



Insight

SA'S PREMIER INTERMEDIARY MAGAZINE

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Charting the Future

FIA moves from legacy to leadership

WFI Annual Meeting

The global intermediary community comes to SA

UMA evolution

Opportunities for product and service growth



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THOUGHTS FROM OUR CEO

Lizelle van der Merwe, CEO, FIA



OWN THE MACHINE

Why AI is the financial adviser's greatest tool, and their greatest test

Every few years, a new technology arrives with the promise – or the threat, depending on who's talking – of making the financial intermediary obsolete. Ones that come to mind are robo-advisers, direct players and algorithm-driven underwriting. Each wave generated genuine anxiety and each time the independent financial advisers adapted, endured and, in many cases, emerged stronger.

Artificial intelligence is different. Not because the existential threat is greater (though it may be), but because the opportunity is genuinely transformative. The intermediary practices that engage AI intelligently will operate at a level of sophistication, scale, skills and client service that was simply impossible five years ago. Those who ignore it – or worse, fear it – will be outpaced by those who don't.

The question is not whether AI will reshape our industry. It already is. The question is whether the independent intermediary channel will shape how AI is used within it, or whether we will be shaped by it.

Let's be clear about what AI can already do well in our context. Compliance monitoring tools are flagging anomalies before a human reviewer would notice them. Client communication is being drafted, personalised and sent at a scale that would previously have required a team twice

the size. Research that once took hours is being synthesised in minutes.

For the small to medium FSP, which represents the backbone of FIA's member base, this is not a luxury. It is a competitive lifeline. AI levels the playing field between the sole proprietor in Polokwane and the financial planning division of a major banking group. That is genuinely exciting.

For FIA as an organisation, AI has already created new possibilities in how we serve members, how we communicate with members, to more targeted regulatory guidance using our extensive submissions going back almost a decade. Our recently launched MIT V3 data platform is one step in that direction: giving members access to structured, evidence-based insights that support better business decisions.

The accountability doesn't move

Here is where I want to be direct, because I think the industry conversation sometimes skips this part.

AI can draft the client communication. **It cannot be held accountable for it.** AI can flag a potential compliance gap. **It cannot appear before the FSCA to explain why it was missed.** AI can suggest a portfolio allocation. **It cannot sit with a client whose retirement savings have just been hit by a**



market shock and help them make sense of what comes next. The current regulatory frameworks that govern our members do not contain an AI exception, the FSP licence sits with a human being, the duty of care sits with a human being/FSP, the relationship and the responsibility remain ours as people.

This is not a cautionary note. It is a professional clarification: AI is a tool of extraordinary power. Like all powerful tools, it amplifies both capability and risk. The advisory business and financial adviser who uses AI to enhance their advice process is better positioned than the one who doesn't. The financial adviser who uses AI to replace their judgment, or who outsources accountability to an algorithm, is taking on regulatory and reputational exposure they may not have fully considered.

What remains irreducibly human

I have spent nearly a decade leading an organisation whose entire existence is premised on a belief: that the independent intermediary adds value that cannot be replicated by a product provider, a platform or a machine.

That belief is not nostalgia. It is evidence-based.

What clients value most, in study after study, is not the best-performing fund or the cheapest premium. It is trust. It is the confidence that someone who understands their situation, their family, their business, their risk appetite, their history, is genuinely looking out for them. It is the relationship that means a client picks up the phone when markets fall, rather than making a panic-driven decision alone.

AI can analyse sentiment; it cannot build trust. AI can personalise a message, it cannot sit across a table and read the room. AI can optimise a portfolio; it cannot tell a widow what to do with the life cover payout while she is still in shock.

These are not soft claims. They are the commercial moat of the independent intermediary, and they are more defensible now than they were 10 years ago, precisely because AI is making the transactional parts of financial services increasingly commoditised. What remains is the judgment, the

relationship, the human presence in moments that matter. These become more valuable as everything else becomes automated.

Equipping the next generation

The challenge we face is not only helping established members integrate AI into existing practices but also ensuring that the next generation of advisers enters the profession with AI fluency as a professional standard. The young people currently completing their NQF Level 5 qualifications through the Sasria Broker Development Programme, hosted by FIA member firms, will work in an industry where AI is embedded in every workflow. We owe it to ourselves to be thinking ahead about how AI changes operations, what new competencies are required and how the regulator will eventually formalise AI governance within the imminent conduct standards framework.

This is part of our legacy work. FIA's roots trace back to 1949; we have navigated more transformations than most. What has kept this organisation relevant across more than 75 years is not resistance to change, it is the willingness to lead through it on behalf of members who do not always have the time, resources or regulatory access to navigate it alone.

Own the machine. Use it with discipline, with judgment and with a clear-eyed understanding of where your professional responsibility begins and the algorithm's ends. Invest in AI literacy within your practice. Stay close to how the regulatory environment is evolving – because it will.

And remember: the reason clients still need you is not because you can process information faster than software. It is because you can do something software cannot.

You can be trusted. That is not a small thing. It is everything.

We value our relationships with our members a great deal. Our door is always open and you are welcome to contact us at any time to share whatever is on your mind. We'd love to hear from you: lizelle@fia.org.za



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There are few organisations in South Africa's financial services landscape that can claim both deep historical roots and continued relevance in a rapidly evolving industry.

The Financial Intermediaries Association of Southern Africa (FIA) stands as one of them. An institution shaped not only by its formal establishment, but by more than seven decades of collective advocacy, professional development and industry stewardship.

Today, as the FIA looks ahead to the rest of 2026 and beyond, it does so anchored in a simple but powerful truth: its future influence is inseparable from its proven past.

A legacy built over generations

The FIA's story does not begin with a single founding moment. Instead, it is the result of a gradual coming together of multiple professional bodies, each playing a defining role in shaping South Africa's intermediary landscape.

Our earliest roots trace back to 1949, with the formation of the Insurance Brokers Association of Southern Africa (IBA). Over time, this body evolved; first into the South African Insurance Brokers Association (SAIBA) in 1978, and later

into the South African Financial Services Intermediaries Association (SAFSIA) in 1999. SAFSIA's influence was significant, representing member companies responsible for more than 70% of short-term insurance, over 30% of life assurance and investment products, and the majority of private retirement fund consultancy and administration.

Alongside this, the Insurance Brokers Council (IBC), founded in 1979, emerged as a unifying voice for independent brokers. With a national footprint spanning 24 branches and seven divisions, and international recognition as a founding member of the Council of International Brokers Associations, the IBC strengthened both local advocacy and global connection.

In parallel, the Life Underwriters Association of South Africa (LUASA), established in 1959, created a professional home for life insurance intermediaries. It championed member development, raised professional standards and played a key role in advancing financial planning as a recognised discipline, while also fostering a strong culture of mentorship and excellence.

By the mid-2000s, it had become clear that the industry needed a single, unified voice.

On 1 January 2008, SAFSIA and the IBC formally

merged to create the Financial Intermediaries Association of Southern Africa. Six months later, LUASA joined the structure, completing a unification that brought together organisations with combined roots stretching back to 1949.

What emerged was more than a new association. It was a consolidation of decades of experience, influence and shared purpose.

A voice that shapes the industry

Since its formation, the FIA has established itself as a key stakeholder within South Africa's financial services ecosystem, not only representing intermediaries, but actively contributing to the frameworks that govern the industry.

From the introduction of the FAIS Act to ongoing developments such as Treating Customers Fairly (TCF), Retail Distribution Review (RDR) and broader conduct reforms, the FIA has consistently worked to ensure that the intermediary perspective is both represented and understood.

This role requires balance: advocating for members while supporting a fair, transparent and consumer-focused industry. It is this dual responsibility that has helped

position the FIA as a credible, solutions-oriented partner, whose contributions are grounded in practical experience and informed by the realities faced by intermediaries every day.

