 billion from September 2022 to September 2023, which represents a growth of 12.4% in a 12-month period.

Another favourable comparison to note is the Solvency Cover Ratio (meridian), which increased from 1.5 in December 2022 to 1.7 in December 2023 for primary non-life insurers. This metric also increased from 2.4 to 2.5 in the same period for non-life reinsurers as per the South African Reserve Bank's (SARB) Selected South African Insurance Sector December 2023 Report. The capacity to pay claims as a sector is paramount as it safeguards the sustainability of policyholders' livelihoods and the industry itself. By July 2023, the second anniversary of the July 2021 riots, which cost the South African economy a staggering R50 billion loss, the South African Special Risk Insurance Association (Sasria) had already paid 97% of the claims. This is indicative of the commitment of the industry to not only pay claims but also to do so in a sustainable way.

As a sustainable industry translates to a sustainable economy, SAIA continued to work closely with the Regulators, i.e. the Financial Sector Conduct Authority (FCSA) and the Prudential Authority (PA), to maintain integrity in the sector, contribute to ensuring financial sustainability and continually strengthen the regulatory system that is in place.

Climate Change

Weather-related perils such as floods have been an increased risk, which further asserts the need for a deliberate collective intervention on climate change issues to keep the industry within sustainable boundaries. In this light, the SARB's PA named climate-related risk as one of its flavour-of-the-year topics for 2023. Through this initiative, which SAIA supports, the PA brought together relevant stakeholders, such as the Board of Directors of financial institutions, to find ways to address this emerging risk.

Increased Cost of Living

The continuous increase in the cost of living has left consumers with much less in their pockets. The higher costs of fuel, increasing price of food and the significant increase in the repo rate in the reporting year have created the risk of policyholders pondering on either completely getting rid of their policies or reducing their cover in an attempt to cover basic costs such as food and fuel. Regardless of the immense pressure we all find ourselves under, policyholders seem to increasingly understand the importance of insurance in safeguarding them against unexpected loss. Through its programmes facilitated by SAIA, the non-life insurance industry prioritised consumer education, which has contributed to the positive perception of insurance even in trying times.

Loadshedding

With over 300 days of loadshedding, the reporting year was the worst since the unfortunate inception of power cuts to ease the burden on the grid in 2007. To address the increasing prevalence of loadshedding, the industry explored ways to manage exposure to risk whilst maintaining financial sustainability by ensuring that insurance products are still within reach financially.

The year 2023 was also marred by threats of a possible grid failure, a concern for both the industry and policyholders. Grid failure was increasingly regarded as a systemic risk, leading to most – if not all – reinsurers and insurers excluding it as a valid insurable occurrence. This was later affirmed by the Ombudsman for Short-Term Insurance (OSTI) through a statement which sought to clarify why insurers took the exclusion route, highlighting the issue of sustainability at the core of the decision.

Cyber Threats

Advancements in technology are embraced and utilised in ways that benefit and expand the industry, business, and society as a whole. Unfortunately, the same advancements also present a considerable risk. In its Cyber Insurance Risks and Trends 2023 Report, Munich Re highlights systemic risks that are catalysts to embracing technologies. These risks include the Internet of Things (IoT), Artificial Intelligence (AI) and Big Data, which have revolutionised how we do business. Yet, at the same time, these revolutions have opened an avenue for cybercrime that threatens client data, business systems and company reputation, amongst other things. SAIA and its Members view and treat this with the urgency it deserves and, through the Cyber Security Task Team, continues to strengthen its efforts to fight this costly crime.

Geopolitical Tensions in the World

Geopolitical tensions continued to be a central feature in the reporting year, with the Russia-Ukraine war dominating much of the year until October 2023, when the Israel-Palestine conflict suddenly took over global headlines. According to a study conducted by Lloyd's and Aon, titled 'Ukraine: A conflict that changed the world', one of the biggest impacts of geopolitical tensions lies in its impact on the supply chain, which culminates in higher inflation. To address these concerns, the study recommended rationalising supply chain systems, which would, in turn, minimise the impact of higher inflation, therefore keeping insurance premiums within reach.

Infrastructure Decline

A report released by a SAIA Member noted that 2020 to 2021 and 2022 to 2023 surveys highlighted the fact that, despite collaboration between the Government and policyholders, the industry continues to suffer losses due to the infrastructure deficit in the country. Damaged roads and loadshedding, to name a few, are some of the infrastructure failures that affect the non-life insurance industry. Fire-related claims are exacerbated by limited access to water, as witnessed in various municipalities, dramatically affecting firefighting efforts. SAIA and its Members continue to drive and support efforts to mitigate this risk, one of which is a collaboration with the Fire Protection Association of South Africa (FPASA).

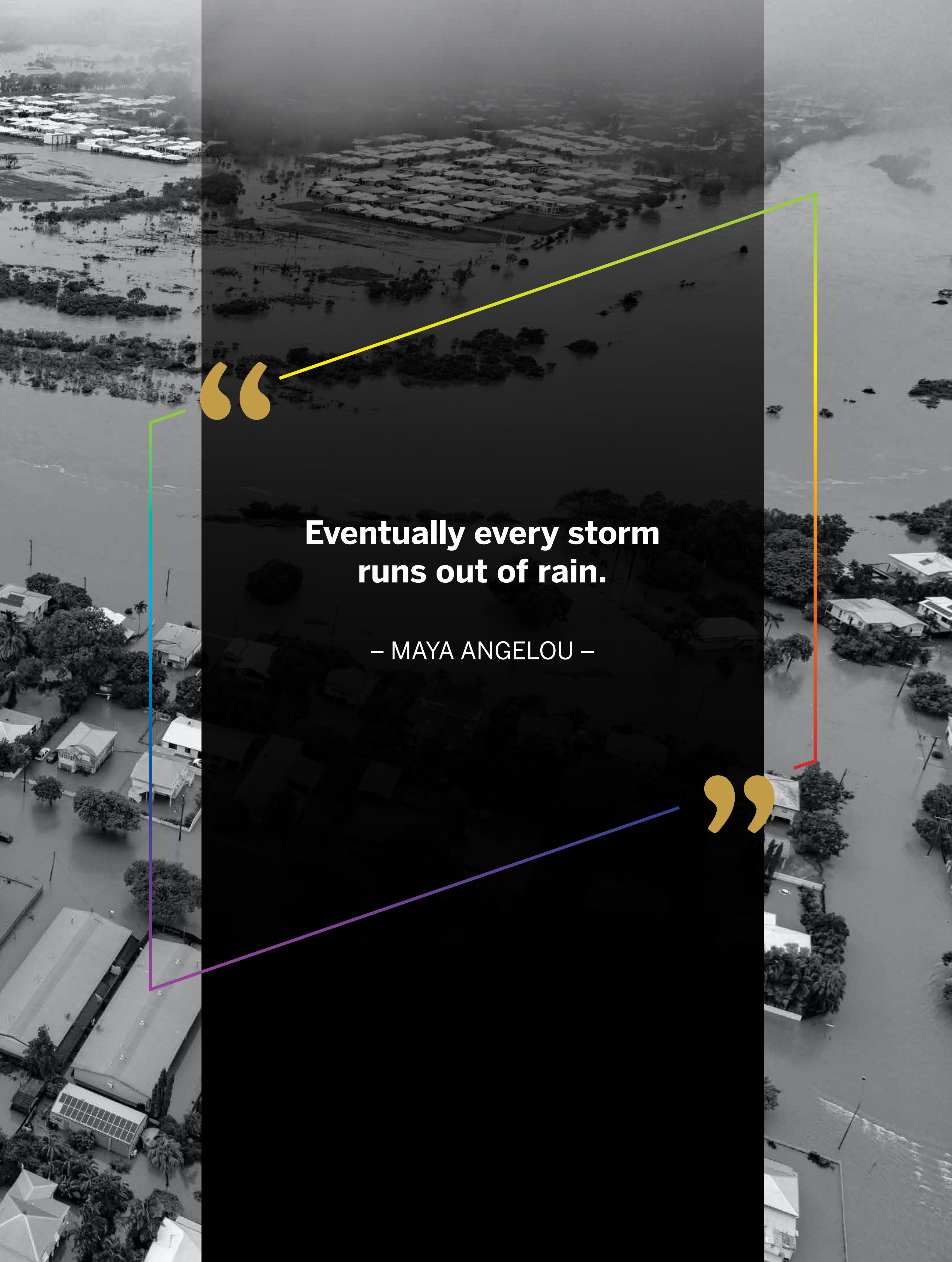
Slowdown of the Economy

Challenges such as high unemployment, the energy crisis, infrastructure decline, and more, have all immensely dented the economy, which suffered a 0.2% decrease in the Gross Domestic Product (GDP) in the third quarter of 2023. These challenges present the utmost test to the resilience of South Africans as a people and to every business in the country. The only way to persevere is by pressing forward, constantly evaluating the situation and finding new ways to operate.

Appreciation

I would like to thank the non-life insurance industry and all who work tirelessly to keep it innovative, relevant, and sustainable. To my fellow SAIA Board Members, all SAIA Members, SAIA CEO, Ms Viviene Pearson, and her management team, along with the entire staff complement of SAIA, I would like to add that I believe the industry is in a better position today because of your various contributions on the multiple levels that you occupy. Your commitment and dedication are commendable.

Thusang Mahlangu
SAIA Chairperson



Eventually every storm runs out of rain.

– MAYA ANGELOU –

04

SAIA CHIEF EXECUTIVE OFFICER'S (CEO'S) REPORT

Reflecting on the challenges in recent years, it is clear that the non-life insurance industry has weathered significant storms. From the persistent impacts of the COVID-19 pandemic to escalating climate-related events and economic uncertainties, each hurdle tested our resilience. Yet, amidst these trials, moments of resilience and innovation emerged like rays of hope through clouds. In 2023, the industry confronted daunting risks head-on, from navigating property damages to addressing cybersecurity threats and governance reforms. This Annual Review celebrates how, through collaborative efforts and strategic initiatives, the South African Insurance Association (SAIA) and its Members not only persevered but also advanced, paving the way for a brighter, more resilient future. As we recount the year's achievements and challenges, we find that every setback was met with proactive solutions, reinforcing our commitment to safeguarding communities and businesses across South Africa.

Introduction

As the representative body of the non-life insurance industry, SAIA plays a crucial role in chronicling both the challenges and triumphs of our sector. This unique position affords us both a ground-level perspective and a bird's-eye view of the industry landscape. In recent years, our Members have navigated a complex terrain shaped by the lingering effects of the COVID-19 pandemic, persistent global and local economic headwinds, and the growing frequency of climate change-related events. These multifaceted challenges have tested the resilience of our industry, yet they have also spurred innovation and adaptation across the sector.

In the reporting period of 2023, the industry experienced many losses. However, there have also been some positive and notable improvements that have become a source of hope for the industry and society.

The concept of uninsurable risk took centre stage in 2023, particularly when reinsurers declared grid failure as uninsurable. While this decision met with some controversy, SAIA and its Members proactively engaged in public discourse, leveraging media platforms to reach millions with crucial information.

The industry's resilience was further exemplified by the South African Special Risk Insurance Association's (Sasria) successful handling of valid claims from the July 2021 riots, supported by Government collaboration. The non-life insurance industry has demonstrated its resilience and relevance in the face of numerous significant loss events over the past three years. While the value of insurance remains indisputable, the industry now faces a critical challenge: mitigating escalating risks and developing collaborative resilience solutions. By partnering with relevant stakeholders, we aim to prevent the widening of the protection gap that could result from risks becoming unaffordable or uninsurable. This proactive approach is essential to ensure that insurance remains both accessible and effective in an increasingly complex risk landscape.

SAIA Strategy 2023 – 2025

The SAIA Board has approved a strategic plan for 2023-2025 that balances focus on key priority areas with the maintenance of essential day-to-day operations. This approach ensures that SAIA remains responsive to emerging industry challenges while continuing to deliver on its core responsibilities.

The key priority areas address critical factors affecting the non-life insurance industry's long-term viability. These include addressing sustainability concerns in specific business classes, advancing industry transformation, tackling the widening skills gap, and working to reduce the protection gap.

The risk landscape has changed drastically over the past few years, putting pressure on the affordability and availability of relevant insurance coverage, which could increasingly widen the protection gap. At the same time, The industry's value to society has never been more evident, underscoring the need for innovative solutions to maintain comprehensive and accessible coverage.

SAIA's **key priority areas** in the year under review (year one of this three-year Strategy) were:

- **Transformation**, with focused participation in the Financial Sector Transformation Council (FSTC) environment and the revision of the Financial Sector Code (FSC); Industry Data Collation to inform our agenda as well as "telling the story"; addressing the Industry Skills Gap mindful of people transformation linking to Management and Control and Employment Equity (EE); Enterprise and Supplier Development (ESD) linked to Preferential Procurement, and financial inclusion, in particular Consumer Education.

- **Insurance Risks**, with focus areas that include the sustainability of Property Insurance, especially in relation to ever-increasing risks due to the general deterioration of effective fire-fighting services, infrastructure challenges and increased severe weather-related events; the sustainability of Motor Insurance, especially in relation to crime and road safety challenges, and with a special focus on systemic risks and potential shared resilience solutions; the Industry Skills Gap in the form of the Retiree Repurposing Programme (RRP) that was successfully delivered in 2023.

- **"Telling the story" – Stakeholder Relations and Communication** took on a new dimension in 2023, with SAIA prioritising the development of its data capabilities. This enhanced capacity aims to better articulate the non-life insurance industry's value proposition and substantial contributions. By leveraging data-driven insights, SAIA seeks to illustrate how the industry bolsters the resilience of individuals, businesses, the economy, and the broader South African environment.

Our **"business as usual"** were:

- **Operations.**

- **Governance Risks** increasingly becoming more active in 2023 in the run-up to the enactment and implementation of the Conduct of Financial Institutions (COFI) Bill.

- **Reinsurers** play an important role in the insurance industry by enabling, through reinsurance capacity, insurers to continue to offer relevant products to consumers.

