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1

ID: 03467722-01 Source Page: 1

# SAIA 100

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## A century of serving the short-term insurance industry



**T**he South African Insurance Association (SAIA) has reached a milestone in its existence. This trade association has served the South African short-term insurance industry, albeit in different guises, for a full 100 years.

The roots of the SAIA can be found in the early part of the previous century when the Council of Fire Insurance Companies was formed in 1907.

Various other associated bodies were subsequently formed. Such associated bodies include the Accident Insurance Council (1925), and the Insurance Council of South Africa.

The latter body mainly controlled the various insurance tariffs until these tariffs were abrogated in 1974, at which point the need for this body also disappeared.

The South African Insurance Association, as a controlling body of all the other bodies associated with the Council of Fire Insurance Companies together with the Council, was formed in 1973. At this stage, generally speaking, the Association provided a forum for member companies to discuss matters concerning them, and it endeavoured to speak for the companies where consensus of opinion or representation was needed.

Formally, the objects for which the Association had been established (according to a document written in the latter half of the seventies found in the SAIA library) were:

□ "to protect, promote and advance the common interests of underwriters of all the classes of short

term insurance business, including the taking of such concerted measures as may be deemed expedient whenever the business of the members of the Association may be affected by the action or proposed action of any Government or other authority;

□ to promote agreement and co-operation between its members on all matters of mutual interest and to provide machinery for the examination and reconciliation of any differences;

□ to do all such things as may in the opinion of the Council be necessary, proper or advisable for the general advancement of short-term insurance business or which may be necessary for or incidental or conducive to the attainment of any of the objects of the Association."

To make sure that these aims and ideals at this early stage of SAIA's existence were met throughout the diverse range of short-term insurers and reinsurers they represented, the SAIA administered, managed or dealt with:

- Association of Marine Underwriters
- SASRIA (Political Riot)
- Market Agreements
- Nuclear Energy Pool
- Liaison with the Registrar of Financial Institutions
- Growing Timber Pool
- The Automatic Sprinkler Inspection Bureau
- Fire Protection Association
- Statistics
- Recovered Stolen Vehicles
- Security Committee.

SAIA points out that the activities that were pursued in these early stages give some perspective

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1

ID: 03467722-02 Source Page: 1

as to how it got to some of its current and most recent projects.

For example, the stolen vehicle project was a joint project with the South African Police. The Association and the Police Service joined forces and together produced a computerized matching of stolen and recovered vehicles. Between 1979, and at the time of writing of a report in 1984, this scheme was proclaimed most successful with some 10 000 vehicles recovered. Today the SAIA's vehicle crime combating initiative mainly centres around a donation towards the Business Against Crime SA national vehicle crime project. Business Against Crime, however, also works closely with the South African Police Service and other government agen-

cies to achieve the joint goals of these two organisations.

SAIA quotes another example to explain a previous project of the SAIA that recently came to a halt, i.e. SAIA Approved. The Security Steering Committee in these early days formed a technical sub-committee after receiving complaints from the South African Police regarding an inordinately high number of false alarms arising from security systems and burglar alarms to, together with other relevant role players, look into burglar alarms, safes, locking devices, etcetera. This technical sub-committee produced a list of recommended intruder alarm installers, who were able to install alarm systems in accordance with acceptable mini-

mum standards, a graded list of safes together with the recommended insurable overnight cash limits, as well as an approved list of locking devices. This initiative eventually culminated in the establishment of SAIA Approved, a separate company that addressed the issue of standards setting for insurance related products and services, and especially security related products and services. Due to various reasons, however, SAIA Approved was closed down after a decision of the SAIA Board and the only remnant of the activities of SAIA Approved, the VSS List, will soon be outsourced to a product provider.

The SAIA in its current guise as a section 21 not for profit organisa-

tion was established in 1998 with effect from 1 January 1999, says the SAIA. Today the SAIA mission is the following: "The South African Insurance Association promotes the short-term insurance industry in order to create awareness and understanding of the industry and to add value to all stakeholders."

The current functions of the SAIA include management and/or administration of the following:

- ☐ The Association of Marine Underwriters in SA
- ☐ The Intermediaries Guarantee Facility
- ☐ Market Agreements
- ☐ The South African Pool for the Insurance of Nuclear Risks (Foreign and Local)
- ☐ The South African Machinery Insurance Association.

In addition, the SAIA's current functions include:

- ☐ representing its members' interest in the public domain, as well as to government
- ☐ providing a forum for discussion of common interests in the short-term insurance industry
- ☐ facilitating information flow among members
- ☐ interacting with all associations in the insurance industry operating locally and internationally
- ☐ liaising with the Financial Services Board (previously the Registrar of Financial Institutions).

Many more initiatives have been added since the original establishment of the section 21 company. These include addressing legislative and regulatory related issues, the work with and around transformation and especially the Financial Sector Charter, the fight against in-

surance fraud and other commercial crime, and the image and reputation of the industry.

Although many of the current functions of the SAIA and the aims of the earlier bodies are similar, the changes that have happened over time happened in order to change with the times and to adapt to new and changed needs.

The future probably holds even more change, says the SAIA. At the first 2007 SAIA Board meeting, it was decided that the SAIA's future priorities would centre around three main pillars, namely legislation, regulation and related insurance matters, transformation and image and reputation. The SAIA structure would be changed according to this new strategy.

This new strategy means that in some cases, the SAIA would be moving away from how things were done in the past in order to address new challenges faced by the industry it represents in future.

SAIA's 100 years of existence certainly is testament to the fact that this body succeeded in remaining relevant to its members.

2007 SAIA looks like this:

- ☐ It has 53 members
- ☐ SAIA members have to adhere to a Code of Good Business Practise
- ☐ It is governed by a Board of Directors (elected annually by members)
- ☐ The current Chairman of the Board is Adam Samie
- ☐ The current Chief Executive is Barry Scott
- ☐ Refilwe Moletsane is the current Deputy Chief Executive
- ☐ Currently, SAIA has 21 staff members