Strength in structure. Power in community.

The FIA's strength lies not only in its history, but in how it brings that legacy to life today. Our portfolio-driven structure reflects the diversity of the profession, spanning life, short-term, healthcare, investments and employee benefits. Supported by regional representation and specialist committees, this structure enables meaningful engagement across disciplines while ensuring that member voices are heard at both regional and national levels.

Yet beyond structure lies something less tangible, but equally powerful: community. For many, the FIA represents more than an industry body. It is a network of peers, a platform for shared insight and a source of professional identity. It is where experience is exchanged, where new entrants find guidance and where collective challenges are met with collective strength.

This sense of belonging – to a profession, a purpose, and a shared legacy – is what continues to unite members across generations.

“Much of what the FIA does isn't always visible, but it's incredibly important – it's in the regulatory engagements, the conversations that shape outcomes for our members. And it's from that foundation that we face the future with confidence. This profession has a strong future ahead. Being part of a collective like the FIA is what ensures we shape that future, rather than simply respond to it.”

— Lizelle van der Merwe, FIA CEO

A profession that matters

Financial intermediaries play a critical role in South Africa's economy and society. They act as the bridge between complexity and clarity, helping individuals and businesses navigate financial decisions with confidence.

Within this context, the FIA's role extends beyond representation. It exists to protect, elevate, and sustain the intermediary profession, ensuring that it remains relevant, respected, and equipped to serve the evolving needs of clients

“We are the voice of the intermediary – but also its mentor and its conscience. Financial decisions remain deeply emotional, and that is exactly why this profession matters. The intermediary is the human element that complexity cannot replace.” — Ronald King, FIA President

Looking ahead: relevance in a changing world

While the FIA's past provides a strong foundation, its future will be defined by its ability to adapt.

The financial services landscape is undergoing rapid transformation. Technology, changing

consumer expectations and evolving regulatory frameworks are reshaping how advice is delivered and experienced. In this environment, the role of the intermediary is not diminishing, it is becoming more important.

The FIA's focus is therefore not on preserving the past, but on building forward from it. This includes embracing innovation while preserving the human element of advice, supporting members through change and continuing to engage meaningfully with regulators, providers and industry stakeholders.

“Much of what the FIA does isn't always visible, but it's incredibly important – it's in the regulatory engagements, the conversations that shape outcomes for our members. And it's from that foundation that we face the future with confidence. This profession has a strong future ahead. Being part of a collective like the FIA is what ensures we shape that future, rather than simply respond to it.” — Lizelle van der Merwe, FIA CEO

Proven past. Powerful future.

“Proven Past. Powerful Future.” is more than a slogan for 2026. It is a reflection of who the FIA is, and what it represents.

It speaks to a legacy built over generations, shaped by organisations and individuals committed to advancing the intermediary profession. It recognises the collective effort that has brought the industry to where it is today.

But more importantly, it signals what lies ahead.

Because being part of the FIA is not just about membership. It is about belonging to something bigger: a profession with history, a community with shared purpose, and a collective commitment to the people it serves.

And it is from that foundation that the future will be built.

“We are the voice of the intermediary – but also its mentor and its conscience. Financial decisions remain deeply emotional, and that is exactly why this profession matters. The intermediary is the human element that complexity cannot replace.”

— Ronald King, FIA President

WFII World Council and Executive CSE Committee

The World Federation of Insurance Intermediaries (WFII) World Council and Executive CSE Committee Annual Meeting took place from **26 to 28 March 2026**.

This year, the FIA had the honour of hosting the meeting in Cape Town - welcoming the global intermediary community to South Africa for the second time.

The FIA was represented by Ronald King (FIA President), Butsi Tladi (WFII immediate past Chair), Lizelle van der Merwe (CEO), and Samantha Williams (Head of Legal and Regulatory Affairs).

Delegates from five continents - North America, Latin America, Europe, Africa, and Asia-Pacific - participated across the three-day programme.



Key Themes

The meeting engaged with strategic and operational challenges facing insurance intermediaries globally. Themes broadly shared by intermediary associations worldwide included:

- NatCat protection gaps and the role intermediaries can play in narrowing them
- The growing impact of AI across the insurance value chain and its regulatory implications
- International regulatory trends and their influence on national legislation
- Geopolitical uncertainty and its implications for insurance markets and cross-border intermediation
- Disintermediation pressures and the need to demonstrate the value of professional intermediation
- Digital transformation affordability for SME intermediaries
- Enhanced operational resilience expectations, including cyber and business continuity
- Market consolidation, talent attraction, and generational change
- Regulatory burden and a common call for proportionate approaches

Key Stakeholder Engagements

IAIS

– Jonathan Dixon, Secretary General

Mr Dixon emphasised that intermediaries are at the frontline of market conduct and consumer protection, with a role that closely aligns with supervisory objectives. He acknowledged WFII's constructive contribution to global supervisory discussions and noted that AI governance and human oversight, operational resilience, and market conduct are receiving particular regulatory attention.



OECD

– Timothy Bishop, Senior Advisor, WPIP

Current OECD priorities include digitalisation and the future of insurance, financial protection gaps (a new report released in March 2026 highlights sharply rising losses from floods and wildfires), financial advice for retirement, and parametric insurance – with a draft regulatory report expected in November 2026.

FSCA

– Farzana Badat, Deputy Commissioner

Ms Badat provided insights into international standard-setting and the South African regulatory context. She highlighted South Africa's Twin Peaks architecture and its advanced shift towards outcomes-based supervision – prioritising fair customer outcomes over rules-based compliance and enabling a more proportionate and collaborative supervisory approach.

Discovery

– Hylton Kallner, CEO of Discovery SA and Discovery Bank

Mr Kallner shared Discovery's 34-year journey, describing a distribution strategy built on close collaboration with intermediaries and an innovative model linking insurance with health outcomes. The presentation was well received internationally as a compelling example of South African market innovation.

WFII Advocacy Highlights (2024 – 2025)

WFII actively engaged in multiple IAIS public consultations, with contributions resulting in tangible improvements to final papers – including dedicated proportionality provisions, explicit recognition of intermediaries' distinct role, and stronger language on local context. Key consultations covered consumer treatment, climate-related risk supervision, AI supervision, and the Market Conduct Working Group on fair value for consumers.

At the WTO, WFII continued to advocate for the liberalisation of insurance intermediation markets and extension of the Moratorium on Customs Duties on Electronic Transmissions.

Notable country-level engagements included successful interventions in the Dominican Republic (where a restrictive Insurance Bill was postponed) and India (where contested provisions restricting dividends for intermediaries with significant foreign investment were removed from draft rules).

Leadership Transition

Mrs Sherry Gonzalez was elected Chair of WFII for 2026–2027, succeeding Mr Dominique Sizes as Immediate Past Chairman. Mr Nick Cook was elected Incoming Chairman.

The FIA congratulates Mrs Gonzalez on her election and looks forward to continued productive engagement with WFII's leadership.

Why WFII Matters for FIA Members

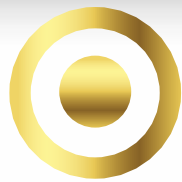
International bodies such as the IAIS and OECD are increasingly influential in shaping the national legislation and regulatory frameworks governing our members' businesses. WFII's engagement ensures that intermediary perspectives – and South African-specific considerations – are reflected in the development of global standards.

Hosting the 2026 meeting in Cape Town was a significant achievement for the FIA and for South Africa's standing in the global intermediary community. For FIA members, participation in WFII provides early sight of emerging trends, access to international best practices, and a voice in the global regulatory conversation that ultimately shapes the environment in which you operate.