The highlights for the year under review for the key priority areas, as well as "business as usual areas", are reported on in more detail elsewhere in this Annual Review.

I would like to highlight some other important areas of focus incorporated in the SAIA Strategy in this report.

Value to Members

As a representative body of the non-life insurance industry, representing the interests of 55 non-life insurance companies in South Africa, constituting more than 90% of the industry in terms of premium income, it is of the utmost importance that SAIA adds value to its Members in order to remain sustainable as an industry body.

During the reporting period, SAIA Members consistently expressed that SAIA's collected voice advocating on behalf of the industry – through good relationships with our regulators, policymakers and other relevant stakeholders – adds tremendous value to Members.

Advocacy, Collaboration and Stakeholder Relationships

To deliver value to our Members, SAIA prioritises advocacy and collaboration. Our role is essential in highlighting the importance of the non-life insurance industry within the financial sector, the broader economy, and society. We are committed to addressing the challenges faced by the industry, the economy, and the country through key priority projects in partnership with relevant stakeholders.

Brazil, Russia, India, China, and South Africa (BRICS) Summit and National Economic Development and Labour Council (Nedlac) engagements

In recognition of the growing understanding of the non-life insurance industry's importance in the sustainability and growth of the economy, SAIA's increased visibility led to invitations to speak at notable events. On 19 August 2023, SAIA participated in the BRICS Summit as part of the BRICS Business Council, addressing "Increasing Reinsurance Capacity within the African Continent to Drive Economic Growth." Additionally, on 8 September 2023, SAIA spoke at the Nedlac Summit on "An Overview of the Crisis Situations Facing SA and Their Likelihood and Impact."

The Nedlac constituencies include the Government, organised business, organised labour, and organised community. The message highlighted that the crises facing South Africa are the same challenges the non-life insurance industry encounters, such as pandemics/epidemics, the electricity crisis, lack of infrastructure maintenance, increased climate change-related events, social and political risks, earthquakes, and crime. Emphasising that addressing these crises together is the only way to find solutions for a better future, the message was well received.

Regulators, Policymakers and Other Relevant Stakeholders

During the 2023 financial year, SAIA continued to communicate the challenges faced by the industry to our Regulators, policymakers, and relevant stakeholders.

SAIA's positive, constructive, and collaborative engagements with the Prudential Authority (PA), the Financial Sector Conduct Authority (FSCA), and policymakers – particularly our line ministry, the National Treasury (NT) – as well as other relevant Government entities and stakeholders, have resulted in increased recognition and understanding of the value of non-life insurance. These efforts have highlighted the need for a sustainable non-life insurance industry and explored potential shared-resilience solutions for addressing systemic and potential systemic risks.

Broader Financial Sector

The non-life insurance industry plays a crucial role in the broader financial sector and within SAIA. Throughout 2023, we have consistently collaborated with relevant stakeholders, including the Banking Association of South Africa (BASA), the Association for Savings and Investments in South Africa (ASISA), the Financial Intermediaries Association (FIA), and other key players in the financial sector. This collaboration has focused on matters of common interest and concern, particularly in the area of transformation, and has been especially important within the FSTC, where various challenges were encountered.

During 2023, the Employment Equity Bill was signed into law by President Cyril Ramaphosa, and the collective engagements with the Department of Employment and Labour (DoEL) to agree on financial sector targets were an important area of collaboration within the financial sector.

Broader South African and International Environment

SAIA's membership in Business Unity South Africa (BUSA) has provided significant value to our Members. This important organisation has continued to advocate and influence on behalf of the South African business community for a growing economy, which in turn supports a thriving South Africa with increased investment and employment throughout 2023. BUSA has been instrumental in helping SAIA convey the message that the non-life insurance industry needs to be sustainable and part of the solutions to the challenges facing the country. Much progress has been made by BUSA through the Business for South Africa (B4SA) joint initiatives with the Government via the Presidency on the following key priority projects:

Growth is never by mere chance, it is the result of forces working together.

– JAMES CASH PENNEY –

- Energy Crisis
- Transport and Logistics
- Crime and Corruption

These projects directly correlate with many challenges faced by the non-life insurance industry and align closely with SAIA's initiatives aimed at addressing these challenges.

SAIA, and consequently its Members, also derive great value from our membership in the Global Federation of Insurance Associations (GFIA), where SAIA staff Members continue to participate in relevant work streams. Here, they gain deeper insights by learning from and contributing to international debates such as systemic risks, climate change, cybersecurity threats and security, Diversity, Equity and Inclusion (DEI), the Regulatory environment and other very relevant topics for 2023.

Member Involvement

As an industry representative body that cannot always demonstrate tangible (or monetary) value to its Members and their shareholders, it is of the utmost importance that our Members are actively involved in the agenda and work of SAIA. The more involved SAIA's Members are in SAIA industry initiatives, the more value they get from their membership.

SAIA promotes Member involvement through various channels: our regular monthly bulletin, numerous circulars to Members, participation in diverse committees – from technical and steering committees to Board Committees and the Board itself – and through workshops and personalised, one-on-one Member engagements.

Our Annual General Meeting (AGM) on 3 August 2023 saw outstanding Member attendance and active participation, resulting in the election of a new SAIA Board.

However, the SAIA CEO Roundtable and Annual Cocktail Function on 2 November 2023 did not attract the desired Member turnout. This has prompted us to reconsider the format and timing of these pivotal events to foster greater Member involvement.

SAIA continues to prioritise active Member involvement, recognising that member participation is crucial to our success and vitality.

SAIA funding model

Since 2020, SAIA has actively worked to address the significant income loss from managing the Insurance Guarantee Facility (IGF). This effort includes implementing cost-saving measures such as staff consolidation, optimising operational expenses by downsizing office spaces, and prudently utilising our reserves. Additionally, Members have supported these efforts through slightly above-inflation increases in membership fees during favourable economic conditions.

I am pleased to report that the 2023 financial year has shown significant improvement, with savings realised after our move to smaller premises in June and July 2023. This transition resulted not only in reduced rent but also in savings on related operational expenses and more efficient management of office equipment and service contracts.

The audited 2023 Annual Financial Statements reflect a surplus of R1.96 million, surpassing the SAIA 2023 Budget's expectation of a small surplus for the year. This results in reserves comfortably exceeding the optimal level set for the Association, ensuring SAIA's financial sustainability.

Appreciation

I would like to express my profound appreciation and gratitude to the SAIA Chairperson, Mr Thusang Mahlangu, for his commitment to leading SAIA since August 2023, having served until then as the SAIA Board Deputy Chairperson. He has been resolute in his leadership and very clear in his vision for a better non-life insurance industry.

I also take this opportunity to express much appreciation for Mr Herman Schoeman, who served as the SAIA Board Chairperson until Mr Mahlangu's appointment.

To the SAIA Board, your involvement in and contribution to SAIA activities are invaluable to SAIA and the industry. The industry is in a better position today because of your continuous support.

To all SAIA Members: you are the reason that we exist. We value your continued support.

Lastly, I would like to commend the exceptional SAIA team for another year of unwavering commitment, resilience in overcoming challenges, and steadfast determination in advancing SAIA's and our industry's objectives, whilst making a difference.

Thank you.

Viviene Pearson
SAIA Chief Executive Officer

05

SAIA FINANCIAL EXTRACTS

The Extracts on these pages are from The South African Insurance Association (SAIA) NPC's audited annual financial statements, prepared in accordance with International Financial Reporting Standards for Small and Medium Enterprises, a full copy of which is obtainable from the offices of the Association at Ground Floor, Willowbrook House, Lake Drive, Constantia Office Park, c/o 14th Avenue & Hendrik Potgieter Road, Weltevreden Park, 1709 or email: info@saia.co.za.

The annual financial statements were audited by SNG Grant Thornton, who expressed an unmodified opinion thereon.

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

Figures in Rand	2023	2022
Assets		
Non-Current Assets	1 679 288	169 634
Property, plant and equipment	127 487	93 750
Intangible asset	**1 806 775**	**263 384**
Current Assets		
Trade and other receivables	410 706	679 116
Funds held for SAIA Consumer Education Fund	9 222 818	6 030 409
Cash and cash equivalents	18 592 725	19 789 946
	28 226 249	**26 499 471**
Total Assets	**30 033 024**	**26 762 855**
Equity and Liabilities		
Equity		
Accumulated actuarial losses	(747 791)	(702 791)
Retained income	15 382 588	13 373 562
	14 634 797	**12 670 771**
Liabilities		
Non-Current Liabilities		
Provisions	181 851	209 846
Current Liabilities		
Trade and other payables	1 261 860	2 178 189
Project liabilities	1 528 336	1 610 567
Retirement benefit obligation	842 000	833 000
Provisions	2 361 362	1 892 430
Funds held for SAIA Consumer Education Fund	9 222 818	7 368 052
	15 216 376	**13 882 238**
Total Liabilities	**15 398 227**	**14 092 084**
Total Equity and Liabilities	**30 033 024**	**26 762 855**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Figures in Rand	2023	2022
Revenue	33 125 198	30 805 282
Other income	1 267 998	627 331
Operating expenses	(34 055 253)	(33 808 274)
Operating profit (loss)	**337 943**	**(2 375 661)**
Interest Income	1 671 083	773 494
Profit (loss) for the year	**2 009 026**	**(1 602 167)**
Other comprehensive income:		
Items that will not be reclassified to profit or loss:		
Remeasurement of retirement benefit obligation	(45 000)	(50 000)
Other comprehensive loss for the year net of taxation	**(45 000)**	**(50 000)**
Total comprehensive income (loss) for the year	**1 964 026**	**(1 652 167)**

STATEMENT OF CHANGES IN EQUITY

Figures in Rand	Accumulated Actuarial Losses	Retained Income	Total Equity
Balance at 01 January 2022	**(652 791)**	**14 975 729**	**14 322 938**
Loss for the year	-	(1 602 167)	(1 602 167)
Other comprehensive income	(50 000)	-	(50 000)
Total comprehensive income of the year	**(50 000)**	**(1 602 167)**	**(1 652 167)**
Balance at 01 January 2023	**(702 791)**	**13 373 562**	**12 670 771**
Profit for the year	-	2 009 026	2 009 026
Other comprehensive income	**(45 000)**	**-**	**(45 000)**
Total comprehensive income of the year	**(45 000)**	**2 009 026**	**1 964 026**
Balance at 31 December 2023	**(747 791)**	**15 382 588**	**14 634 797**

STATEMENT OF CASH FLOWS

Figures in Rand	2023	2022
Cash flows from operating activities		
Cash used in operations	(995 704)	(213 674)
Interest income	1 671 083	773 494
Net cash from operating activities	**675 379**	**559 820**
Cash flows from investing activities		
Purchase of property, plant and equipment	(1 868 140)	(86 614)
Sale of property, plant and equipment	82 190	-
Purchase of other intangible assets	(86 650)	-
Net cash from investing activities	**(1 872 600)**	**(86 614)**
Total cash movement for the year	**(1 197 221)**	**473 206**
Cash at the beginning of the year	19 789 946	19 316 740
Total cash at end of the year	**18 592 725**	**19 789 946**

06

HUMAN RESOURCES AND OPERATIONS

The Human Resources and Operations landscape 2023 was characterised by strategic adaptation to evolving work models and organisational needs. We trimmed our office space and created a technologically advanced environment that supports hybrid work while fostering innovation and collaboration. Our workforce underwent careful restructuring, involving some retrenchments and resignations, balanced by strategic new hires in critical areas. While presenting challenges, these changes have streamlined our operations and reinforced our commitment to diversity and efficiency.

Redesign of Office Space

As we embraced new work models, with working remotely and hybrid teams becoming more inculcated into our work culture, the organisation downsized the office space.

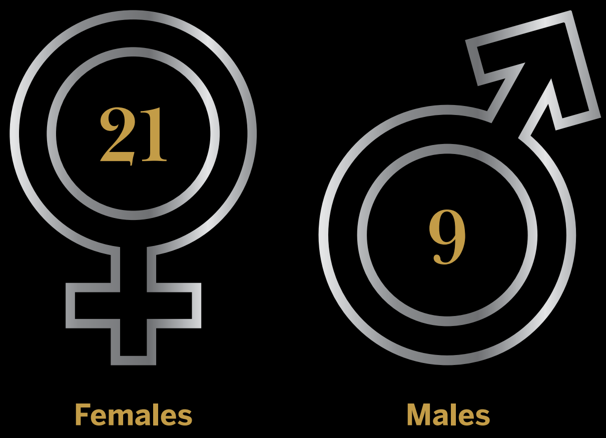
The new facility can be described as "a home away from home," with its sleek design and updated technology complementing this new work-life approach. It is a space that promotes innovation, creativity, and engaging teams, with cybersecurity at the forefront of our improvements as we enter a data-driven market.

Employee Entry and Exits

The streamlining of the office space included a re-evaluation of certain functions. The organisation reconsidered how to deliver on its objectives most effectively and identified the key areas required to achieve this. The response led to a slight staff downsizing, involving two retrenchments and the reprofiling of other positions.

RETRENCHMENTS	OUTCOME
Positions affected: • Office Support • Receptionist and • Driver	Mrs Tshidi Hlatshwayo and Mr Godfrey Nyangwa exited on 31 May 2023
RESIGNATIONS	**STATUS**
Chief Operations Officer • Mr Charles Hitchcock – Effective 31 August 2023	**Position profiled into two roles:** • Mrs Nicol Champaud, HOD: HR & Operations • Mr Afika Matanda as Finance Manager – Effective 22 April 2024
Corporate Affairs Manager • Mr Kwanele Sibanda – Effective 31 January 2024	Vacant
Executive Personal Assistant • Ms Candy Lucas – Effective 3 March 2023	• Ms Nothando Mashaba – Appointment effective 6 July 2023
IT Administrator • Mr Trevor Mhlongo – Effective 30 April 2023	Position outsourced
Legal Personal Assistant • Ms Itumeleng Rapulane – Effective 31 August 2023	No longer part of the structure
APPOINTMENTS	**STATUS**
Legal Specialist	• Ms Puseletso Radebe – Effective 11 September 2023
Office Support Administrator	• Mr Tiyani Baloyi – Effective 1 February 2023
Projects Coordinator Insurance Risks	• Mr Hlayisani Mabasa – Effective 1 February 2023
Senior Legal Specialist	• Ms Shodine Schalkwyk – Effective 1 September 2023

The total number of employees for the period January 2023 to June 2024, inclusive of contractors/temporary workers, are as follows:



Demographics

- African 22
- Coloured 04
- White 04

Demographics by Gender

- African Female 14
- Coloured Female 04
- White Female 03

- African Male 08
- White Male 01

Intermediaries Guarantee Facility (IGF)

The Intermediaries Guarantee Facility (IGF) is in the process of completing its final audit process, with most guarantees already settled. The BDO team of auditors will hand over the financials to the liquidator once the final audit process is complete, after which the full close-down of IGF will commence. It is estimated that the final close-down process will take three months once the final audit has been completed.

