

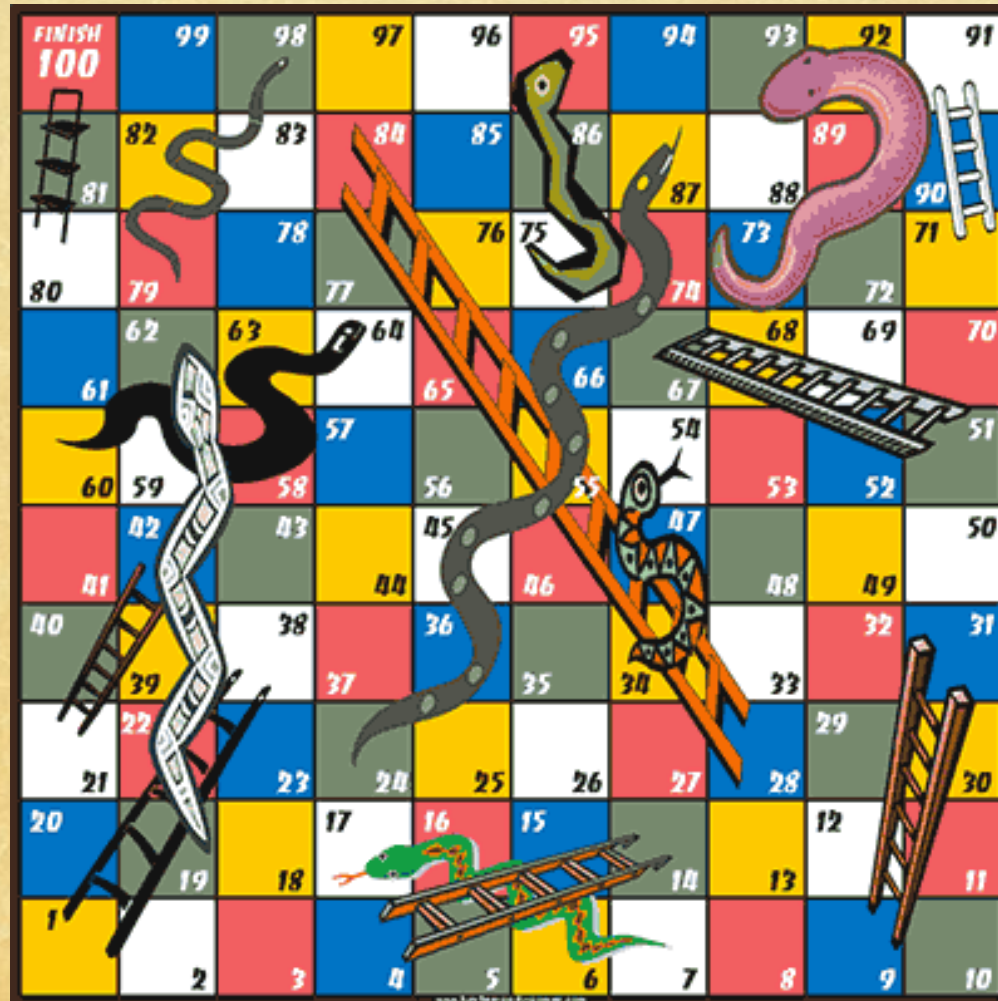
Do we know its Africa?

RGA Client Seminar September 2014

Tony Van Niekerk – COVER Publications

cover
No Hype. No Speculation. Just the Facts.

Insurance – unexpected silver Bullet



Insurance – unexpected silver Bullet

1. Social Stability

- Economic loss v insured loss
- ✓ Tahiti quake v US Tornado
- Transferable wealth

2. Economic stability

- Risk management
- Access to capital
- Capital creation
- ✓ The van on the road v the handbag in the cupboard

3. Political stability

- Risk management
- Sustainable growth

Responsibility of the Regulator

- 1. Create an environment conducive to doing business**
 - Competition**
 - Stability**
 - Growth**
 - Enforcement**
- 2. Create a safe financial services environment**

Responsibility of Business

- **Make a profit (pay tax)**
 - **Provide employment**
 - **Provide an effective platform to facilitate clients' financial risk needs**
 - **Grow the economy**
- All within the regulatory boundaries***

Thoughts on the South African Experience

- ♦ Twin Peaks
- ♦ SAM
- ♦ Insurance Acts (Microinsurance Bill?)
- ♦ FAIS/ FICA/ POCA/ POPI
- ♦ Conflict of Interest/ TCF
- ♦ Other (Governance/ Labour/ Safety etc)

Compliance imperatives aside, all of these regulatory themes are essential ingredients of an ethical, sensible and sustainable business model for any credible financial institution.

Self Regulation

- ♦ **The South African Experience**
- ♦ **Dual economies**
- ♦ **TCF**

Isn't it a sad indictment to know that there's a law compelling the short-term insurance industry to treat customers fairly - shouldn't the fair treatment of customers be a business priority anyway? - Peter Todd, past CEO, Mutual and Federal. (COVER August 2012)

- ♦ **Microinsurance**

Do we know it's Africa

In Africa, when crossing a busy street you look at the cars, not the traffic light. In a first world country you rely on the drivers and the traffic lights.