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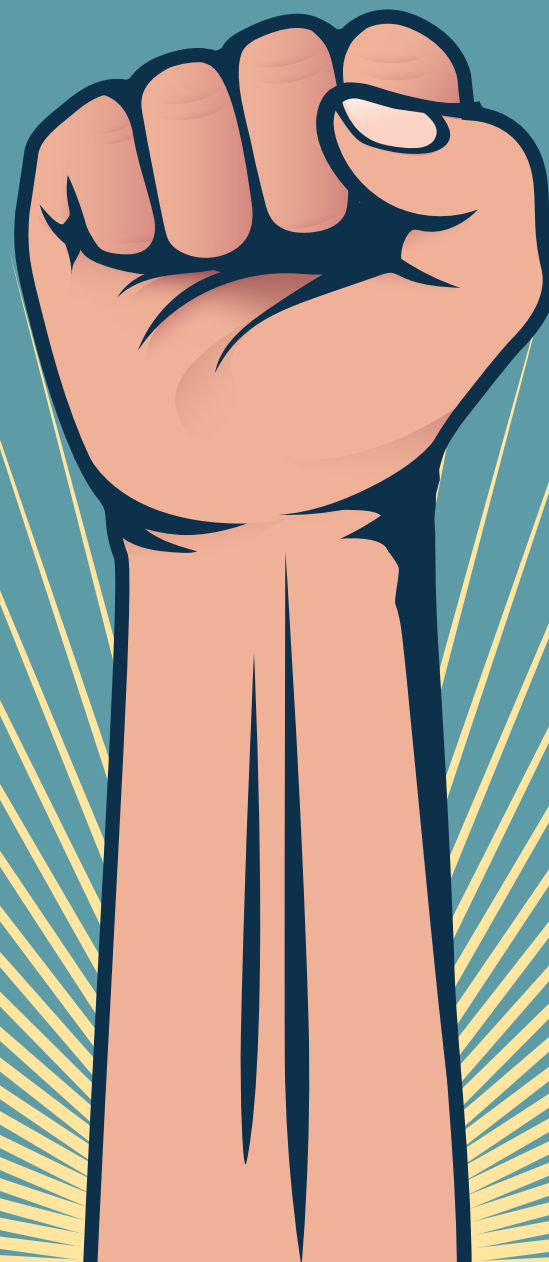
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**WELCOME
TO THE UMA
EVOLUTION!**



The South African insurance industry has always evolved alongside the needs of its customers, and few parts of the market demonstrate that adaptability quite like underwriting management agencies (UMAs). Built around specialist knowledge, entrepreneurial thinking and a close understanding of niche risks, UMAs are an important and valued part of the insurance ecosystem.

As risks become more complex and clients increasingly expect tailored solutions, the ability to move quickly and think differently has never been more valuable. UMAs have earned a reputation for doing exactly that, bringing deep expertise, product innovation and agility to areas where standard approaches may not always fit the brief.

For brokers, insurers and clients alike, the UMA model has created opportunities to deliver more specialised products and stronger service experiences. It has also shown a remarkable ability to evolve alongside changing market needs.

We put some questions to three industry practitioners – Wilhelm von la Chevallerie, chairperson of SAUMA; Elmé Strauss, Head of Partnerships at Lombard Insurance; and Simon Dougall, CEO of Crawford Dougall Insurance Brokers – asking them to share their perspectives on the role UMAs continue to play in South Africa, and why specialist underwriting remains such a powerful force within the industry.

Join the conversation



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Q&A With Wilhelm Von La Chevallerie, Chairperson Of SAUMA

How would you define the role of underwriting management agencies within the South African insurance landscape today, and how has that role evolved over the past few years?

UMAs remain at the forefront of providing insurance solutions to niche market segments and to customers whose needs are constantly changing. Innovation, agility and the ability to react quickly are therefore synonymous with the UMA approach to solving insurance challenges.

Insurers often support UMAs because they provide increased return on investment through specialised service, market reach, underwriting expertise and claims management capabilities that many traditional insurers may struggle to replicate at the same level.

The role of the UMA has also evolved over time. Many years ago, entirely new lines of business were serviced almost exclusively by UMAs. Today, some of those lines are no longer considered new, while insurers themselves have also entered these spaces with competing offerings. Despite this, UMAs remain the more agile operators.

Many UMAs are owner-managed businesses, which creates a particularly strong alignment between leadership, customers and insurer partners. Decision-makers are deeply involved in the business and dedicated to both the success of the organisation and the needs of policyholders. That passion is reflected across multiple customer touchpoints.

UMAs are also fully committed to working closely with brokers who recognise how the broker-UMA partnership can deliver exceptional products and service to shared clients.

UMAs are often seen as specialists and innovators. Where do you believe they add the most value to the broader insurance ecosystem, particularly in areas like niche underwriting, speed to market and product development?

UMAs add value through their expertise in niche underwriting areas, their ability to make decisions quickly and their responsiveness when product enhancements are needed.

In many instances, UMAs are more driven to find practical insurance solutions where traditional insurance products do not fully cater for the needs of the insured. Their specialist focus and entrepreneurial mindset often allow them to respond more effectively to emerging risks and evolving client expectations.

This agility enables UMAs to bring products to market quickly and refine offerings efficiently, while still maintaining close relationships with brokers and insurer partners.

What are the biggest misconceptions about UMAs from insurers, brokers or regulators, and how is SAUMA working to address these?

One of the biggest misconceptions is that UMAs are purely profit-driven underwriters focused on rejecting claims in order to improve profitability. While I cannot speak for every UMA in the market, SAUMA members subscribe to a strict code of conduct that holds them to a higher standard.

SAUMA is not a regulator, but we aim to ensure that our members are viewed by brokers, insurers and policyholders as trustworthy and professional businesses that align with principles such as Treating Customers Fairly (TCF). An UMA that repeatedly rejects valid claims would quickly damage its reputation and lose customers.

SAUMA recently updated its code of conduct, with members subscribing to enhanced standards that reinforce the right behaviours and strengthen trust in the market.

Another misconception is that UMAs are simply brokers sharing in underwriting profits. That is fundamentally incorrect. UMAs are agents of the insurer, which is the risk-taking entity. Brokers remain agents of the policyholder. Both are essential parts of the insurance value chain, but their roles are distinct.

While some brokers may fulfil binder functions on behalf of insurers – and many do this exceptionally well – they ultimately remain representatives of the policyholder. There is also a tendency to view UMAs merely as product innovators and distributors. In reality, fully-fledged UMAs fulfil a far broader role. They not only design and distribute products, but also underwrite and manage portfolios, oversee claims from notification through to payment, understand capital implications and engage with complex reinsurance structures.

SAUMA continues to engage with industry stakeholders to improve understanding of these distinctions and regularly provides training and development opportunities for members to deepen technical expertise and collaboration with insurers.

Looking ahead, what are the key opportunities and risks for UMAs in South Africa, especially in the context of regulation, technology and changing client expectations?

Technology presents both enormous opportunities and significant risks for UMAs.

Artificial intelligence, automation, system integration and improved interfacing all create opportunities for UMAs to operate faster, more efficiently and more cost-effectively. Technology is also enabling increasingly sophisticated and user-friendly portals that improve service delivery.

At the same time, these developments introduce risks, particularly in the area of cybercrime,

where increasingly advanced technologies are enabling more sophisticated attacks. Technology is also reshaping distribution models. Digital platforms and self-service capabilities could place pressure on traditional intermediary channels that many UMAs currently rely on.

From a regulatory perspective, the environment continues to evolve, although we do not necessarily view regulation as a threat. The current framework allows UMAs to provide meaningful value to the insurance industry and to policyholders.

Should the regulatory landscape shift further through initiatives such as the Conduct of Financial Institutions (COFI) Bill, the industry will need to assess the implications carefully. We understand what regulators are trying to achieve and trust that any future changes will aim to protect policyholders while ensuring transparency and continued access to quality insurance solutions.