The South African Nuclear Pool (SANP)

Written by Kabelo Paile – SAIA Technical Manager: Insurance Risks

The South African Nuclear Pool (SANP) navigated a year of significant developments in 2023, reinforcing its critical role in the country's nuclear energy landscape. This report examines the SANP's proactive measures to enhance operational excellence, from successfully undergoing a Lloyds cover holder audit to facilitating international facility surveys at Koeberg. We explore key initiatives such as the quarterly testing of the nuclear claims management system and the strategic engagement with mutual insurers to align claims procedures. Despite changes in leadership and a claims-free year for local operators, the SANP remains focused on future-proofing its services. As we look ahead to potential shifts in South Africa's nuclear sector, including Koeberg's pending lifetime extension application, this section underscores the SANP's preparedness to adapt and support sustainable growth in an industry where precision and foresight are paramount.

The SANP, under the auspices of the South African Nuclear Pool Administrators (SANPA), had an eventful 2023, marked by numerous positive gains and challenges. The SANP continues to provide insurance services with pride and excellence to the two locally insured facilities: The Electricity Supply Commission's (Eskom) Koeberg Nuclear Power Station and the Nuclear Energy Corporation of South Africa's (NECSA) research facility at Pelindaba. As part of their licensing conditions, these operators require insurance support from local insurers in addition to the capacity from the international pooling system, underscoring the importance of the SANP's ability to meet their insurance requirements.

The year in review:

In 2023, the SANP underwent a Lloyds cover holder audit. There were no major findings against the SANP, and all the recommendations and findings were addressed.

In August 2023, an international team of surveyors conducted a survey at the Koeberg facility. These surveys align with international best practices, and the SANP expresses its gratitude to the Koeberg Management for their ongoing cooperation and support throughout the process.

The SANP conducts ongoing quarterly testing of its nuclear claims management system. Additionally, the SANP met with the mutual insurance companies that participated in Koeberg risk coverage. During this meeting, the SANP provided an overview of its claims system. The mutual insurers agreed to adopt and support the SANP's claims system and procedures in the event of a third-party liability claim arising from the Koeberg facility.

No claims were incurred or reported by the two local operators for the year ending 2023.

The SANPA concluded the 10-year versus 30-year prescription period roadshows to engage the relevant stakeholders regarding the 30-year trigger proposal offering. The SANP presented the policy offering to the National Nuclear Regulator (NNR), the National Radioactive Waste Disposal Institute (NRWDI), NECSA and the SANP Management Committee Members. During the roadshows, all relevant stakeholders were informed about the proposed policy's triggering mechanism in the event of a third-party liability claim, allowing them to consider the implications. The product showcased the pool's capability to provide innovative solutions, addressing the challenges operators face regarding the prescription period.

There were changes in Board Members, and a new Chairperson for the Management Committee was appointed. The SANP wishes to thank and appreciate the guidance and support provided by the Members.

The year ahead:

The SANP/SANPA Directors and Management team have considered the future environment of the pool, and in the final meeting for 2023, the following was agreed:

- The SANP will begin a financial, regulatory and business review in 2024 to ensure that the pool continues to function optimally and is fit for purpose.
- The SANP/SANPA Board and Management Committee will focus on Environmental, Social and Governance (ESG) matters into 2024.
- The SANP will seek to increase its overall capacity for 2024, more especially for the foreign reinsurance business, to allow the SANP to participate in a greater share of the risks in line with the growth strategy and to combat attrition.

The Koeberg lifetime extension application to the NNR is pending. The NNR is expected to respond to the application before the existing license term expires on 21 July 2024. The SANP is eagerly awaiting the outcome of this application.

SAIA Management would like to thank the Members who participated in the Nuclear Board and Management Committee.

Nicol Champaud
Head of Department: HR & Operations

Tshepiso Moloto
PA to HOD: HR and Operations

Viviene's 20th Work Anniversary

This year marks SAIA CEO Viviene Pearson's 20th anniversary at the Association. Viviene joined SAIA in February 2004 as the Image and Reputation Manager and has held several positions within the organisation.

Since becoming SAIA CEO in January 2016, Viviene has been instrumental in fostering a thriving industry through leadership that is characterised by robust stakeholder engagement and hard work. Viviene has also been intentional about creating a collaborative and affiliative work environment premised on team building and development.

SAIA sincerely thanks Viviene for her selfless contribution to the Association and the non-life insurance industry. Viv, as the SAIA team affectionately calls her, we appreciate your tireless efforts and your positive impact on our workplace.

SAIA Team

SAIA ORGANISATIONAL STRUCTURE AND STAFF PROFILE

GM: INSURANCE RISKS
Pamela Ramagaga

- **PA**
  Rachel Mathosa
- **INSURANCE RISKS TECHNICAL MANAGER**
  Kabelo Paile
- **INSURANCE RISKS MANAGER**
  Mzayiya Sondiyazi
  - **PROJECTS COORDINATOR**
    Hlayisani Mabasa
- **INSURANCE RISKS MANAGER**
  Lebohang Tsotetsi

GM: GOVERNANCE & TRANSFORMATION
Themba Palagangwe

- **PA**
  Zoleka Hlomuka
- **TRANSFORMATION MANAGER**
  Zanele Gigaba
- **PROJECTS COORDINATOR**
  Tessa McQuire
- **SENIOR LEGAL SPECIALIST**
  Shodine Schalkwyk
- **LEGAL SPECIALIST**
  Puseletso Radebe

- **CEO**
  Viviene Pearson
  - **EXECUTIVE PA**
    Nothando Mashaba
  - **MANAGER: CORPORATE AFFAIRS**
    Vacant
    - **CORPORATE AFFAIRS ADMINISTRATOR**
      Livhuwani Mutheiwana
    - **DATA INTELLIGENCE SPECIALIST**
      Donald Mphahlele
  - **HOD: HR AND OPERATIONS**
    Nicol Champaud
    - **PA**
      Tshepiso Moloto
    - **ACCOUNTANT**
      Thembi Mokoena
    - **ACCOUNTS ADMINISTRATOR**
      Naomi du Toit
    - **OFFICE ADMINISTRATOR**
      Tiyani Baloyi

07

SAIA STRATEGIC AREAS

- TRANSFORMATION
- GOVERNANCE
- INSURANCE RISKS
- CORPORATE AFFAIRS

7.1 TRANSFORMATION

The transformation of South Africa's insurance industry remains an essential priority amidst the economic turbulence and climate related and other challenges facing the nation. As property damages from severe weather escalate and businesses grapple with instability, the need for an inclusive, representative, and resilient insurance sector has become ever more crucial. The South African Insurance Association (SAIA) and its Member companies recognise our vital role in promoting consumer resilience, closing skills gaps, and driving meaningful transformation through employment equity, enterprise development, and robust supplier relationships. This section outlines the industry's focused transformation efforts in 2023 to build a more equitable, capable, and sustainable insurance landscape that can withstand headwinds and protect all segments of society.

The society has remained financially strained due to the continued global economic volatility. Property damages and/or losses caused by climate-related weather events, such as storms, floods and wildfires, have also exacerbated both the societal and financial pressures on businesses and consumers. The long-term effects of these external factors will lead to economic instability as some businesses will close down, leading to job losses. Additionally, thousands of families will be left struggling as they fail to recover from the damage to or loss of their homes and motor vehicles in areas negatively affected by climate-related weather events.

The sustainability of the non-life insurance industry has also been directly impacted due to increased insurance claims and the potential loss of future income, as some of these events would lead to an increase in uninsurable risks and consumer unaffordability, thereby negatively impacting the promotion of financial inclusion. The transformation agenda has become even more important for SAIA and its Members, as our role in society includes the promotion of business and consumer resilience during difficult economic times.

In 2023, the SAIA Board approved that SAIA maintain its Transformation Priority Focus Areas as follows:

- Active participation and representation of the industry at the **Financial Sector Transformation Council** (FSTC), including the review of the Financial Sector Code (FSC).
- Advancing the non-life insurance industry transformation narrative through **Industry Data Collation** and reporting.
- Promotion of relevant industry skills development initiatives to close the growing **Industry Skills Gap** and encourage the acceleration of people transformation by SAIA Members through Management Control and Employment Equity (EE).

Additionally, SAIA coordinated the industry initiatives for **Consumer Education** and **Enterprise and Supplier Development** (ESD) and collaborated with relevant external stakeholders on transformation topics of common interests.

The Financial Sector Transformation Council (FSTC)

The negotiations on the review of the Financial Sector Code (FSC) have remained significantly slow, thereby impacting the industry's ability to fully adopt and implement the proposed changes that were agreed upon and promulgated through the Amended FSC. This particularly pertains to elements with greater transformation opportunities and impact on the industry. However, SAIA has continued to participate in the FSTC on behalf of the industry, which includes presenting the industry positions towards the acceleration of transformation of the financial sector. Still, relationship challenges amongst the constituencies remain at the FSTC, impacting progress negatively. This has included the delays in the revision of the Guidance Note for Group Reporting, as provided for in the current FSC.

However, there has been an improvement in the compilation and analysis of the FSTC's State of Transformation Annual Report (SoTAR), although the report has shown some decline in the sector's performance for its latest reporting period. This could illustrate the economic challenges faced by industries within the financial sector. SAIA continues to encourage Member participation towards improving the transformation status of the financial sector, including the submission of annual B-BBEE reports to the FSTC for the SoTAR analysis.

Industry Data Collation

In 2023, SAIA conducted two industry data surveys, namely the second survey on the portal for Preferential Procurement and the first survey for Management Control. Since the inception of SAIA coordinating industry transformation data collation, a total of five and two surveys have been conducted for Preferential Procurement and Management Control, respectively.

- **Preferential Procurement**

  The Preferential Procurement Survey was completed successfully and the results were shared with Members after approval by the SAIA Board. SAIA is also in the process of compressing the report into a presentation format to facilitate sharing it with relevant external stakeholders.

  Of the 24 qualifying Members, 16 Members, with a market share of 71%, participated in the survey. The surveys covered industry data submissions for personal lines for motor and property claims-related data, with the results reflecting the industry support for supplier transformation, particularly the support of Exempt Micro Enterprises (EMEs) and Qualifying Small Enterprises (QSEs) over the years.

  SAIA would like to thank its Members for their positive contribution towards promoting transformation through insurance claims-related procurement, as this is one of the key drivers of the industry.

- **Management Control/Employment Equity (EE) Industry Data**

  SAIA also invited its Members to participate in an industry survey for EE. However, due to low participation, SAIA has extended the submission deadline to June 2024. It is imperative that Members participate in industry data collation initiatives to provide the industry with insights on trends via quantitative data to inform the industry positions and messaging on the transformation agenda. The industry EE data is also critical to track the sector's performance once the Department of Employment and Labour (DoEL) promulgates the sectorial targets.

Industry Skills Gap – Skills Development and Management Control

Skills capacitation remains key in ensuring the sustainability of the industry and also promoting the industry's people transformation.

- **Skills Development**

  The transfer and development of relevant industry skill sets remain critical in ensuring the sustainability of the sector, especially as it relates to technical capabilities. The 2023 Retiree Repurposing Programme, which is an initiative by SAIA, the Insurance Sector Education and Training Authority (INSETA) and the Insurance Institute of South Africa (IISA), was completed successfully with minimal attrition. The rollout of the 2024 programme has been approved by INSETA. This programme facilitates the transfer of technical skills through mentorship by retired industry experts and affords the industry the opportunity to advance its transformation objectives by placing designated candidates on this accelerated learning programme. (More details can be found under the Insurance Risk Report).

- **Management Control/Employment Equity (EE)**

  Management Control is also a key transformation element for the industry, with SAIA continuing to track developments relating to progressive participation by black people in the industry workforce. Since the assent of the long-standing Employment Equity (EE) Bill into an Act by President Cyril Ramaphosa in May 2023, the Department of Employment and Labour (DoEL) has issued two proposals for public comments on the EE Sector targets. SAIA has coordinated industry engagements on the same, consolidated industry comments and submitted them to the DoEL.

Industry Enterprise and Supplier Development (ESD) – Including Preferential Procurement.

SAIA has continued to look for opportunities and partnerships that would advance the industry's transformation through its supplier chain and, as such, the following activities were facilitated in 2022:

- **Industry Transformation and Sustainability Forums**

  The SAIA Motor Transformation and Sustainability Forum (MTSF) and Property Transformation and Sustainability Forum (PTSF) have not convened in the past year. However, SAIA conducted stakeholder engagements to initiate discussions around the resumption of the forums, as these are deemed appropriate platforms to facilitate engagements on relevant industry topics.

Engagements with the MTSF cohort were generally positive, with the Motor Body Repairer (MBR) associations welcoming the proposal to resume forum meetings. The engagements also indicated that progress had been made with the industry. Continued assistance and engagements on industry issues with SAIA were most welcomed.