Jurgen Graber, CEO Non-Life, Munich Reinsurance Group. (COVER August 2012)

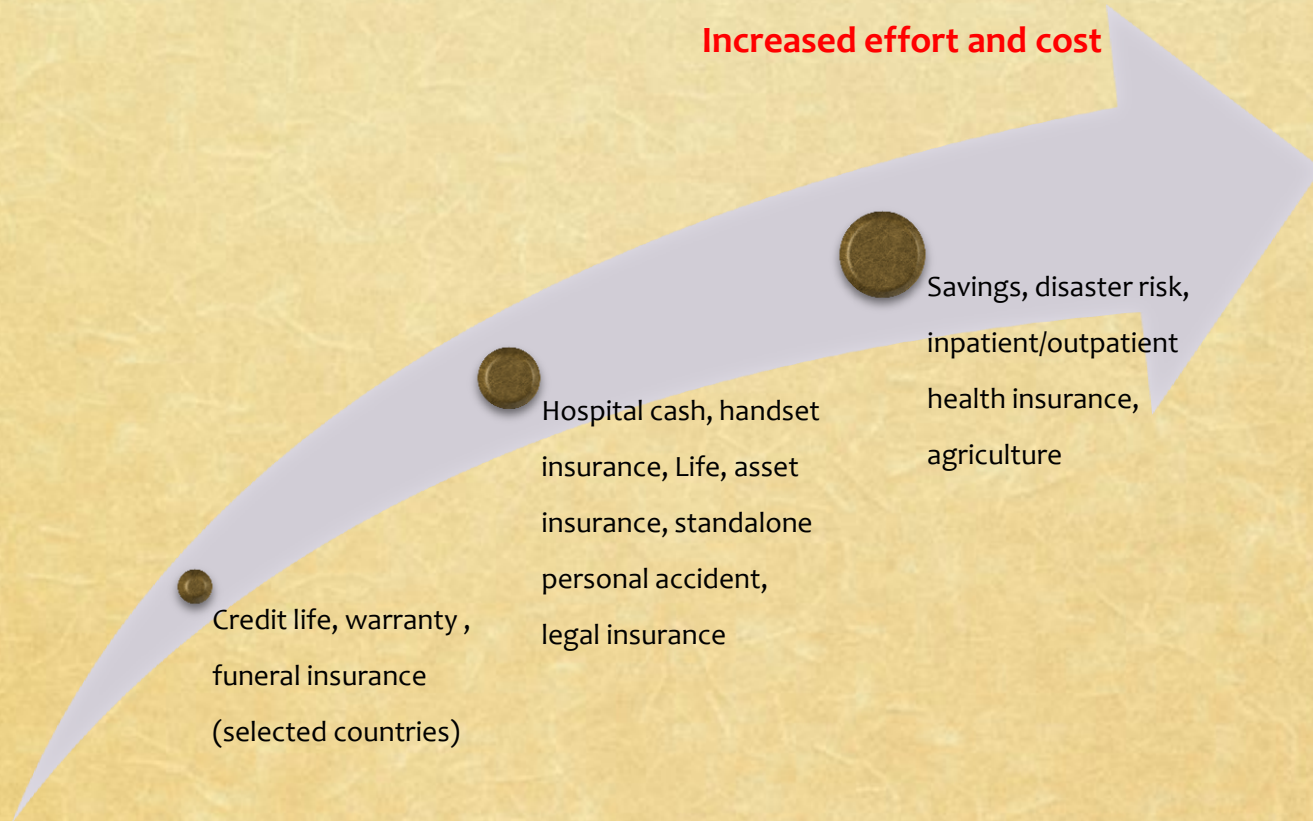
African Innovations

- SUDAN
- UAP in Kenya
- Assupol Life

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Do we know it's Africa?

Increased effort and cost



Slide courtesy of Bankable Frontiers

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Innovation Challenges

Access – person, platform, price

- ◆ **Blinded by success/ high penetration**
- ◆ **Blinded by competition**
- ◆ **Blinded by governance**
- ◆ **Blinded by our past**

Innovation Challenges

Access – person, platform, price

- ◆ **Competition**
- ◆ **Fulfillment**
- ◆ **Distribution remuneration**
- ◆ **Communication**
- ◆ **Convergence**
- ◆ **Capital Adequacy Requirements**

Innovation Challenges

- ♦ What we call chaos is just patterns we haven't recognized. What we call random is just patterns we can't decipher. What we can't understand we call nonsense. What we can't read we call gibberish.
- ♦ Our real discoveries come from chaos, from going to the place that looks wrong and stupid and foolish

Chuck Palahniuk, Invisible Monsters and Survivor

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No Hype. No Speculation. Just the Facts.

- ♦ **We are knowledge entrepreneurs**
- ♦ **We facilitate the flow of relevant information between all stakeholders of the financial services industry, other than clients**
- ♦ **Print, Digital, Online, Twitter, LinkedIn, Facebook**

There is no darkness but ignorance –

William Shakespeare

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