

COVER

Focused on financial services

November 2007 Volume 20 Number 6

glacier
by Sanlam



Taking up the challenge

PROMOTE INSURANCE PROFESSIONALLY (PIP) SEMINAR

Chief Executive Theo Vels



The third in the series of Seminars arranged by a combination of Sanlam and the IISA took place at the Johannesburg Country Club late in September.

Clearly this PIP Breakfast Seminar idea is gaining increasing support as we literally had a 'house full' sign on before the Seminar registrations were completed.

The topic for the morning was "Who is accountable to the customer?"

Elias Masilela, Chief Strategist, Financial Sector Development of Sanlam, delivered the opening address. He set the scene clearly by emphasising that things had changed in terms of how consumers need be considered.

Diane Terblanche, a consumer support advocate, then made it clear that a change in attitude to consumers was necessary if the industry is to generate the required trust and overcome some of the legacy of suspicion which has been around for an extended period.

Those who serve consumers need to have full and extensive knowledge of the insurance industry and provide an ongoing 'good experience', through quality interaction, to those consumers.

Diane made the point that good providers will prosper as they will get ongoing support from their clients. She also emphasised the need for ongoing

consumer education.

Arnold van der Linde, Vice-President of the Independent Brokers Council (IBC) gave an explanation of the need for intermediaries and outlined many of the challenges facing them.

The message that came through, however, was that 'the client is always right' and this is an attitude which lines up with the approach which Diane Terblanche felt was necessary in terms of consumer support.

The world of the intermediary has certainly changed and many will say that it is for the better, despite the legislative pressures on that most important part of the insurance landscape.

Gail Walters, Head Corporate Affairs at Hollard, spoke on the industry's behalf. Gail is involved with the insurance market in many different ways, being SAIA's Legal Compliance Committee Chair, Vice Chair of the Short-term Ombudsman's Board, as well as being a Trustee of the FSB Consumer Education Foundation.

She made delegates aware of the complexities facing insurers in the new environment. Clearly, however, she saw this as a necessary situation and accepted it as being in the best interest of the consumer in the long run. The cost of compliance, however, was always factored into the pricing of insurance products and needs to be recognised by the authorities.

She went on to say that the new insurance market needed both insurers and intermediaries to take an innovative approach to the topic of providing insurance products. To the extent that this can be done our market will grow and our consumers will learn more about how to make the most efficient use of the insurance facility.

The next PIP Seminar is planned for February 2008.

Local Institutes

During the fourth quarter of 2007,

and moving to its close, particular attention was, and will be, paid to the interface between itself and all local institutes.

The Institute movement started over 100 years ago when it was established in Cape Town. This was followed soon after by the creation of an Institute in the then Transvaal and the movement grew to the point where there are, today, some 15 Local Institutes all around South Africa. Their primary purpose was always education for the insurance market and this remains the primary purpose today.

In 1965 the Insurance Institute of South Africa was set up as the controlling body for the Institute movement in our country. This replaced affiliation to the Chartered Insurance Institute in London.

During the last two difficult years for the IISA the links between itself and the Local Institutes may not have been as strong as in the past. This matter is now being addressed and the IISA plans to hold Local Institute Forums twice a year, to encourage Local Institute interaction as well as interaction with the IISA. The first will be around mid-November this year and the second at the IISA Conference in June 2008.

The Local Institute infrastructure is an essential part of the strength and power of the IISA. Each Local Institute has an extensive membership list through which IISA information and news can, and should, be fed to encourage communication between the IISA and the market as a whole.

The IISA's use of the Academy of Learning as its main provider in the area up to NQF level 4 will operate much more efficiently in the market's interest if there is a strong link between the IISA Local Institutes and the related Academy of Learning colleges or branches. This interaction will be encouraged from both directions over the next few months and should have the effect of providing a powerful mechanism to enable the market to tackle its outstanding FAIS obligations.

The existence of qualified professionals, Fellows and Associates in the membership of our Local Institutes is another undoubted strength of the IISA. These professionals need to keep up their IISA membership and will be involved in the whole Continuing Professional Development mechanism which will be advised to Local Institutes and to individual members over the next few