However, the engagements with PTSF demonstrated minimal change and limited implementation of the outcomes of the Forum, which included the adoption of the Treating Suppliers Fairly Framework, as it is incorporated in the SAIA Code of Conduct and the Competition Commission's Practice Note on the Banks and Insurer Supplier Panels. The engagements illustrated misunderstanding with regard to the purposes of the two documents. Therefore, they were not adopted and implemented proactively by service providers under the guidance of their associations. The discussions also indicated that there had been limited adoption of the documents by the insurers, thereby limiting their impact on both service providers and insurers. SAIA will conduct industry workshops to familiarise procurement practitioners within the industry with the existence and purposes of the two documents.

SAIA is finalising the planning of the first meetings, which also includes engaging the Members to nominate their representatives.

Collaborations

Key to SAIA's success on industry initiatives is the collaborative relationships created with relevant external stakeholders, which include the Regulator and Government agencies, where appropriate:

- **The South African Insurance Association (SAIA)/ Competition Commission**

  The collaborative relationship between SAIA and the Competition Commission has remained constructive. It is equally encouraging that the industry has welcomed the related initiatives, garnering positive feedback from the Competition Commission regarding complaints against its Guidelines for Competition in the South African Automotive Aftermarket, as well as the industry's responses to the survey conducted by the Competition Commission in December 2023.

- **The South African Insurance Association (SAIA)/ The South African Supplier Diversity Council (SASDC)**

  SAIA and the South African Supplier Diversity Council (SASDC) signed a Memorandum of Understanding (MoU), which formalised the partnership between the two parties. The two parties have since engaged with the Department of Trade, Industry and Competition (dtic) and the B-BBEE Commission on new developments on the B-BBEE Codes and issues of fronting. The next step is to compile a position paper to be shared with the B-BBEE Commission on lessons learned around fronting issues since the amended Codes were promulgated in 2013.

  Other collaborations include SAIA's participation in the Eastern Cape Automotive Industry Centre (ECAIDC) Conference. The panel discussions revolved around transformation progress in the non-life insurance industry. Delegates who participated represented several key stakeholders, including the Competition Commission, the Small Enterprise Finance Agency (SEFA), banks, the Government, and industry representative bodies. These discussions facilitated an engagement with SEFA on their requirement for funding Small, Medium and Micro Enterprises (SMMEs) and the possibility of adopting SAIA's Motor Body Repairer (MBR) Checklist as part of the assessing tools when considering funding for MBRs.

The South African Insurance Association (SAIA)/Consumer Education Projects

SAIA and its Members remain committed to promoting financial inclusion in South Africa. Through our Consumer Education Fund initiative, we strive to provide consumers with programmes that aim to enhance consumer financial well-being and confidence when engaging with industry products and services.

SAIA continues to deliver Consumer Education Projects through various platforms to improve consumer knowledge and comfort when engaging with the non-life insurance industry, its products and services. The 2023 programmes reached over three million beneficiaries. More than 90% of these beneficiaries were black, with representation across the nine provinces. Below are the summaries of the programmes implemented through the SAIA Consumer Education Fund:

- **The Building Resilient Businesses (BRB) Programme**

  The Building Resilient Businesses (BRB) Programmes are provided to SMMEs, with one initiative focusing on start-ups and the other on matured (older than three years) businesses. The aim of the BRB Programme is for business owners to maximise the value derived from the initiative.

For 2023, the two service providers appointed by SAIA for the BRB Programme delivered 43 workshops throughout the country, covering topics on Financial Literacy and Risk Management, which includes Risk Transfer through buying appropriate insurance products. The programmes reached 1099 black business owners. SAIA was also able to deliver an additional programme for one of the beneficiary groups in collaboration with the Association for Savings and Investments Southern Africa (ASISA) and the Financial Planning Institute Southern Africa (FPI), providing more information about insurance (life and non-life) for businesses.

- **The SAIA Consumer Financial Education (CFE) Radio Programme**

  The SAIA Consumer Financial Education (CFE) Radio Programme has shown a growing interest among listeners, with radio stations sometimes offering additional programme slots at no additional cost to SAIA. The programme discussions include topics on policy management and consumer behavioural practices such as maintenance and protection of the insured assets for personal lines consumers. The radio programme is also extended to SMMEs on the selected radio stations, covering content aimed specifically at this target group. The programme reached an estimated 3.27 million listeners through 30 radio interviews delivered through national and regional stations, reaching both urban and rural audiences.

- **Ignite Tomorrow – Financial Education Programme**

  This programme provided financial literacy for school learners and was sponsored by SAIA from the ad hoc budget in 2022. SAIA has since adopted the programme as one of its annual initiatives, using the "adopt a school" model to support learners through an online facilitated learning programme.

Money Smart Week South Africa (MSWSA) and the SAIA Media Awareness Campaign

The Financial Services Conduct Authority (FSCA) delivered the annual Money Smart Week South Africa (MSWSA) in August 2023, where SAIA and its Members participated. The MSWSA offered SAIA the opportunity to pilot an industry Consumer Education Media Awareness Campaign, which utilised various media platforms to disseminate messaging on the value of the non-life insurance sector's products and services. The campaign included a media statement on "The importance of non-life insurance products for safeguarding your valuable assets during tough economic times", which facilitated radio and TV interviews, an advertorial in the Daily Sun newspaper, and consumer tips on SAIA's social media platforms. SAIA's contributions to the sector Consumer Education Projects have also been recognised with the appointment of Ms Zanele Gigaba, Transformation Manager at SAIA, as the Chairperson for MSWSA.

The MSWSA media campaign was well-received by both media and consumers. It resulted in SAIA conducting another campaign in December 2023 and also incorporating the programme in the 2024 project offerings.

The FinScope Consumer Survey

SAIA has been a participant in FinMark Trust's FinScope Consumer Survey since 2018, supplying the industry with consumer insights pertaining to financial sector product penetration and usage. Over the years, the study has revealed a favourable shift in consumer awareness and sentiments towards the non-life insurance industry. Additionally, there has been a degree of progress with regard to product penetration. Consequently, these reports offer valuable data that sheds light on the state of financial inclusion within the industry and can also serve as a useful tool to guide the development of industry products.

Going Forward

The present economic conditions and the emerging risks impacting the industry truly underscore the importance of fostering an inclusive society. The non-life insurance industry plays a vital role in sustaining a vibrant economy by adapting dynamically to the evolving challenges that affect the social and financial well-being of the community.

SAIA would like to express its sincerest gratitude to all participating Members for their continued support, both financial and otherwise, in enabling us to successfully deliver industry initiatives.

Themba Palagangwe
General Manager: Transformation and Governance

Zanele Gigaba
Manager: Transformation

Tessa McQuire
Projects Coordinator: Transformation

Zoleka Hlomuka
PA: Transformation

7.2 GOVERNANCE

As the non-life insurance industry navigated the turbulent storms of economic volatility, climate risks, and operational challenges, robust governance frameworks proved instrumental in charting a steady course. The South African Insurance Association (SAIA) recognised that bolstering resilience hinged on collaborative efforts with Regulators to fortify industry sustainability. This section outlines SAIA's pivotal engagements throughout 2023, fostering transparent dialogue, aligning with evolving regulatory landscapes, and advocating for measures that safeguard consumer interests while positioning the industry as a resilient force capable of weathering gathering clouds on the horizon. Through constructive partnerships and a commitment to ethical conduct, SAIA strived to reinforce the sector's governance foundations, ensuring the industry emerges resilient – a rainbow of hope amidst the challenges.

Across the globe, companies operating in non-life insurance sectors have grappled with ongoing difficulties stemming from a multitude of external forces and circumstances beyond their control. These hurdles encompass the persistent volatility in economic conditions, the rising prevalence of climate-change-related risks and cybercrime incidents. Moreover, the South African market has been adversely impacted by the ongoing energy crisis, characterised by frequent electricity supply disruptions (loadshedding), which has hampered economic activities. Such challenges have directly impacted insurers, bearing both financial and systemic sustainability implications while heightening consumer vulnerability due to the potential inability of the non-life insurance industry to offer coverage for certain risk perils in the near future. To address these challenges and prevent duplication of efforts, collective work between the industry and the Regulators is required.

Financial stability and sustainable finance have emerged as pivotal topics for the Financial Sector Regulators, shedding light on the implications of climate change for the sector. As an industry, we must prioritise factors such as consumer impact, Environmental, Social and Governance (ESG), use of Artificial Intelligence (AI), financial crime and operational resilience. With the growing demand for sustainable finance products and services, it has become crucial to consider the role of Financial Sector Regulators in promoting informed consumer choices, mitigating consumer risks, and formulating strategies to ensure fair treatment of consumers by financial institutions.

SAIA continues to represent the interests of the non-life insurance industry and promote the sustainability of the industry through engagements with the Regulators on topical industry issues. Below is a summary of SAIA's involvement in activities pertaining to industry regulations.

Developments from the Financial Sector Conduct Authority (FSCA)

- **Conduct of Financial Institutions (COFI) Bill**

  The finalisation of the Conduct of Financial Institutions (COFI) Bill has remained significantly slow, with the draft currently under review by the Office of the Chief State Law Adviser (OCSLA) for a preliminary opinion before it can be submitted and tabled for approval by Parliament. This has had a negative impact on the Financial Sector Conduct Authority (FSCA) to advance the development and implementation of the related regulatory frameworks. The FSCA is in the process of considering potential alternative options, given the delay in the finalisation of the COFI Bill.

  In the interim, the FSCA, under its Market Conduct Committee (MCC), has established the COFI Bill Transition Working Group to serve as a consultative forum in developing the themed frameworks and transition of the COFI Bill. SAIA nominated Ms Shodine Schalkwyk, SAIA's Senior Legal Specialist, to serve as the industry representative in the working group. However, the undertakings of the group will transcend the confines of the MCC participants. Consequently, additional industry representatives will be extended invitations to participate as the need arises.

- **Omni Conduct of Business Returns (CBRs)**

  The FSCA has revised the Omni Conduct of Business Returns (CBRs) to incorporate reporting on the commercial lines and attempted to simplify the forms for a more effective submission process. The revised Omni CBRs are presently undergoing the final review, and the FSCA has targeted to issue a communication regarding the new version by July 2024.

Success is not final, failure is not fatal: it is the courage to continue that counts.

– WINSTON CHURCHILL –

- **Industry Engagement in Insurance Contract Certainty**

  The non-life insurance industry has faced a series of challenges in recent times. It started with the COVID-19 outbreak, which was then followed by the emergence of new insurance risks like climate change, cybercrime, and the energy crisis. In light of all these developments, providing contract certainty to consumers about the products and services offered has become absolutely crucial for the industry. The recent events have prompted insurers and reinsurers to reassess and modify their risk profiles concerning certain perils. Additionally, the revision of specific contracts may potentially result in varied interpretations within the market, leading to inconsistencies. Therefore, SAIA deemed it necessary to approach the FSCA on the industry concerns regarding contract certainty and engaged in the potential development of a framework that could be used to facilitate industry engagements on issues of common concern without being in contravention of any competition laws.

  After engaging with SAIA, the FSCA sought legal counsel's opinion on the matter. The FSCA also intends to consult with the Competition Commission regarding a feasible approach, as some issues may pertain to competition. However, such measures are necessary to safeguard consumer interests.

- **Financial Sector Conduct Authority (FSCA) Memorandum of Understanding (MOU) with the Competition Commission and B-BBEE Commission**

  The FSCA has published the Memorandum of Understanding (MOUs) that it has signed with the Competition Commission and the B-BBEE Commission. The essence of the document is to facilitate structured engagement and commitment in addressing matters of common interest between the FSCA and the two Government agencies.

- **Financial Sector Conduct Authority (FSCA) Statement on Sustainable Finance and Consumer Vulnerability**

  The developments at the FSCA have highlighted sustainable finance and consumer vulnerability as among their primary focus areas. These include the impact of climate change and technology, business operations and consumer resilience during uncertain times.

  In 2023, the FSCA released its Statement on Sustainable Finance and Programme of Work, with the scope adopted for ESG priorities. It placed the emphasis on the impact of climate change and the importance of sound corporate governance on operational resilience.

  The FSCA has also published the Statement on Consumer Vulnerability, aiming to ensure fair treatment of consumers by financial institutions and promote financial inclusion. Over the next four years, from 2024 to 2028, the FSCA will adopt a three-phase approach. This will commence with consultation papers to embed a focus on vulnerability as part of achieving the desired Treating Consumers Fairly outcomes.

- **Financial Sector Conduct Authority (FSCA) Conference**

  At the conference, which was themed "Inspiring Trust – Evolutions in Financial Conduct Regulation", Mr Unathi Kamlana (Commissioner, FSCA) outlined the challenges consumers face in the current economic conditions. He also reflected on the FSCA's journey over the past five years and stressed the importance of industry collaboration with policymakers to instil trust in the financial sector.

  Regarding supervision, the emphasis was placed on harmonising laws throughout the sector, aligning with international standards, addressing emerging and topical issues, and managing sector-specific risks. From an insurance standpoint, there is a directive to prioritise support for smaller insurers experiencing financial strain. Additionally, a dedicated forum is in place to discuss the cover needs of individuals and their awareness of available cover.

  Collaboration was emphasised as the core of the Twin Peaks Regulatory Framework, and SAIA is pleased to have been involved in the collaborative effort.

Developments from the Prudential Authority (PA)

- **Prudential Authority (PA) Industry Engagement - Insurance Industry**

  As part of its ongoing engagement with the insurance sector, the Prudential Authority (PA) has been facilitating annual meetings with industry stakeholders. On 20 February 2024, the PA conducted an in-person engagement that was attended by SAIA and other stakeholders. These sessions provided a valuable platform for collective reflection on significant sectoral developments and for addressing shared interests. They also offered the PA an opportunity to directly gather insights from industry representatives regarding their main concerns and priorities.

- **Flavour-Of-The-Year (FOTY)**

  Annually, the PA considers whether any current developments and/or emerging risks affecting regulated financial institutions at an industry level are of significance and whether focus is required from a supervisory perspective.

  The flavour-of-the-year (FOTY) topic for insurers has been highlighted as strategic business growth and resilience of the regulated financial institutions' business models in the current environment.