UMAs remain well positioned to provide innovative solutions to South African insurance buyers. We have navigated significant change over many years and continue to adapt successfully. Internationally, recent research into the UK MGA market has shown strong growth over the past five years, driven by many of the same competitive advantages that UMAs in South Africa offer today. It is encouraging to see global markets increasingly recognising the value that specialist underwriting businesses bring to the insurance ecosystem.

“UMAs are also fully committed to working closely with brokers who recognise how the broker-UMA partnership can deliver exceptional products and service to shared clients.”

Join the conversation   



From an insurer's perspective, what role do UMAs play in your distribution and underwriting strategy?

Our distribution and underwriting strategy is anchored by three core principles: culture and values, alignment of interests and complementary capabilities. We do not view underwriting management agencies (UMAs) as mere intermediaries. They are strategic partners who sit at the forefront of our market presence and often provide access to specialised markets, deep technical expertise and highly focused client relationships.

Because we prioritise brand-led distribution, we take a partner-first approach, actively supporting the UMA's brand and market identity. In many instances, UMAs have built strong reputations within particular niches or industries, and we recognise the value of preserving and strengthening those relationships rather than overshadowing them.

This partnership model is underpinned by a shared commitment to delivering client value and achieving sustained profitability. By backing market-leading UMAs with specialised skill sets, we ensure that our combined underwriting strategy is executed with precision, transparency and high-level technical expertise.

UMAs also bring an entrepreneurial mindset and agility that can be difficult to replicate within larger corporate structures. They are often closer to the customer, quicker to identify emerging risks and more responsive when market conditions shift. That responsiveness adds significant value to both distribution and underwriting performance.

Importantly, the relationship works best when there is genuine alignment between insurer and UMA. It cannot simply be transactional. There needs to be a shared understanding of risk appetite, service philosophy and long-term objectives. When those elements come together, the partnership becomes highly effective and sustainable.

What makes a strong UMA partner, and what do you look for when deciding to delegate underwriting authority?

The cornerstone of a strong UMA partnership is a shared value system. Technical skill is essential, but the longevity and success of the relationship ultimately depend on trust, transparency and consistency in how business is conducted.

When values are aligned, it creates a foundation for open and constructive dialogue. This allows both parties to navigate challenges collaboratively and make decisions with confidence, even during more complex market cycles or claims environments. When delegating underwriting authority, we

look for best-in-class experts who demonstrate a proven track record in their specific niche. Specialisation matters. We want partners who deeply understand their market, who can assess risk effectively and who have built credibility with brokers and clients alike.

We also look carefully at governance structures, operational capability and data quality. A strong UMA should be able to demonstrate disciplined underwriting practices, sound portfolio management and a commitment to ongoing reporting and transparency.

Consistency is another critical factor. We value partners who show consistency in decision-making, business conduct and commitment to quality risk selection. Ultimately, delegated authority is built on confidence, and confidence is earned over time through performance, professionalism and integrity.

Where do you see the balance between control and autonomy sitting in UMA relationships, particularly around governance, data and risk management?

We view this balance as a collaborative partnership rather than a traditional oversight model. Our philosophy is rooted in complementary capabilities. We empower our UMAs with autonomy in areas where they add the most value, while maintaining clear and rigorous standards for governance, accountability and reporting.

A successful UMA relationship depends on both parties understanding their respective roles and responsibilities. The insurer should not unnecessarily duplicate capabilities that already exist within the UMA, particularly where the UMA has specialist expertise and operational strength. At the same time, there must be clear frameworks in place to ensure appropriate oversight and alignment.

Data transparency is central to that relationship. Access to accurate, timely and meaningful data enables informed decision-making and allows both insurer and UMA to proactively manage performance, emerging trends and portfolio risks.

Defined risk parameters are equally important. These parameters create clarity and consistency while still allowing the UMA the freedom to operate entrepreneurially and respond quickly to market opportunities. Ultimately, the goal is to strike a balance where governance supports innovation rather than restricting it. When the partnership is built correctly, autonomy and accountability can coexist very effectively.

How do you see the role of UMAs evolving in the next few years, especially as insurers invest more in digital capabilities and direct channels?

The evolution of the UMA model will increasingly be defined by the shift from pure risk transfer towards risk prevention and proactive risk management. As artificial intelligence, automation and data analytics continue to reshape the insurance landscape, UMAs will need the technological maturity to integrate these capabilities into their operating models. We expect the role of UMAs to evolve in several important ways over the next few years.

The first is around data intelligence. UMAs will increasingly leverage granular data to provide proactive risk mitigation insights for clients rather than simply responding once losses occur. This will create opportunities for more tailored underwriting, improved pricing accuracy and stronger client engagement.

The second is technological agility. Clients and brokers increasingly expect seamless digital experiences, faster turnaround times and real-time responsiveness. UMAs that successfully adopt digital tools while maintaining the human expertise and relationship-driven nature of specialist underwriting will remain highly competitive.

The third is client-centric flexibility. The risk environment is changing rapidly, whether through cyber threats, climate-related risks, evolving liability exposures or entirely new industries emerging. UMAs have historically been effective at identifying and responding to changing market needs, and that adaptability will remain one of their greatest strengths. At the same time, the rise of direct channels and increased digitalisation will challenge all participants in the insurance value chain to clearly articulate where they add value.

For UMAs, that value will continue to lie in specialist expertise, agility, strong broker relationships and the ability to deliver tailored solutions in complex or underserved markets.

At Lombard, we believe the UMA model remains highly relevant and well positioned for the future, particularly for businesses that are prepared to continue investing in technology, governance and specialist capability.

“
We view this balance as a collaborative partnership rather than a traditional oversight model.
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How do UMAs fit into your day-to-day work as a broker, and where do they add the most value compared to traditional insurers?

As specialist brokers, we focus on certain industries, categories and niche areas. UMAs serve us well in that context because they provide the tailored underwriting expertise that we require. We utilise UMAs a lot in our day-to-day function, precisely because of their niche expertise and their specialist areas of focus. They complement our work by delivering a depth of knowledge that a general insurer simply cannot match in the areas where we operate.

What makes this particularly valuable is that our clients come to us expecting specialist advice – they're not looking for off-the-shelf solutions. When we engage with a UMA that truly understands the sector we're placing into, it reinforces the value we bring as a broker. The relationship becomes genuinely collaborative, with both parties working toward the best possible outcome for the client rather than simply processing a transaction.

In your experience, what differentiates a good UMA from an average one in terms of service, underwriting approach and claims support?

A good UMA takes the time to truly understand each specific client's needs; they don't apply a blanket approach. In hospitality, for example, they wouldn't assume that because two clients are similar in size, they carry the same risk profile. They're willing to niche down and tailor products for each individual client.

A key differentiator is their ability to offer bespoke levels of coverage, tailoring policy wordings and policy schedules in a way that would be quite difficult to achieve with a general insurer. This extends beyond simply adjusting limits or excesses. It's about crafting language that genuinely reflects the nature of the risk and leaves no ambiguity when a claim arises.

On the claims side, a good UMA will have value-added claims support with specialist assessors on their panel who genuinely understand the niche they're operating in. You're not getting a generalist assessor or a generalist claims handler; you're getting someone who truly understands the specific underwriting offering being provided. That distinction matters enormously when a client is in a difficult situation and needs swift, informed support.

How do UMAs help you serve clients with more complex or niche risks that may not be well catered for in the standard market?

The fundamental difference between UMAs and more traditional underwriters is the focus on specialist areas and the underwriting capability that comes with it. Take corporate property, for



example. A UMA operating in that space will only participate in corporate property risks. They understand that environment extremely well and participate as a follow-market capacity provider on those risks.

The same applies to other niche areas in which we operate. A hospitality UMA will understand the hospitality environment better than anyone else. They'll appreciate the nuances, for instance, the very different risk profile of a client facing a medical emergency in the middle of the Masai Mara versus a guest at a hotel in Sandton with hospitals close by. That depth of contextual understanding is really critical for us to be able to provide the best possible cover and insurance solutions for our clients.