- **Prudential Authority (PA) Guidance Note on Climate-Related Risk Practices and Disclosures**

  The PA published the Proposed Guidance Note – Climate-related risk practices and disclosure for comments. This note provides guidelines about the PA's approach to climate-related risks and their impact on operational resilience. SAIA had the opportunity to engage with the PA regarding the potential impact of climate change on the industry – encompassing both operational and systemic risks. During this engagement, SAIA provided insights into possible preventative measures that could be implemented by the industry. Furthermore, SAIA coordinated and compiled industry comments, which were subsequently submitted to the PA.

- **The South African Reserve Bank (SARB)/ University of Cape Town (UCT) Financial Stability Research Conference.**

  The South African Reserve Bank (SARB) and the University of Cape Town (UCT) jointly hosted a conference that centred on research conducted regarding financial stability. Akin to the FSCA's Statement on Sustainable Finance, this research delved extensively into the impact of climate change on operational resilience. This shared focus underscores the mutual concern held by both the industry/sector and the Regulators concerning the long-term sustainability of the financial sector.

Joint Standards

- **Joint Standard on Outsourcing by Insurers**

  On 8 March 2024, the parliamentary period lapsed. There were no issues emanating from the Parliamentary process. The Joint Standard will now be made final.

- **Joint Standard on Risk Management Framework for Financial Institutions**

  The Joint Standard will take effect on 15 November 2024. However, institutions are encouraged to initiate the implementation process for this Standard prior to its formal commencement date.

- **Development of Joint Standard – Corporate Governance and Culture**

  The Joint Governance Work Group (JGWG), comprising representatives from the FSCA and PA, is in the process of developing a Joint Standard. Currently, the JGWG is considering a refined version of the draft Joint Standard, and preparations are underway for targeted consultation with identified technical experts on governance. Following this consultation phase, the Joint Standard will be readied for public consultation.

- **Revised Joint Standard on Cybersecurity and Cyber Resilience Requirements**

  On 1 March 2024, the parliamentary period lapsed. There were no issues emanating from the Parliamentary process. The Standard will now be made final.

Other Developments

- **The South African Insurance Association (SAIA) Code of Conduct**

  Following the review of the SAIA Code of Conduct in 2023 by the Competition Law expert contracted by SAIA, the relevant clauses and annexures have been revised as per the recommendations. SAIA has also reviewed and revised the SAIA Code of Conduct compliance declaration for simplification in comparison to the current form and ease of application by Members. Both submissions have been recommended by the SAIA Board Committee: Governance Risks and await approval by the SAIA Board.

A Note of Thanks

A special thanks goes out to the SAIA Governance and Transformation team for its continuous commitment to contributing to the industry objectives.

Themba Palagangwe
General Manager: Transformation and Governance

Shodine Schalkwyk
Senior Legal Specialist

Puseletso Radebe
Legal Specialist

7.3 INSURANCE RISKS

Navigating the tumultuous landscapes of property damages, escalating motor vehicle crimes, and the ever-evolving risk landscape, the non-life insurance industry fortified its resilience through targeted initiatives in 2023. Amidst the increasing storms of climate change, cybersecurity threats, and infrastructural challenges, the South African Insurance Association (SAIA) and its Members championed a multi-pronged approach to safeguarding the sector's sustainability. This section spotlights the industry's efforts to enhance fire resilience, combat vehicle-related criminality, and promote road safety – striving to extend a protective realm over people's lives, assets and the nation's economic interests. Through innovative programs, robust databases, and collaborative engagements, the non-life insurance industry demonstrated its unwavering commitment to weathering adversities and emerging as a barricade against insurable risks.

PROPERTY (NON-MOTOR) INSURANCE

Property Protection – Fire and Localised Flooding Risks

SAIA utilises the Fire Protection Association of Southern Africa (FPASA) as a platform to execute strategic property-related projects concerning fire and localised flooding incidents. One of the ongoing initiatives undertaken by the FPASA is the fire services assessment project, which aims to evaluate and grade fire service capabilities across the country, enabling a comprehensive assessment of the current state of fire services. The target for 2023 was 74 fire service assessments by the end of that year, with the project envisioned to be complete by December 2024.

The granular data information has not been shared because the FPASA is bound by the Memorandum of Understanding (MoU) signed with each municipality. Therefore, the FPASA will need to receive permission from respective provincial disaster management centres to share the information with the industry.

In addition to the fire services grading project, the FPASA has embarked on other fire and training projects for the benefit of the non-life industry.

The consumer education/awareness topics completed in 2023 are as follows:

- Solar, generator, and inverter fires.
- Guide on completion of the Engineering Council of South Africa (ECSA) Fire Protection System Practitioner (FPSP) Form.
- Major Hazard Installations (MHI) conference and exhibition by Team FPASA Insurance Projects.
- Emerald SA Conference – Emerging Risks in Insurance.
- Inverter fires.
- Manufacturing risks, including plastics, blow moulding and extrusion.
- Thatch fire risks.
- Sectional title/body corporate communal property fire risks.
- Metalworks/recycling risks.

The FPASA hosted its annual InFIReS Seminar on 27 September 2023. The event was a resounding success – it was oversubscribed. The seminar addressed topical issues and had experts within the relevant industries present on these topics. The next conference is planned for May 2024.

Fire Special Purpose Vehicle (SPV)

SAIA presented a possible fire special purpose vehicle (SPV) entity to its Members – an initiative originally initiated by a SAIA Member. The SPV will be a separate entity where SAIA's top property insurers and reinsurers will be able to pool funding and collectively address fire-related challenges within the non-life insurance industry. R50 million had been earmarked for the establishment of the entity and support of the projects by SAIA Members. Good progress has been made in establishing the entity and defining its critical focus areas. SAIA will continue to support the Members who are participating in the SPV, although the SPV will not be a SAIA project as the strategic intentions do not affect all SAIA Members.

The Property Technical Committee (PTC)

The Property Technical Committee (PTC) earmarked areas of concern for property underwriters. Solar panels and lithium batteries were highlighted as potential emerging risks that required in-depth assessment. Various experts addressed the PTC Members regarding the full spectrum of potential solar panel risks from installation to maintenance. Topics of discussion included relevant documents required for a compliant solar installation, the relevant inspections required before installation and the possible gap in cover during installation. The increase in solar installations due to the country's energy constraints may lead to numerous fire claims or roofs collapsing if the installers do not fully comply with all registration requirements.

MOTOR INSURANCE

The Vehicle Salvage Database (VSD)

Just like the previous years, the Vehicle Salvage Database (VSD) system (which was launched in August 2018) continued to grow in leaps and bounds.

The system is managed by the Insurance Crime Bureau (ICB) on behalf of 25 participating motor insurance Members to combat vehicle-related crimes. The VSD is governed by the Salvage Database Governance Committee via its quarterly meetings. Compared to the last two years, the number of enquiries, users, salvage records and hit counts reflect as follows:

Year	Number of Enquiries	Users	Salvage Records	Hit Count
2021	128 499	1 422	954 094	8 077
2022	176 145	1 661	1 037 079	8 653
2023	153 573	1 844	1 117 9614	7307

Cancellation of the Uninsured Third-Party Liability Database

Throughout 2023, the relevant committees conducted multiple discussion meetings regarding the development of the Uninsured Third-Party Liability Database. After thorough deliberations, a decision was made in September 2023 to cancel this project. The primary reason for the cancellation was that most Members would require internal system developments that were deemed unjustifiable. Furthermore, it was established that the majority of Members utilise external service providers to manage the recovery of liabilities associated with uninsured third-party claims.

Development of The Vehicle Identification Number (VIN) Lookup System

SAIA has launched a web-based facility for consumers to check on the status of a vehicle, which is reflected in a database within the industry's Vehicle Salvage Database (VSD).

The facility which is known as the Vehicle Identification Number (VIN) Lookup System can be accessed at no cost to the consumer on the website www.vinlookupsa.co.za.

The system includes the following vehicle salvage records indicating vehicles which are either not supposed to be on our roads (3A and 4) or have undergone a status code change from Code 2 (Used) to 3 (Rebuild):

- Rebuilt (Code 3).
- Spare parts only (Code 3A); and
- Scrap – Permanently demolished (Code 4)

The non-life insurance industry in South Africa has taken an unprecedented step by creating such an initiative, which is likely the first of its kind in the private sector. SAIA recognises the importance of this endeavour, particularly in the information age, believing it to be the right course of action.

The South African Insurance Industry (SAIA) Code of Motor Salvage

The Code of Motor Salvage aims to establish a unified approach for handling motor salvage, with the ultimate goal of assisting in the fight against motor vehicle crime, specifically vehicle cloning. This initiative benefits all stakeholders involved and, ultimately, serves the interests of the South African public.

In the year 2022, no changes were made to the Code itself. SAIA and its relevant Motor Related Committee will continue to raise awareness among its motor Members and their salvage agents, emphasising the importance of adhering to the Code of Motor Salvage when overseeing motor salvage processes and associated documentation.

The Motor Repair Standard

Despite being communicated to motor Members in December 2022, the formal launch of the SAIA Motor Repairer Minimum Standard (referred to as the Checklist Guideline) could not take place in 2023.

In the meantime, motor Members have been urged to embed the Checklist Guideline in their current processes when onboarding Motor Body Repairer (MBR) service providers.

The creation of the Checklist follows the issuing of Competition Commission Guidelines for Competition in the South African Automotive Aftermarket in December 2020.

In 2024, SAIA will work towards the formal launching of the Checklist to its motor Members and towards the creation of a central database of MBR service providers.

Road Safety Initiatives

The Road Safety Committee

The deadline to reduce road accident fatalities by 50%, from the 2010 baseline of 13,967 fatalities to 6,984, by the year 2030 is rapidly approaching. As advocates of road safety and, on behalf of the non-life insurance industry and supporters of the National Road Safety Strategy, SAIA created the SAIA Road Safety Committee in 2023. This Committee was established to foster an industry collaborative effort towards advocating for road safety and addressing the broader issues at the heart of the road safety challenge in South Africa.

Human factors remain the primary cause of accidents. A survey study conducted by E. Lopetrone and F. Biond (2022) on the effect of COVID-19 on drivers' behaviours revealed an increase in road rage, aggressive driving, and distracted driving in the post-COVID-19 era. SAIA continues to raise awareness about good driving behaviours, and the industry has adopted various technologies and methods to promote safe driving practices.

The SAIA Road Safety Committee is exploring ways to address other factors contributing to road safety concerns. One area of focus is the current state of road infrastructure development and maintenance, which has been impacted by the extreme heat, storms, and hail experienced in South Africa over the past two years due to climate change. Additionally, the Committee is looking into the increasing number of vehicles on the roads, including heavy haulage vehicles.

The Committee has initiated these efforts by identifying accident and hijacking hotspots with the vision of evaluating municipal and general road traffic safety requirements. This approach aims to contribute towards improving the statistics in these selected high-risk areas.

The main identified focus areas were enhancing the capabilities of law enforcement and improving the response rate of emergency services. Additionally, attention is being given to upgrading municipal road infrastructure and advocating for the installation of permanent speed cameras. Efforts are also underway to increase roadblocks during peak times when driving under the influence (DUI). As road safety advocates, SAIA wishes to show that the non-life insurance industry cares through its efforts. We're not only aiming to reduce road accidents and fatalities but also to be part of the solution of making South African roads safer.

The Business for Road Safety (BRS) Forum

The Business for Road Safety Forum (BRS), comprising various associations within the motor ecosystem, has shifted its focus to regaining momentum with various stakeholders advocating for road safety. The aim is to develop impactful collaborations that concentrate on implementing initiatives that contribute to the reduction of road crashes and fatalities. Through these collaborative efforts, the BRS seeks to make a tangible difference in improving road safety. The BRS will be hosting a webinar later in 2024, bringing various experts and organisations together to speak to the following issues at the heart of road safety:

1. The impact of transportation of dangerous goods.
2. Is South Africa ready to host new energy vehicles on South African roads?
3. The state of road infrastructure and its impact on road users.
4. Vehicle safety and the need for compulsory periodic testing on all vehicles.

Compulsory Third-Party Motor Property Insurance (CTPMPI)

SAIA aims to resuscitate the conversation on Compulsory Third Party Motor Property Insurance (CTPMPI) with the public sector. With that objective in mind, SAIA resent its position paper to the Road Traffic Management Corporation (RTMC) for discussion. The CTPMPI is deemed necessary considering the cost of road accidents to the South African economy and the amendments posed to the Road Accident Fund (RAF) Bill.

A way forward was modelled as a socio-economic impact study to be conducted to determine if implementing CTPMPI would be feasible in South Africa. This suggestion was also made with the view that the current revenue stream for collecting transport-related funds was through the tax levy, which is already loaded and would not be considered by the National Treasury (NT) as a method to collect CTPMPI premiums.

SAIA will have further discussions with the Road Traffic Management Corporation (RTMC) and the National Department of Transport (NDoT) regarding this matter. These discussions will also involve the Cross-border Road Transport Agency (C-BRTA).

SPECIAL PROJECTS

Systemic Risks

A systemic risk is not insurable because it affects the entire industry. Therefore, the materialisation of such a risk, if insured, would jeopardise the sustainability of the entire industry due to the mammoth nature in size and cost of such a risk.

SAIA, in representation of the non-life insurance industry, has proposed a systemic risk Shared Resilience Solution(s) to the Government, which is a collaborative approach towards making South Africa more resilient to systemic risks. A relevant event that comes to mind is the recent KwaZulu-Natal floods, where most of the losses were either not insured (a choice made by the individual or company) or were uninsurable (for example, buildings built on flood lines or buildings not built in compliance to building codes, standard or regulation).

The guiding principles governing this proposal are the following:

- A shared resilience solution would require the sharing of costs and responsibilities across the relevant parts of the private and public sectors in a meaningful manner ("skin in the game") within a framework in which sustainable returns on capital at risk can be achieved.
- An efficient shared resilience solution will require an element of central coordination across public and private entities.
- Any solution involving the public and private sectors would be conditional upon implementing efficient and effective prevention and adaptation measures.
- A shared resilience solution can only insure against a portion of the economic costs.

Skills Development

The Retiree Repurpose Programme (RRP)

The SAIA Skills Development Working Group (SDWG), in collaboration with the Insurance Sector Education and Training Authority (INSETA) and the Insurance Institute of South Africa (IISA), implemented the first SAIA/INSETA/IISA Retiree Repurposing Programme (RRP) running from December 2022 to November 2023.

The pilot programme offered technical skills mentorship within five lines of business that are aligned to the critical skills shortages as identified by the industry, namely:

- General Insurance
- Leadership Development
- Specialist Lines:
  - Marine
  - Engineering
  - Liabilities

The RRP hosted ten junior managers/mentees and five retirees/mentors for 12 months. In addition to the monthly mentorship meetings, supplementary meetings were held once a quarter between SAIA, the mentors, the project manager, and the mentees at SAIA offices.

The principal learnings from the pilot programme are:

- The importance of a suitable mentoring software system to support the reporting requirements of the programme.
- The importance of support from the mentee's line manager, Human Resources (HR) and the organisation for the success of the mentee.
- The importance of commitment and time for the RRP by both mentees and mentors to make this programme a success.
- The importance of buy-in and support from both the mentors and mentees for frequent monitoring of Key Performance Areas (KPAs) to ensure measurable success.

The 2022/2023 mentees attested to the significant benefits of the program, highlighting the career achievements they've realised thus far as a result of the RRP. The positive outcomes yielded by the RRP have been twofold: mentees have experienced professional growth, while Member companies have reaped the rewards of upskilling and training their staff at no additional cost. Recognising the value it brings, SAIA and the stakeholders involved have affirmed their commitment to continuing the RRP into 2024.

The Insurance Apprenticeship Programme (IAP)

The Insurance Apprenticeship Programme (IAP) aims to address the skills gap within the non-life insurance industry by focusing on technical skills and career development. The vision is for the IAP to serve as a foundation upon which other industry learning initiatives like the RRP can be integrated into an overarching Academy. This comprehensive approach will foster a sustainable training house for the non-life insurance industry.

A task team made up of Members from SAIA, IISA, INSETA, and the University of the Witwatersrand (WITS) held meetings throughout 2023 to determine the finer details of how to set up the Apprenticeship Academy. The task team agreed on a strategy that would reflect the reasons why this Academy is important and the different professional accreditations that will be offered under this umbrella. They also underlined the critical task of avoiding duplication of any other similar programmes that might be currently offered within the insurance education ecosystem. The IAP Strategy document, as well as the implementation plan, must still be approved by the relevant SAIA channels.

Climate Change

The Climate Change Forum mapped out the 2023 strategy regarding topics that will be unpacked and are of concern to the Members. Accordingly, the Members focused on some of the Task Force on Climate-related Financial Disclosures (TCFD) themes or areas for disclosure. The areas are as follows:

- Strategy: This area will delve into scenario analysis and outcomes.
- Risk Management: This area will integrate climate-related risks into the existing Enterprise Risk Management (ERM) process.
- Metric and Targets: Climate-related reporting will be viewed with the same level of importance as financial reporting in the future. Consequently, there is a pressing need to develop a comprehensive understanding of the relevant measurements and targets in this area.

In addition, the Just Transition Approach and the annual United Nations (UN) Climate Change Conference of the Parties (COP28) outcomes were of key concern to the Members.

Cybersecurity

Organisations are moving through data maturity models and have become more data-centric. Thus, data security remains a key concern to ensure measures are in place to prevent unauthorised access to databases and computer systems. The Association of Savings and Investment South Africa (ASISA)/SAIA Computer Security Incident Response Team (CSIRT) has been guiding the life and non-life insurance industry through various regulatory requirements. The CSIRT team has conducted two simulation exercises to evaluate Members' readiness to comply with data storage and security regulations, including reporting and managing data security incidents.

The Prudential Authority (PA) will be establishing a financial sector CSIRT to oversee the implementation of the proposals from the Cyber Security White Paper by the various individual industries within the financial sector, to which the ASISA/SAIA CSIRT will report.

In the last quarter, spanning the second quarter of 2023, the cybersecurity threat level remained at the green level, as outlined by the Financial Institutes – Information Sharing and Analysis Centre (FI-ISAC) cyberthreat level description. This status persisted despite an escalation in incidents involving third-party service providers of SAIA Members. Nonetheless, the ASISA/SAIA CSIRT remains committed to equipping its Members with the necessary preparedness and enhanced capabilities to prevent and effectively manage cyber incidents.

The next cybersecurity simulation exercise is scheduled to take place in August 2024. In preparation for this event, the following actions have been identified for consideration:

1. Define clear role parameters for ASISA and SAIA Members to better understand the ASISA/SAIA CSIRT and Financial Services Information Sharing and Analysis Centre (FS-ISAC) roles, including the services offered and roles in collaboration.
2. Establish an industry response playbook: a collective industry simulation exercise to evaluate the industry mechanisms. This will be improved during the next event.
3. Create an automated mechanism to guide whether an incident is industry-level.
4. An online, accessible directory with contact details of relevant role players (people) is needed.

FORUMS (ACTIVE)

The Premium Collections Forum

The Premium Collections Forum's strategy was to maintain engagement with the Payments Association of South Africa (PASA) on industry issues. Some of the areas of focus in 2023 were as follows:

Mandates and Collections (DebiCheck)

- Performance of bank collections since the implementation of DebiCheck.
- The technical stability of DebiCheck.
- The cost of DebiCheck.
- The technical support and solutions required for DebiCheck

Premium Collection Disputes

- Allowing the use of voice mandates on customer disputes.
- Solutions for sales mandates in forms other than written.
- Increase in the number of days for mandate disputes.
- Disputes on valid DebiCheck transactions due to the debit order being actioned on a date different to the date.

The Health Insurance Forum

The SAIA Health Insurance Forum has been at the forefront of the latest developments pertaining to health cover, such as the Low-Cost Benefit Options (LCBO) and the impending National Health Insurance (NHI). To date, feedback is awaited from the Council of Medical Schemes (CMS) regarding the outcomes of the submissions made by SAIA Members on LCBO benefits, which are currently with the Minister of Health for review.

The Department of Health (DoH) was tasked with developing an LCBO Guideline for medical schemes. Since the Guideline was not completed before 31 March 2019, the CMS published the "Exemption Framework" to allow issuers of Excluded Products to apply for exemption from having to register as a medical scheme under the Medical Schemes Act (MSA). The Demarcation Regulations included nine' health policies' or 'accident and health policies' as the so-called "Demarcation Products" but excluded hospital indemnity and primary healthcare policies (Excluded Products). As a result, since March 2018, Demarcation Products have been regulated by the Financial Sector Conduct Authority (FSCA) and the PA under the Long-term Insurance Act (LTIA) and/or the Short-term Insurance Act (STIA). During this period, issuers of Excluded Products have operated under an exemption from the MSA, and the group of insurers with permission to offer Excluded Products (Exempted Issuers) has been on a closed list since 2019. The proposed exemption deadline is 31 March 2024.

The Forum further discussed the NHI bill and the possible ramifications this would have on SAIA Members.

The South African Special Risk Insurance Association (Sasria) Forum

SAIA and the South African Special Risk Insurance Association (Sasria) continue to have a good relationship, with quarterly meetings held along with ad hoc market communication discussions as matters arise. During 2023, the SAIA/Sasria Forum addressed the following matters:

- **Data Requirements**

  Sasria required granular data from the agent companies. Thus, a new data requirements template was developed and sent to the agent companies to meet Sasria's requirements.

- **Material Damage Wording**

  Sasria updated their material damage wording, and robust engagements were held with SAIA Members, as well as Members of the Financial Intermediaries Association (FIA), to ensure the changes implemented were fully understood by the market.

- **Sasria Product training**

  Sasria continues to host product and claims training across the country.

CRIME COMBATING

The Insurance Data System (IDS)

The use of Big Data continues to evolve, improving operational efficiency, delivering better customer service and creating personalised products and marketing strategies, while also combating crime. Through the collection of historical claims data, the Insurance Data System (IDS) has enabled participating Members with the ability to optimise their insurance fraud detection and crime-combating processes. This includes verifying customer information and previous insurance histories leveraging the IDS.

SAIA has been on a journey to ensure data quality and transparency through the application of Version 3 (V3) of the IDS and by introducing a stringent governance process. The implementation of the IDS has borne fruit in 2024, with continuous progress being made. We have witnessed a decrease in IDS data quality rejection rates, surpassing the set threshold, and improved compliance with the Code of Conduct requirements. As the impact of data analytics becomes increasingly evident, data exchange has proven invaluable for various aspects of business within the non-life insurance industry, related organisations operating within the industry's value chain and consumers.

The COVID-19 pandemic and various weather-related catastrophes highlighted a crucial lesson: the need for Big Data analytics. Accurate reporting on the impact of the pandemic on insurers demanded such analytics. Additionally, Big Data played a pivotal role in understanding how product offerings and service delivery within the non-life insurance industry had changed.

SAIA continues to refine its data strategy to assess South Africa's financial security position and resilience against various global events, including the impact of such events on the economy, the non-life insurance industry, and especially South African households. This will be achieved in 2024 and beyond through the newly created SAIA Data Executive Committee.

Business Against Crime South Africa (BACSA)

The re-establishment of Business Against Crime South Africa (BACSA) under the direction of Business Leadership South Africa (BLSA) will now act as a single point of contact for the Government's interaction with businesses in the Joint Initiative to Fight Crime and Corruption (JICC). The JICC will oversee high-priority initiatives jointly agreed to by the business sphere and the Government.

One of the programmes that SAIA has supported through its contribution to BACSA is the monitoring centre, which has become the heart of the JICC's Eyes and Ears (E2) programme. The E2 programme is a crime-combating collaborative initiative between BACSA, the private and non-private security industries and the South African Police Services (SAPS). The E2 programme has expanded its visibility to urban and rural communities across all nine provinces. The goal is to enhance the total situational public awareness of the SAPS and increase law enforcement visibility by utilising the geographic footprint, technology, and resources available in the private sector.

BACSA has also assisted the SAPS in implementing its Automatic Number Plate Recognition (ANPR) alert function in over 400 SAPS vehicles and at all South African border posts.

SAIA is currently formulating a comprehensive crime-combating strategy that will concentrate on property and motor-related crimes affecting its Members. Through the BACSA Eyes and Ears (E2) programme, SAIA may sponsor, identify, or even collaborate on initiatives aimed at addressing criminal activities that impact the non-life insurance industry. Furthermore, SAIA will pursue additional partnerships and discussions with the ICB and the Motor Vehicle Security Association of South Africa (VESA) to strengthen its crime-combating efforts.

A Note of Thanks

SAIA would like to extend sincere appreciation and gratitude to all those who contribute to the important work of risk mitigation for the non-insurance industry through the Insurance Risks department. Your active participation and collaborative efforts in the various committees and forums are commendable and go a long way in strengthening the industry.

Pamela Ramagaga
General Manager: Insurance Risks

Kabelo Paile
Technical Manager: Insurance Risks

Lebohang Tsotetsi
Manager: Insurance Risks

Zakes Sondiyazi
Manager: Insurance Risks

Hlayisani Mabasa
Projects Coordinator: Insurance Risks

Rachel Mathosa
Personal Assistant to the GM

No one would have crossed the ocean if he could have gotten off the ship in the storm.

– CHARLES KETTERING –

7.4 CORPORATE AFFAIRS

In the face of unrelenting gales - from climate calamities to crippling power outages - the non-life insurance sector stood fortified, its Corporate Affairs initiatives serving as a beacon of resilience in 2023. This section spotlights the South African Insurance Association's (SAIA) endeavours to foster an industry narrative that inspires trust, promotes risk mitigation, and positions the sector as an economic stabiliser. Through proactive communication and strategic stakeholder engagements, SAIA championed initiatives that elevated consumer awareness, shaped policy landscapes, and advocated for a future underscored by sustainability.

Introduction

The non-life insurance industry continued to navigate turbulent waters in 2023, facing challenges both globally and nationally. Just two years ago, the pandemic and the July riots dominated headlines as critical issues. In contrast, the past financial year saw geopolitical tensions, climate change, and loadshedding emerge as major talking points. These scenarios underscore how the issues deemed crucial are constantly evolving, truly testing the adaptability and resilience of organisations, industries, and countries alike. Withstanding such ever-changing storms is the ultimate test of resilience.

Public Relations and Communication

The SAIA Corporate Affairs Department, as mandated by the SAIA Board, maintained its role in crafting an industry narrative surrounding issues that impacted the entire non-life insurance sector. Despite the distinct challenges and achievements encountered in 2023, the department's commitment to this task remained unwavering.

The industry is important and must thrive because it is a critical player in the economy and a catalyst for economic growth. Through various initiatives SAIA Members have been involved in, the industry serves to mitigate risk and advances financial stability. Over the years, the industry has added value via its various programmes and shown its commitment by supporting relevant government initiatives, proactively participating in the drafting and amendment of relevant policy frameworks and contributing to solutions for socio-economic challenges in South Africa. These activities have contributed – and continue to contribute – to the ever-improving favourable outlook and perception of the industry.

Climate Change

In 2023, climate change continued to be a significant topic as we witnessed ongoing weather-related challenges. In February, Komani in the Eastern Cape, formerly known as Queenstown, experienced severe floods, prompting the evacuation of residents and causing flooding in a private hospital. These challenges persisted throughout the year, with flooding incidents recurring in September, particularly impacting the Western Cape and sadly resulting in at least 11 fatalities.

Through the SAIA Consumer Financial Education (CFE) Radio Programme, SAIA effectively addressed key topics about climate change. These included the importance of non-life insurance, coping with natural disasters like flooding, and the responsibilities of policyholders in insurance contracts. The programme was broadcast on nationally reaching platforms such as Metro FM, Gagasi FM in KwaZulu-Natal province, and Jozi FM in the Gauteng South area. The estimated reach of this programme stands at an impressive 3,270,000 listeners.