It also means that when we sit across the table from a client and explain why their policy is structured a certain way, we can do so with complete confidence. We're not guessing. We're drawing on the insights of underwriters who live and breathe that particular risk category every day.

It's also worth noting that the reinsurance capacity provided to UMAs is specialist in nature, aligned specifically to their underwriting

capability. This means that in certain instances, you may actually be able to achieve greater capacity through a UMA than you would in the standard market, simply because of the way their reinsurance treaties are structured.

What would you like to see UMAs improve on to better support brokers and their clients going forward?

It's quite a tricky one to answer because no two UMAs are the same. Some provide unbelievable support, and we have amazing relationships with UMAs who support us wonderfully right through the full life cycle of a client's insurance journey.

If there is one area for improvement, it would be around capacity – specifically, the ability to secure additional reinsurance support that would allow them to deploy greater capacity into local markets within their areas of niche expertise. The South African market has its own complexities, and UMAs that can grow their capacity footprint here, while retaining that specialist focus, will be incredibly well positioned. That would go a long way in strengthening what is already, in many cases, an excellent offering.



Butši Tladi, FIA Director

SPEND IT OR GROW IT?

Navigating the 'today-or-tomorrow' conundrum



There is a deceptively simple question at the heart of personal finance: should you spend it now, or should you grow it for later?

Immediate needs compete with long-term goals. Rising costs put pressure on households, while the future continues to demand attention in the form of retirement, education and financial security. For financial advisers, this tension is not abstract – it plays out daily in conversations with clients trying to make ends meet while still planning ahead.

Recent regulatory developments – particularly the introduction of the two-pot retirement system and changes to tax-free savings accounts (TFSAs) – have brought this tension into sharper focus. These tools offer flexibility and opportunity, but they also expose behavioural challenges at the core of financial decision-making.

Insights from Butši Tladi, FIA director, and Theoniel McDonald, chair of the FIA financial planning exco, offer a perspective on what is unfolding and what it means for advisers and clients alike.

A system shaped by reality

The two-pot system did not emerge in a vacuum. Its origins lie in significant financial stress – particularly during the COVID-19 pandemic.

"It raised the question of whether people should continue saving for a future that may feel uncertain, when there are very real financial pressures in the present," says Tladi. "This is not a new thing. We've always grappled with how one balances these two."

The system attempts to accommodate both needs by allowing partial access to retirement savings while preserving the majority for the long term.

A better system, with complications

From a design perspective, the two-pot system represents progress.

"In the fullness of time, two-pot is a much better system than the one we had previously," says Tladi. "Before, it was common for individuals to resign from their jobs simply to access their retirement savings, cashing out their funds and often starting from scratch with each job change."

Now, a significant portion is protected.

"There's two-thirds of our savings that will continue to be invested until we reach retirement. That's where the magic lies."

However, early usage patterns reveal a more complex picture. Around four million withdrawals have been made since implementation, totalling approximately R57 billion.

"This is people using the future's money now," says McDonald. "It is really a double-edged sword."

While the system prevents the complete erosion of retirement savings, it creates a new behavioural risk.

"When that becomes your slush fund, it becomes very dangerous."

A consistent theme is that the issue is not the product itself, but how it is used.

"The problem is really around financial management," says McDonald. "We tend to focus so much on the product... but the reality is that we are withdrawing these assets because of poor financial management."

The prevalence of repeat withdrawals reinforces this – as does the broader economic context: "Seventy-five percent of South Africans borrowed money last year for essential living costs. In that environment, access to any savings is difficult to resist."

"The two-pot system is not creating the problem; it is making it visible."

The advice gap

If behaviour is central to the issue, advice becomes critical. Yet access to advice is uneven.

"I'm of a strong opinion that often those that are withdrawing don't have access to advice, or access to good advice," says McDonald. "For the FIA, closing this gap is a key priority."

"We always see advice as the superpower that truly differentiates people that have got better outcomes," says Tladi. "Advisers are not just product specialists – they are interpreters of behaviour, context and risk. It starts with understanding our society, our culture, and the people that are ultimately our clients."

At the core of effective financial planning is sound financial management – one of the six financial planning components and, according to McDonald, among the most critical and most overlooked. Budgeting, managing cash flow and building an emergency fund are foundational.

"If you keep your financial management right, everything else will work out," he says. "This reduces the need to access long-term savings prematurely."

"The idea with two-pot is to have access in a real extreme emergency. But if you've got proper financial management in place, you are

significantly less likely to withdraw." It also means using products for their intended purpose.

"A retirement product is meant for retirement, not for today's consumption," says Tladi.

The same applies to TFSAs, which are often misunderstood as accessible savings vehicles.

"When you talk about tax-free savings, that in itself is an investment – not something you should be accessing as and when you see fit."

The TFSA opportunity

While the two-pot system has dominated recent discussions, TFSAs remain a powerful and often underutilised tool. The annual contribution cap has been raised from R36 000 to R46 000 per year, and thanks to the absence of tax on growth, the long-term compounding benefits are significant.

"If you consider the compounding effect in a product like this, it becomes massive," says McDonald. "It could be so big that it could be a full retirement plan for someone, if they start early enough."

Tladi illustrates this with a striking example: investing R3 000 a year for the first 10 to 11 years of a child's life – and leaving it invested until the child turns 60 – could produce a fund worth roughly R38 million in today's terms.

"That recipient will ultimately have financial freedom in retirement just by virtue of having somebody investing for 11 years for them."

TFSAs also create an opportunity to build financial awareness from an early age, but access at 18 introduces a behavioural risk – withdrawing too early eliminates the compounding advantage.

"Can you imagine a generation of South Africans that at the age of 18 already understand the power of compounding?" asks Tladi. "That would be powerful. Making that vision real requires education, not just investment."

Starting matters

One of the most important messages in financial planning is also the simplest: start.

"It's never too late to start saving," says Tladi. "Many delay because they feel they cannot do enough. But it's never too late."

McDonald encourages a practical first step: writing down your expenses: "You start to take accountability. Even when there is little left over, awareness creates momentum. From there, priorities become clearer – reduce debt, build an emergency fund, and gradually move into long-term investing."

The tension between spending and growing is unlikely to disappear. It reflects a fundamental aspect of human behaviour. What has changed is the framework within which these decisions are made. The two-pot system introduces flexibility with safeguards. TFSAs offer powerful long-term growth in a tax-efficient structure.

But tools alone are not enough. Behaviour, education and access to advice remain the determining factors. For advisers, the opportunity lies in helping clients navigate this complexity with clarity and discipline – guiding them towards a more sustainable balance between today's needs and tomorrow's goals.

“At the core of effective financial planning is sound financial management – one of the six financial planning components and, according to McDonald, among the most critical and most overlooked. Budgeting, managing cash flow and building an emergency fund are foundational.”



Theoniel McDonald, Chair of the FIA Financial Planning Exco



Gary Feldman, Executive Head – Health Insurance at Jigsaw



THE STRUCTURAL EVOLUTION

OF GAP COVER IN SOUTH AFRICAN PRIVATE HEALTHCARE

Gap cover has changed from a precaution to a necessary part of healthcare cover. To see why, we need to look at how this has happened over time.

The birth of gap cover

During the early to mid-1990s, tension escalated between specialist associations aligned with the South African Medical Association (SAMA) and the Board of Healthcare Funders (BHF) over the adequacy of the published scale of benefits. Specialists argued that scheme tariffs no longer reflected the true economic cost of modern, high-skill practice. Medical schemes, however, defended a common tariff as essential for affordability and cost control.