Loadshedding/Grid Collapse

Loadshedding continued to be a main talking point in 2023 due to its detrimental impact on businesses, households, and the economy. Power utility Eskom continued to struggle to keep the lights on, consequently making 2023 the worst year of loadshedding on record.

Reports of a possible total national grid failure filled the public domain. It became evident that grid failure would not merely threaten the supply of electricity; water supply and essential services such as telecommunications would also be affected.

Consequently, this threat took centre stage in boardrooms across various sectors, including the Government, SOEs, the private sector, and, notably, the non-life insurance industry. In response, efforts were made to address exclusions on insurance policies, specifically addressing the uninsurable risk of grid failure as stipulated by reinsurers.

As these changes unfolded in the insurance realm, SAIA found itself fielding media inquiries. Journalists were keen to shed light on how these shifts would impact the public's insurance policies. SAIA and its Members consistently advised policyholders to adapt to this new reality by carefully reviewing their policy clauses and conditions, ensuring they understood their coverage comprehensively.

The Vehicle Identification Number (VIN) Lookup System

In 2022, SAIA introduced a web-based feature allowing consumers to easily verify a vehicle's status. This was based on a small database within the industry's Vehicle Salvage Database (VSD). Over time, the association had fielded numerous media inquiries regarding the anticipated launch of the Vehicle Identification Number (VIN) Lookup System website. This provided an opportunity for SAIA to cultivate strong relationships with consumer rights journalists, who consistently informed the public about the platform.

The launch of the VIN Lookup System website was done in stages, with the first phase including rebuilt (Code 3), spare parts only (Code 3A) and scrap permanently demolished (Code 4). The second phase of the VIN Lookup System was to consider the inclusion of used (uneconomical to repair, Code 2) vehicles in 2023. However, after extensive engagements with multiple stakeholders and a thorough review by the relevant SAIA committees, it was decided that information about vehicles designated by insurers as uneconomical to repair would not be included on the VIN Lookup website. The decision was premised on the view that providing general access to Code 2 salvage records would compromise those who buy these vehicles and safely undertake repairs to the manufacturer's specifications. The Vin Lookup website is still operating optimally and providing information on the other specified codes.

The South African Insurance Industry (SAIA) Data Management Capability

SAIA developed a database management system capable of integrating data from various sources. These include TransUnion, which provides claims data submitted to the Insurance Data System (IDS), the South African Association of Engineering Insurers (SAAEI), premium collection data, and others.

Further efforts were dedicated to enhancing the collection and interpretation of claims data. Recognising challenges related to the timing and interpretation of sourced data, steps were taken to address them. This was aimed at ensuring that any communication published after data collection and interpretation reflects as complete a picture as possible.

Licenses for business intelligence tools were procured for analytical purposes. The objective was twofold: to provide the industry with valuable insights derived from data and to bolster SAIA's communication with stakeholders, including the general public, based on this data. To ensure data security, access to industry data was restricted to a select few individuals.

Business Intelligence tools licenses were purchased for analytics purposes. The aim is to inform the industry with insights using data and, even more importantly, for the data to underpin SAIA's narrative with stakeholders, including the public.

SAIA is presently constructing the motor and household contents claims dashboard. This dashboard will provide reports on various aspects, such as the number of registered, withdrawn, third-party rejected, and finalised claims. It will also display the industry's monthly payout amounts. Data concerning festive season claims trends and rejected claims due to driving under the influence of alcohol will be utilised for educational awareness campaigns. Multiple dashboards will be developed using diverse data sources, as outlined earlier. Quarterly reports are planned for publication starting from June 2024.

Members, the Government and Peer Relationships

In keeping with the mandate of fostering and cultivating relationships that are beneficial to the non-life insurance industry's growth and sustainability, SAIA's Strategy continues to be a core reference in engagements with the

Government, Regulators, industry peers and all relevant stakeholders.

SAIA Members, demonstrating ongoing dedication to the progress and prosperity of the industry, continue to back SAIA financially and contribute their collective expertise, which is evident in their interactions with SAIA. Grounded in a shared mission, the relationship between SAIA and its Members takes the utmost priority.

In 2023, SAIA Chief Executive, Ms Viviene, Pearson persisted in conducting Member visits, a crucial practice for obtaining firsthand insights into the industry's expectations, challenges, and successes. These visits also served as opportunities to gather valuable suggestions and ideas from Members, which are taken into consideration for SAIA's strategy and key projects.

SAIA also annually hosts a CEO Roundtable, which offers a platform for all SAIA Members to not only engage with fellow Members and SAIA staff but also a platform to get a report on the many initiatives and projects SAIA is involved in.

We continue to nurture our relationships with the National Treasury (NT), the Prudential Authority (PA) and the Financial Sector Conduct Authority (FSCA). Through these relationships, SAIA has been able to contribute to relevant draft policies which are pertinent and important to the non-life insurance industry.

As SAIA's peers, the Banking Association of South Africa (BASA), the Association of Savings and Investments in South Africa (ASISA) and the Financial Intermediaries Association (FIA) continue to be partners in the interest of contributing to ensuring a strong and sustainable financial sector.

The Africa Insurance Exchange (AIE) Conference 2023

SAIA continued to serve as a Member of the Africa Insurance Exchange (AIE) Steering Committee as per the directive of the Board. The AIE Conference was held in Sun City from 24 to 26 July 2023 and proved to be another resounding success. This achievement mirrored the valuable contributions made by the Insurance Institute of South Africa (IISA), SAIA, and the FIA, all of which played pivotal roles in ensuring the triumph of the 2023 conference.

Beyond our Borders

SAIA takes pride in its enduring relationships with international counterparts, exemplified by its sustained Membership in prominent organisations such as the African Insurance Organisation (AIO), the Global Federation of Insurance Associations (GFIA), the International Union of Marine Insurance (IUMI), the Organisation of East and Southern African Insurers (OESAI) and the International Association of Engineering Insurers (IMIA).

Thank You Note

After six years of dedicated service, we would like to acknowledge Mr Kwanele Sibanda for his worthwhile contribution to the non-life insurance industry and SAIA in his role as SAIA Manager: Corporate Affairs. Thank you, Mr Sibanda, for your guidance and support! We wish you great success in your future endeavours.

Livhuwani Mutheiwana
Corporate Affairs Administrator

Donald Mphahlele
Data Intelligence Specialist

08

ASSOCIATED DIVISIONS

Our associated divisions play crucial roles in two sectors vital to South Africa's economic stability and growth. The Association of Marine Underwriters in South Africa (AMUSA) stands as the cornerstone for marine insurance. Similarly, the South African Association of Engineering Insurers (SAAEI) forms the bedrock of the engineering insurance sector. Despite global trade downturns, geopolitical tensions, and domestic infrastructure challenges, both associations have strengthened their industries through targeted initiatives. This section explores how these bodies are equipping their markets to underwrite complex risks, handle claims efficiently, and support key national projects — ultimately ensuring that when South Africa builds or trades, it does so on solid insurance foundations.

8.1 THE ASSOCIATION OF MARINE UNDERWRITERS IN SOUTH AFRICA (AMUSA)

In yet another update on the Committee's activities during the review period, I wish to express gratitude for the support and contributions from both the Executive Committee and the South African Insurance Association (SAIA), in particular Viviene Pearson, Pamela Ramagaga and Kabelo Paile.

The AMUSA Executive Committee benefits greatly from robust dialogue among the following Members, who convene monthly to discuss industry-related matters of significance:

Cynthia Nanthalall:	Hollard – Chairperson
Meryn Naidoo:	OMI – Vice Chair
Dominque Potgieter:	Navigate Underwriting Managers
Granville La Vita:	Savannah Marine
Hilton Adams:	Munich RE
Ian Parkerson:	Santam
Jeffry Butt:	Bryte Insurance
Kennedy Ntenjwa:	Santam
Mike Brews:	Horizon (Lombard)
Paul March:	Horizon (Lombard)

Furthermore, coastal correspondents provide valuable insights on a quarterly basis. We express gratitude to the following Members for leading the initiative in their respective regions:

Estelle Bond:	Hollard (Western Cape)
Russel Duvenage:	Navigate UM (KZN)
Steve Arnold:	Eales & Myers (Eastern Cape)

In 2023, there was a downturn in global trade, mainly due to reduced demand in developed countries, sluggish performance in East Asian economies, and declining commodity prices. Geopolitical tensions, persistent inflation, increasing interest rates and higher energy costs further exacerbated the impact on global trade and associated marine insurance premiums.

Closer to home, the Committee focused its attention on economic conditions. These included inflation, interest rates, and high unemployment, which impacted theft losses. Geopolitical events, such as wars and conflicts disrupting supply chains and affecting trade routes, like the current Red Sea attacks, were also a concern. Natural disasters and national infrastructure deficits were scrutinised. Extreme port congestion, ongoing problems with the rail system, and persisting power and water supply woes were examined for their impact on national trade.

A vital aspect of market communication involved disseminating crucial circulars to Members.

During the review period, various circulars were issued covering multiple topics:

Business Unity South Africa (BUSA) Reports Authored by the South African Association of Freight Forwarders (SAAFF)

Fifty-two reports were circulated

The Business Unity South Africa (BUSA) Cargo Movement Reports serve as a valuable tool in mitigating risk. They track cargo movement through sea and airports, road networks, and cross-border points, monitoring for delays, disruptions, or bottlenecks in supply chains. This allows for proactive management strategies. The reports offer useful insights into global trade trends, national economic activity, and the practical constraints of transport logistics within our country. By monitoring cargo flow and identifying potential issues, these reports enable more effective risk management and response planning.

The reports offer valuable insights and continue to enjoy widespread readership.

A key focus of the Committee is providing education and training to the marine market to enhance their skills and knowledge of marine insurance. Circulars were sent to the market informing them of the following initiatives:

The Association of Marine Underwriters in South Africa (AMUSA) Lunchtime Talks and Education Day

Circulars were issued inviting attendance to the three lunchtime talks that took place. These popular talks are hosted virtually to extend audience reach and to accommodate local and international speakers.

- 23 March 2023 ***Strengthening International Supply Chains with Trade Disruption Insurance*** – Presented by Tysers (UK).

- 15 June 2023 ***Attachment of risk in Marine Cargo Insurance*** – Presented by attorneys Cox Yeats.

- 17 August 2023 "***Take your trucks off my roads and use rail: Easier said than done in the face of Transnet challenges. The current risks and regime and a look at whether privatisation will happen and will solve the problems".*** – Presented by Malcolm Hartwell, Ndumiso Colvelle of Norton Rose Fulbright South Africa Inc and Dave Miller of D.W. Miller & Associates.

Moreover, during June 2023, the Committee hosted a series of mini training sessions that provided insights into the underwriting of commercial hull risk and associated claims.

- **Marine Education Day - Marine Hull Underwriting - Recurring weekly**

  "Marine Education Day - Marine Hull Underwriting" was held over four weekly sessions facilitated by Mr Granville La Vita. These recurring sessions, held every Thursday from 8 to 29 June, provided insights into the South African hull market, the institute hull clauses, underwriting criteria, sums insured, valued/unvalued policies, and the claims process.

  Additionally, the Committee informed Members about various free resources offered by the International Union of Marine Insurance (IUMI), which included webinars, newsletters and numerous casualty alerts in real-time. Other circulars issued related to important updates from the South African Special Risk Insurance Association (Sasria) and the South African Maritime Safety Authority (SAMSA) notices.

  Three delegates from South Africa attended the annual IUMI conference, which took place in person in Edinburgh, Scotland, from 17 to 20 September 2023. The conference, which is the world's largest international ocean marine insurance forum, was aptly themed "Strength and stability in turbulent seas". Delegates were treated to a wide array of expert, interesting and entertaining speakers who debated and discussed many of the issues facing marine underwriters today.

  The AMUSA Executive Committee Members hold influential positions, with no less than three individuals serving on crucial IUMI committees. Specifically, they contribute to the Cargo Committee, the Inland Hull, Fishing Vessels, and Yacht Committee, as well as the Environmental, Social and Governance (ESG) Working Group.

  The Committee works hard to support and advance the profession of marine underwriting while promoting the stability and sustainability of the marine insurance market. I am proud of our collective efforts towards this goal.

Cynthia Nanthalall
AMUSA Chairperson

8.2 THE SOUTH AFRICAN ASSOCIATION OF ENGINEERING INSURERS (SAAEI)

The SAAEI is a body under the SAIA umbrella, dedicated to promoting excellence in engineering insurance. The purpose of the SAAEI is to be a forum that effectively educates, develops and promotes awareness of the engineering classes of business to the wider insurance market and stakeholders. The 2023/24 period has been an effective and foundational period during which the SAAEI has continued to build on the momentum achieved in the past.

The engineering insurance market plays a vital role in fostering South Africa's economic growth, making it an essential part of the economy. Over the past period, the market has seen moderate growth, primarily due to the suppressed infrastructure and engineering sectors within the country's economic landscape. However, there are indications of a resurgence, driven by the launch of several major projects. While the overall economic environment may have presented challenges, the engineering insurance market's importance remains undeniable, supporting crucial sectors and projects.

The 2023/24 SAAEI Executive Board is made up of the following people representing the various stakeholders in the industry:

Chair:	Chris Charlton (Consort Technical Underwriters)
Deputy Chair:	Sanet Olivier (Mirabilis)
Kabelo Paile:	SAIA
Keith Barlow Jones:	Guardrisk
Krushayev Moodley:	Hollard
Philani Mbatha:	Munich RE
Susan De Wet:	Old Mutual Insure
Xolile Kahla:	Firedart
Yolanda Mzozoyana:	HDI
Zain Hoosen:	Bryte

During the 2023/24 period, the SAAEI Executive Board arranged two key moments for networking and collaboration for the wider engineering insurance industry.

The first was the Golf and Lawn Bowls Day, a social event held on 16 May 2023 at the Reading Country Club, Alberton. The day was well attended by various stakeholders in the industry, including brokers, insurers and reinsurers. The primary objective of networking and socialising was well achieved, and the day was deemed a success. Following a period of limited events due to the nationwide lockdown, the sentiment was overwhelmingly positive. The Golf and Lawn Bowls Day will be repeated during the 2024/25 period.