As this stalemate persisted, many practitioners increasingly relied on the SAMA Guide to Fees, making charges above scheme tariffs common well before any formal regulatory intervention. By the mid-1990s, a permanent gap had formed between scheme reimbursement and provider pricing. This gave rise to the introduction of gap cover, initially a modest, low-cost group risk product (R20 to R25 per month) with limited utilisation.

Over time, however, utilisation escalated dramatically. Per-policyholder gap claims have since increased more than 30-fold, transforming

gap cover from a minor shortfall product into a central pillar of private healthcare funding.

The evolution of gap cover

As exposure increased, gap cover itself evolved. What began as a modest group-based indemnity for occasional tariff differences developed into a more structured and responsive product category. Benefit limits expanded, underwriting sophistication improved and insurers adapted pricing to reflect rising utilisation. Gap cover shifted from a peripheral add-on to a recognised component of healthcare risk management. By the 2010s, it was no longer a niche product; it had become a standard part of private healthcare funding.

The gap between what medical schemes pay and what specialists charge did not widen overnight. It was shaped by four major turning points. The first was the introduction of prescribed minimum benefits (PMB) and a Competition Commission ruling in the early 2000s. Together, these events removed central tariff benchmarks and allowed specialists to

move away from scheme tariff as the primary pricing reference. That was the foundation. Once independent tariff setting became normal, the gap began to widen.

The second and third turning points were the demarcation regulations in 2016 – 2017 and the post-Covid adjustment period in 2023 – 2024. Demarcation removed the uncertainty around the legality of gap cover and many practitioners adjusted their pricing accordingly. The Covid period then disrupted specialist income, and the recovery phase saw further tariff increases. These episodes accelerated the departure from scheme tariff for many disciplines. Together, they explain why the gap that began gradually in the 1990s has now become embedded in the system.

Viewed collectively, the trajectory is obvious. From less than 5% of admissions attracting tariff shortfalls in the early 1990s, exposure rose incrementally through regulatory disruption, legal recalibration and behavioural adaptation to approximately 25% in the early 2000s, 35 to 40% by the post-SCA adjustment period, over 60% following demarcation certainty, and ultimately to approximately 70% in 2024.

This change shows a long-term shift in the healthcare system, not just temporary market fluctuations.

The gap between what schemes pay and what specialists charge is now part of the system. Many specialists currently charge around two times scheme tariff, which most clients may view as reasonable. However, there is no longer a benchmark that limits how far those multiples can move. If economic pressures increase again, or if another shock occurs, some disciplines could move to four or five-times tariff. In an environment where most hospital admissions already include above-tariff charges, even modest increases in these multiples would significantly increase the financial impact on members.

Understanding these dynamics is therefore becoming an important part of healthcare planning for both individuals and employers. Taking this evolution into consideration, gap cover should form a key element of a person's health insurance plan and because this is a risk rated insurance product, there can be both cost and underwriting benefits if gap cover is offered as a benefit via an employer group.

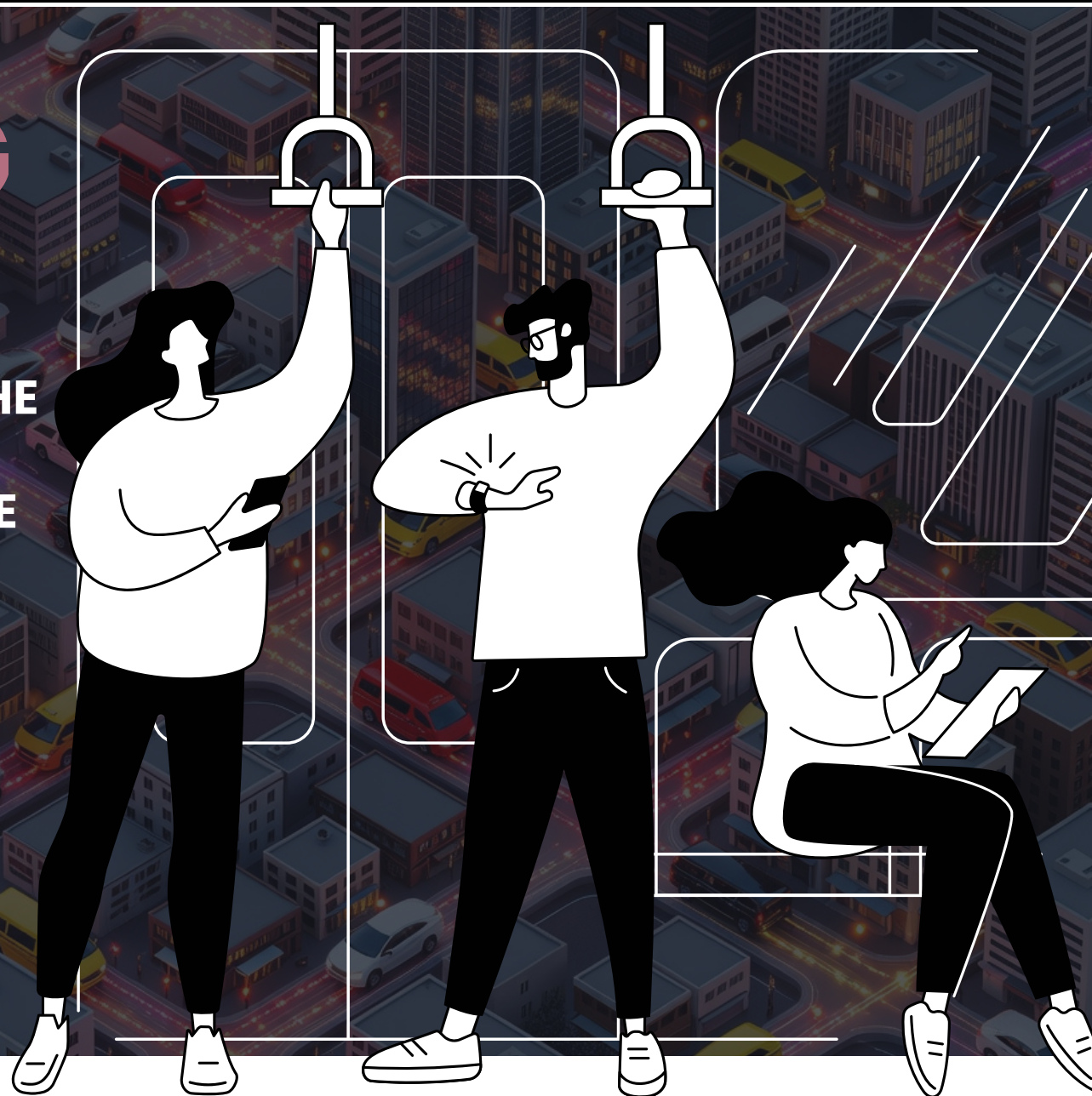
The table below traces how these events unfolded over time, and how each era incrementally increased the probability of charges above scheme tariff.

Period	What changed	Market impact	% Admissions above tariff
1992–1998	Specialists begin moving away from scheme tariff (scale of benefits)	Early selective charging above tariff	Between 5% and 10%
1999–2004 Structural shift	PMB “no-limit” reimbursement + Competition Commission removes central reference tariffs	Practitioners set independent tariffs, widening gap between scheme reimbursement and provider pricing	Approx. 25%
2005–2007	DSP enforcement introduced after PMB cost pressure	Higher charging patterns persist; financial burden shifts to members	Approx. 35%
2008–2013	Supreme Court of Appeal confirms legality of gap cover	Insurance-backed shortfalls normalised; further adjustment of charges	Approx. 40%
2014–2017 Demarcation certainty	Demarcation regulations formalise gap cover	Accelerated provider structural repricing; rapid increase in above-tariff exposure.	Between 50% and 60%
2023–2024 Post-Covid reset	Post-Covid income recovery and tariff recalibration	Broad-based deviation becomes the norm across practice disciplines	Almost 70%



Mike Mgodeli, Managing Director of RTU Renasa Taxi Insurance

MOVING PEOPLE, SHIFTING RISKS, AND THE FUTURE OF PASSENGER TRANSPORT INSURANCE



Few sectors capture the complexity of South Africa's economic and social fabric quite like passenger transport. It is a space where necessity, innovation, informality and structure intersect, and where insurance plays a critical, if often underappreciated, role.

Mike Mgodeli, Managing Director of RTU Renasa Taxi Insurance believes that the traditional way of thinking about "taxi insurance" is no longer sufficient. The conversation has moved beyond taxis as a standalone class of business to something far broader: a dynamic, evolving passenger transport ecosystem.

"It's really about passenger transport," Mgodeli explains, "not just taxis."

That distinction is important. While the minibus taxi industry remains a cornerstone of mobility in South Africa, it now operates alongside, and increasingly in conjunction with, the e-hailing sector. Rather than viewing these as competing forces, Mgodeli sees them as complementary.

Taxis continue to dominate longer, high-volume commuter routes, providing cost-effective

transport for millions of South Africans. E-hailing, on the other hand, has carved out a role in more personalised, on-demand mobility, solving for flexibility, convenience, and the so-called "last mile." Together, they form a hybrid system that reflects how people actually move.

And that movement is changing. Post-Covid trends indicate a shift in behaviour. Traditional taxi trip volumes are still in recovery, while e-hailing continues to gain traction as consumers become more comfortable with digital, on-demand services. At the same time, broader societal changes are influencing transport choices.

"The user is changing," Mgodeli notes.

The traditional model, where households aspire to own multiple vehicles, is giving way to more

flexible approaches. Increasingly, families are combining ownership with usage, perhaps keeping one primary vehicle while relying on e-hailing or other services for additional mobility needs. This shift is particularly evident among younger consumers and gig economy participants. Flexible working arrangements, reduced office commuting and a growing acceptance of shared or on-demand services are reshaping the demand for transport.

In this context, ownership is no longer the only measure of mobility. Infrastructure realities further reinforce this trend. South Africa's rail network, while essential, remains inconsistent in its ability to serve the broader population. Bus systems, though improving in certain areas, are not yet sufficiently scaled or reliable to meet national demand. This leaves a critical gap, one that taxis and e-hailing continue to fill.

“
Passenger transport is inherently a high-risk, high-complexity environment.
”

"There will always be demand," Mgodeli says. "Public transport is a necessity."

But with opportunity comes complexity. From an insurance perspective, the passenger transport sector is inherently high-risk. Driver behaviour, vehicle utilisation, regulatory compliance and external cost pressures – particularly fuel – all contribute to a challenging underwriting environment.

E-hailing, fuel prices

At the same time, regulatory developments in the e-hailing space are raising barriers to entry, increasing compliance requirements and potentially altering the economics for operators. Add to this the impact of global events on fuel prices and the pressure on margins becomes clear. For insurers and underwriting managers, this creates a delicate balancing act: supporting growth while maintaining sustainability.

"Our approach is rooted in collaboration. If you don't innovate, you'll be left behind," Mgodeli states.

Rather than dictating terms, RTU positions itself as a partner across the value chain, working with brokers, fleet operators and clients to design solutions that are practical, scalable and aligned with real-world conditions. This partnership model reflects a broader shift in the industry. Insurance is no longer a standalone product; it is part of a wider ecosystem that includes financing, procurement and operational management. Brokers in particular are playing an increasingly strategic role.

"The broker is evolving," Mgodeli explains. "From a traditional intermediary to a risk specialist." This evolution is driven by necessity. In a complex, high-risk environment like passenger transport, clients need more than a policy. They need guidance, insight and support across their entire operation.

Modern brokers in this space are deeply involved in their clients' businesses, understanding everything from fleet composition and driver management to financing structures and cost

dynamics. The conversation has shifted away from price alone to a more holistic focus on efficiency, sustainability and risk mitigation. It is a far more integrated and collaborative approach. For RTU, maintaining a broker-centric model is non-negotiable. The broker remains the primary distribution channel, but also a critical link between insurer and client – a role that is becoming more valuable as complexity increases.

Looking ahead, Mgodeli offers a thoughtful perspective on the future of mobility in South Africa. The next generation, he suggests, will view transport very differently. Where previous generations prioritised ownership of cars, homes and assets, younger consumers are embracing flexibility. They are less attached to physical ownership and more focused on access, convenience and digital integration.

"They want to be digital citizens," he says. This mindset shift has profound implications for the insurance industry. Products, distribution models and service delivery will all need to adapt to a world where usage-based models, platform integration and real-time engagement become the norm.

At the same time, cost pressures will continue to shape the market. Rising fuel prices, increased compliance costs and tightening margins for operators may lead to higher claims frequencies and greater strain on underwriting results. For insurers, the challenge will be to anticipate these pressures and work proactively with clients to manage them.

No easy answers

As always in this sector, there are no easy answers. But there is one certainty: Passenger transport will remain a critical enabler of economic activity and social mobility in South Africa. And as it evolves, so too must the insurance solutions that support it. In a market where millions rely on these systems every day, getting that balance right is not just a business imperative, it is a societal one.

And in true South African fashion, it promises to remain anything but dull.



Pierre Geyer, Executive Head of Broker Distribution at Bryte



THE BROKER'S ROLE

In Building Trust And Protecting Financial Futures

In an environment where cybercrime, climate risk and economic volatility are rising, the role of the intermediary has never been more critical to the financial stability of households and businesses. From natural disasters to cybercrime, the risks facing society are growing in frequency and complexity, making the role of insurers and intermediaries more critical than ever.

Another significant risk is the increase in cybercrimes targeting individuals and businesses worldwide, and South Africa's rapid digital transformation has made it a prime target for cybercriminals. Interpol's Africa Cyber Threat Assessment Report 2025 placed South Africa among the most targeted nations on the continent for ransomware.

These growing risks
require insurers and
intermediaries to
provide adequate
cover, advice and
risk management
assistance to mitigate
some of the uncertainty.

The importance of the broker in the value chain

What cannot be underestimated or overlooked is the value and importance that intermediaries and insurers play in clients' lives and in a country's economy. This could become quite complex in the business sector, where risk management and the right product with the correct participant fit are vital. With the rapid evolution of the technological landscape and the constant emergence of new digital capabilities, customer demand and requirements have also changed.

As digital channels and data-driven underwriting accelerate, customers increasingly expect to co-create their insurance solutions, access information in real time and receive more

tailored advice. While direct digital models have grown, most clients – particularly SMEs – still rely on intermediaries to help them interpret evolving risks, new wordings and regulatory requirements, and to compare increasingly sophisticated products across insurers. This means the broker's role is being redefined, rather than removed. Modern intermediaries must combine traditional advisory skills with a deeper understanding of cyber, technology and operational risk, as well as the ability to use data and digital tools that add insight and speed.

Expectation management remains a core part of that role. Customers often interpret terms like "comprehensive" to mean "all-risk, no exceptions", leading to disputes when exclusions, limits, deductibles or conditions apply. A skilled broker ensures that cover is clearly explained at inception and renewal: what is included, what is excluded, how first amounts payable work, where sub-limits apply and which risk-management obligations sit with the client. By aligning expectations to the contract up front, brokers reduce the likelihood of conflict at the claims stage and support more sustainable, transparent relationships between customers and insurers.

The value of this advice becomes most visible after a loss. Many individuals and businesses can attest that, without appropriate insurance, a single event – a cyber-attack, major fire, natural catastrophe, motor fleet loss or key person event – could have resulted in severe financial hardship, closure or significant job losses. With the right structures in place, they can instead repair, rebuild or continue trading, protecting livelihoods and local value chains. In this way, intermediaries and insurers do more than pay claims: together, they underpin economic activity, protect tax bases and support social stability.