The second key event organised by the SAAEI Executive Board was the Annual Engineering Insurance Conference (SAEIC 2023). The conference was held on 26 and 27 October 2023 at Kloofzicht Lodge in Muldersdrift. The event was oversubscribed, with additional accommodation capacity needing to be arranged for delegates, some of whom travelled from outside of the province to attend.

The comprehensive conference programme was kicked off by a keynote address delivered by Mr Ayabonga Cawe, the commissioner of the International Trade Administration Commission (ITAC). Following the keynote, attendees were treated to a series of insightful presentations throughout the day and a half of the conference. Among the highlights were:

- Legal Matters affecting engineering insurance.
- South African economic and construction outlook.
- The South African Special Risk Insurance Association (Sasria) strategy.
- Underwriting and claims.
- Renewable energy developments.
- Natural catastrophe modelling tools.
- Developments in the engineering insurance space over the past 12 months – an international perspective.

The delegates responded positively to the conference, unanimously expressing appreciation for the value it added. The Annual Engineering Conference serves as a pivotal platform for insurers and reinsurers to convene, connect, and gain insights into the engineering insurance market. The success of the 2023 conference reaffirmed its significance, laying a strong foundation for further growth and enhancement leading into the 2024 conference.

Aside from the two major events organised by the SAAEI Executive Committee in 2023, the Committee meets monthly to discuss the engineering insurance market. During the monthly meetings, various agenda items are discussed, ranging from trends in the engineering space to developments impacting the market. All discussions are strictly governed by an anti-collusion standard but provide a great opportunity to develop and raise awareness of the engineering insurance market.

The 2024 SAAEI Executive Committee anticipates pivotal moments ahead, including a scheduled Strategy Time in early 2024. This session aims to realign the Committee's core purpose and structure for the upcoming years, ensuring its continued relevance well into the future. Additionally, another significant milestone is the continued development and imminent launch of the Engineering Insurance Academy, aimed at enhancing education and fostering the growth of industry stakeholders.

As the economy slowly starts to show signs of positive growth, the SAAEI is prepared to ensure that economic growth is underpinned by an engineering insurance market that is ready to provide the sustainability needed. The SAAEI is hopeful and optimistic for the 2024 period.

C. N. Charlton (Chris)
SAAEI Chairman

"You can learn to prevent a storm, or you can learn to ride the storm. If you learn to ride the storm, the storm is not a problem anymore."

– JAGGI VASUDEV –

09

MEMBERSHIP

SAIA Board Members as at the end of February 2024

Thusang Mahlangu (Chairperson) Allianz Global Corporate & Speciality SA Limited

Try to be a rainbow in someone's cloud.
– MAYA ANGELOU

Garth Napier (Deputy Chairperson)
Old Mutual Insure Limited

Adriana Weilbach
Telesure Insurance Holdings (TIH)

Carli Jacobs
Swiss Re Africa Limited

Charles Nortje
Credit Guarantee Insurance Corporation of Africa Limited

Danie Matthee
OUTsurance Insurance Company Limited

Easvarie Naidoo
Lloyd's Underwriters (SA)

JP Blignaut
Bryte Insurance Company Limited

Lourens Botha
Guardrisk Insurance Company Limited

Mpumi Tyikwe
Sasria (SOC) Limited

Pascal Siphugu
Landbank Insurance (SOC) Limited

Phillip Donnelly
Bidvest Insurance Company

Robert Attwell
Discovery Insure

Sharon Paterson
Infiniti Insurance Limited

Tavaziva Madzinga
Santam Limited

Terashni Pillay
Swiss Re Corporate Solutions Africa Ltd

Terrance Ray
SCOR Africa Limited

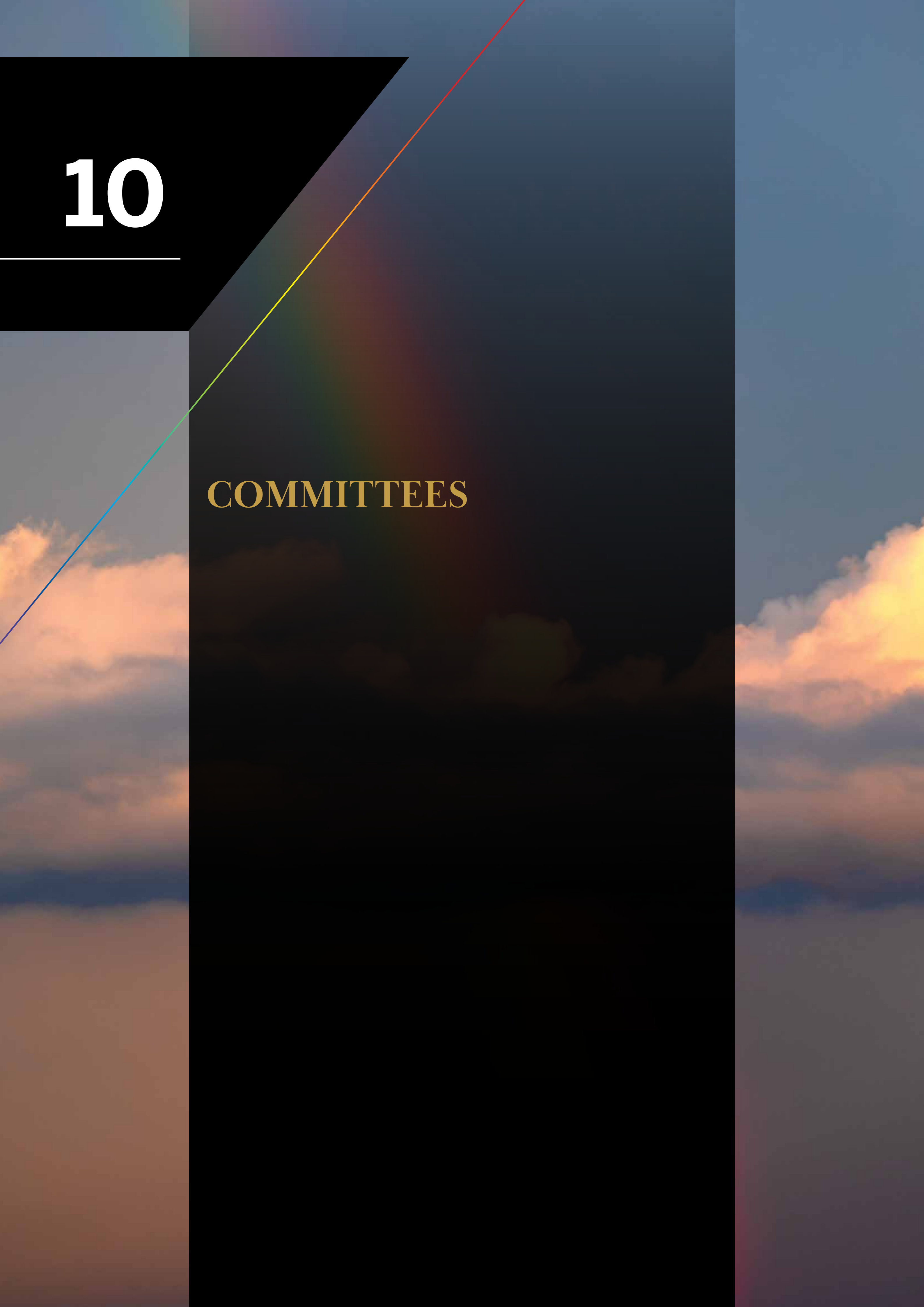
Viviene Pearson
South African Insurance Association

Walter Marte
Nedgroup Insurance Company

Willem Lategan
Hollard Insurance Company

Board Resignations

- Anton Ossip – Discovery Insure Limited
- Beat Strebel – Swiss Re Africa Limited
- Charles Hitchcock – South African Insurance Association
- Herman Schoeman – Guardrisk Insurance Company Limited
- Melanie Bosman – Escap



10

COMMITTEES

SAIA COMMITTEES WITH ELECTED MEMBERS

- SAIA Audit and Risk Committee
- SAIA Board Committee: Governance Risks
- SAIA Board Committee: Insurance Risks
- SAIA Board Committee: Reinsurers
- SAIA Board Committee: Remuneration and Nominations Committee
- SAIA Board Committee: Transformation
- SAIA Board of Directors
- SANPA Audit Committee
- South African Nuclear Pool Administrators (Pty) Ltd (SANPA) Board of Directors
- The Association for Marine Underwriters in South Africa (AMUSA) Executive Committee
- The South African Association of Engineering Insurers (SAAEI) Executive Committee
- The South African Pool for the Insurance of Nuclear Risks (SANP) Management Committee

SAIA FORUMS

- SAIA Agricultural Risk and Crop Insurance Forum
- SAIA Climate Change Forum
- SAIA Fire Property Protection Liaison Forum
- SAIA Health Insurance Forum
- SAIA Motor Transformation and Sustainability Forum
- SAIA Property Transformation and Sustainability Forum
- SAIA Ombudsman for Short-term Insurance (OSTI) Forum
- SAIA Premium Collections Forum
- SAIA Property Transformation and Sustainability Forum
- SAIA Skills Development Working Group Forum

SAIA COMMITTEES

GOVERNANCE RISKS

- SAIA Conduct of Business Committee
- SAIA Prudential Committee

INSURANCE RISKS

- AMUSA Executive Committee
- Insurance Data System Steering Committee
- SAAEI Executive Committee
- SAIA Motor Insurance Steering Committee
- SAIA Property Protection Steering Committee
- SAIA Property Technical Committee
- Salvage Database Governance Committee
- Systemic and Emerging Risks Committee

OPERATIONS

- SAIA Code of Conduct Task Team
- SAIA Taxation Committee
- SAIA VAT Task Team

TRANSFORMATION RISKS

- SAIA Financial Inclusion Committee
- SAIA Preferential Procurement and ESD Committee
- SAIA Transformation Steering Committee

MEMBERS

- Abacus Insurance Limited
- Absa Insurance Company Limited
- African Reinsurance Corporation (South Africa) Limited
- AIG South Africa Limited
- Allianz Global Corporate & Specialty South Africa Limited
- Auto & General Insurance Company Limited
- Bidvest Insurance Company Limited
- Bryte Insurance Company Limited
- Budget Insurance Company Limited
- Centriq Insurance Company Limited
- Chubb Insurance South Africa Limited
- Coface South Africa Insurance Company Limited
- Compass Insurance Company Limited
- Credit Guarantee Insurance Corporation of Africa Limited
- Dial Direct Insurance Limited
- Discovery Insure Limited
- Dotsure Limited
- Escap (SOC) Limited
- Export Credit Insurance Corporation of South Africa SOC Limited (ECIC)
- First for Women Insurance Company (RF) Limited
- FirstRand Short-Term Insurance Limited
- GenRe Company Limited (General Reinsurance Africa)
- GIC Re South Africa Limited
- Guardrisk Insurance Company Limited
- Hannover Reinsurance Africa Limited
- HDI Global South Africa Limited
- Hollard Insurance Company Limited
- Infiniti Insurance Limited
- King Price Insurance Company Limited
- Land Bank (SOC) Insurance Company
- Legal Expenses Insurance Southern Africa Limited (Legalwise)
- Lloyd's Underwriters (Represented by Lloyd's South Africa (Pty) Limited)
- Lombard Insurance Company Limited
- MiWay Insurance Limited
- Momentum Short-term Insurance Company Limited
- Monarch Insurance Company Limited
- Munich Reinsurance Company of Africa Limited
- Mutual and Federal Risk Financing Limited
- Nedgroup Insurance Company Limited
- New National Assurance Company Limited
- Old Mutual Insure Limited
- OUTsurance Insurance Company Limited
- Professional Provident Society (PPS) Short-term Insurance Company Limited
- Renasa Insurance Company Limited
- SAFIRE Insurance Company Limited
- Santam Limited
- Santam Structured Insurance Limited
- Sasria (SOC) Limited
- SCOR Africa Limited
- Standard Insurance Limited
- Swiss Re Africa Limited
- Swiss Re Corporate Solutions Africa Limited
- Western National Insurance Company Limited
- Workerslife Insurance Limited
- Yard Insurance Limited

Member Registration 2023

- Export Credit Insurance Corporation of South Africa SOC Limited (ECIC)

Member Resignation 2023

- The Federated Employers Mutual Assurance Company (RF) (Pty) Ltd

11

SAIA STAFF

SAIA Staff as at the end of February 2024

Viviene Pearson
Chief Executive Officer

The strength of the team is each individual member. The strength of each member is the team.

– PHIL JACKSON

Nothando Mashaba
Executive Personal Assistant to CEO

Donald Mphahlele
Data Intelligence Specialist

Hlayisani Mabasa
Projects Coordinator: Insurance Risks

Kabelo Paile
Insurance Risks Technical Manager

Lebohang Tsotetsi
Insurance Risks Manager

Livhuwani Mutheiwana
Corporate Affairs Administrator

Mzayiya Sondiyazi
Insurance Risks Manager

Naomi du Toit
Accounts Administrator

Nicol Champaud
Head of Department: HR and Operations

Pamela Ramagaga
GM: Insurance Risks

Puseletso Radebe
Legal Specialist

Rachel Mathosa
PA to GM (Insurance Risks)

Shodine Schalkwyk
Senior Legal Specialist

Tessa McQuire
Projects Coordinator: Transformation

Themba Palagangwe
GM: Government and Transformation

Thembi Mokoena
Accountant

Tiyani Baloyi
Office Administrator

Tshepiso Moloto
PA: HOD HR and Operations

Zanele Gigaba
Transformation Manager

Zoleka Hlomuka
PA: Transformation

NOTES

THROUGH THE CLOUDS, CAME THE RAINBOW

WWW.SAIA.CO.ZA

TELEPHONE +27 11 726 5381

E-MAIL info@saia.co.za

ADDRESS
Groundfloor | Willowbrook House | Lake Drive
Constantia Office Park
c/o 14th Avenue & Hendrik Potgieter Road
Weltevreden Park | 1715