Claims management: the make-or-break moment

Yet insurance is only as effective as the understanding behind it. Policies must be matched to needs, risks must be anticipated before they materialise, and, when the unexpected does occur, the claims process must deliver on the promise made at the point of sale. This is where the industry's true value is tested and, ultimately, where trust is won or lost.

For customers, the moment of truth is the claim. They need intermediaries and insurers who understand their context, can help them anticipate and mitigate risks, and can guide them through a claims process that is efficient, empathetic and outcome-focused. As loss events become more frequent and complex – from multi-party cyber breaches and supply

chain failures to climate-related property damage – claims management has become a core strategic differentiator for insurers and a critical driver of customer retention.

The broker plays an essential advocacy and translation role in this process. By ensuring that clients understand what they are covered for, and by helping them document and present their loss accurately, brokers improve both the speed and fairness of settlement. Consistency, transparency and clear reasoning are crucial so that clients can see how their policy has responded and why certain elements are covered while others fall outside the agreed terms. This is especially important where policies involve layered programmes, self-insured retentions, aggregates or complex conditions precedent to cover.

Claims are often highly emotional events that occur at times of stress and uncertainty. Exceptional customer service – timely communication, proactive updates, clear next steps and visible collaboration between the broker and the insurer – can turn a potentially negative experience into one that builds trust and loyalty. A smooth, well-explained and human-centred claims journey reinforces the true value of insurance and the indispensable role of the intermediary.

Keeping the economy running

Insurance penetration and claims pay-outs are closely correlated with economic stability, employment and business continuity. Brokers sit at the centre of that value chain by translating complex risks into practical, fit-for-purpose cover for clients. In the commercial segment, where balance sheets are exposed to business interruption, cyber incidents, supply chain disruption and liability claims, professional risk advice and the right product configuration can determine whether a loss is survivable or signals the end of a business.

Over time, insurers and brokers who manage claims professionally are better positioned to retain clients, attract new business and demonstrate their broader contribution to the economy's resilience.





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Anywhere. Anytime.
One tap, Immediate action, Absolute protection!**



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Nationwide protection, anytime

2

Instant Activation

Trigger help via your Global Guardian App

3

Smart Dispatch

The system automatically locates and sends the nearest responder

4

Fastest Emergency Response

Private vetted **Security, Medical** and **Fire** professionals, faster than traditional emergency services

5

Live Tracking

For any **Security** or **Medical** Emergencies, you can track your responder's location in real time while your dedicated case manager ensures they stay on course and respond promptly

6

Dedicated Support

A case manager stays on the line with you until an emergency responder arrives

7

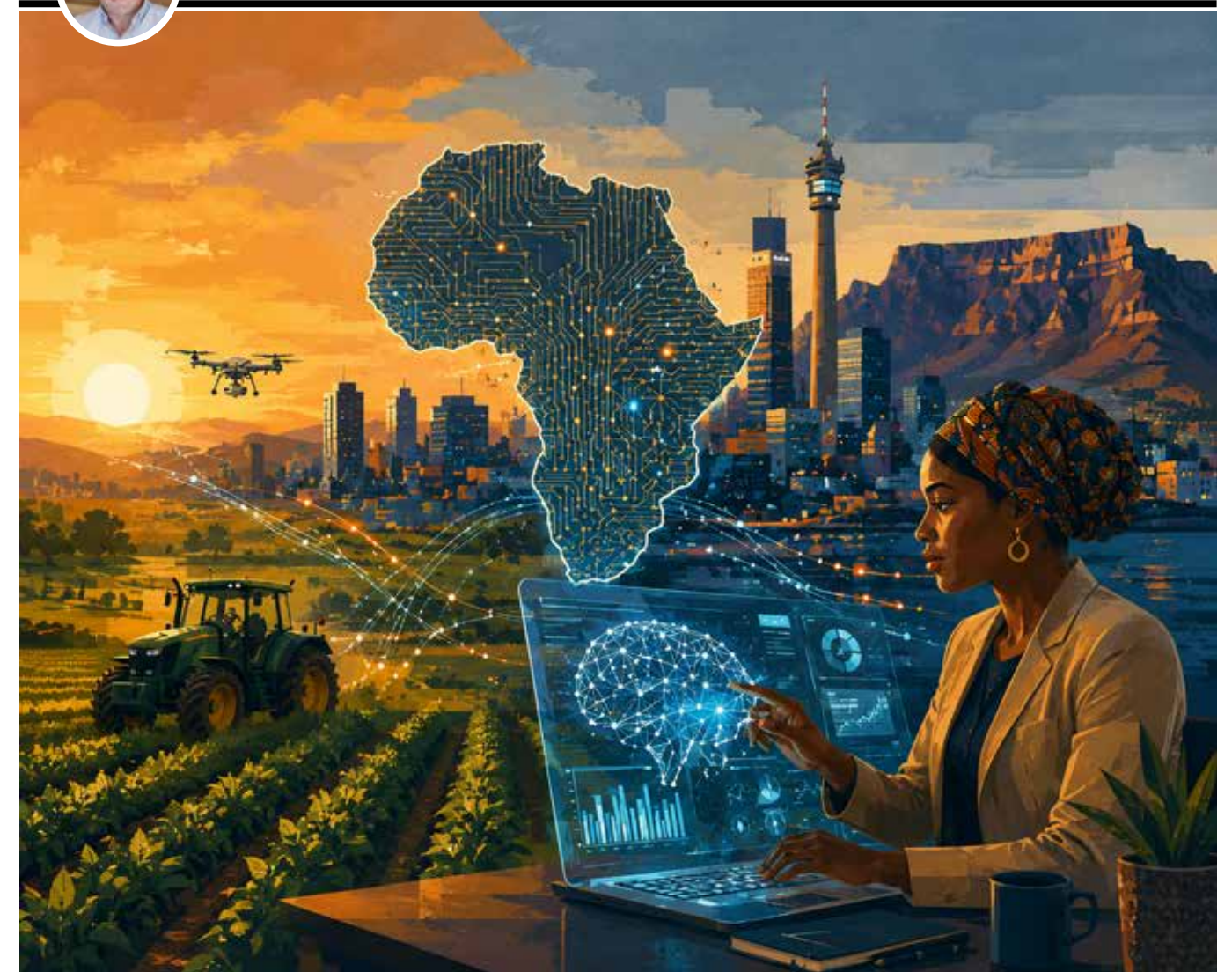
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Justin Naylor, CEO of iTOO Special Risks



WHY AFRICA CAN NO LONGER IGNORE THE RISE OF **AI PERFORMANCE RISK**

Artificial intelligence (AI) has moved far beyond the realm of experimentation. Across South Africa and the wider continent, AI is now embedded in financial systems, logistics networks, agricultural platforms, enterprise automation and customer-facing services. It is making (or helping to make) decisions that carry real financial, operational and societal consequences. Yet as adoption accelerates, a new category of risk is emerging: that of AI itself failing.

This is not the familiar territory of cyberattacks, ransomware or data breaches, but something more subtle, more complex and arguably more consequential. AI systems can 'hallucinate', misclassify or generate inaccurate outputs, even

when functioning as designed. These failures are not malicious. They are intrinsic to how machine-learning models work. And they are becoming impossible for African businesses to ignore.

The rise of agentic AI and the risks it brings

The continent is experiencing a rapid shift towards autonomous and semi-autonomous AI systems. Banks are deploying machine-learning models to detect fraud and assess creditworthiness. Retailers are using AI to forecast demand and optimise supply chains. Farmers are adopting AI-driven tools

to determine soil inputs, irrigation cycles and pest-control strategies. Governments are exploring AI for service delivery, identity verification and infrastructure planning.

These systems are powerful, but they are also probabilistic. They do not behave like traditional software, which produces the same output from the same input every time. AI is not like traditional software, and it does not always produce the same output from the same input. Even the most advanced models carry a measurable error rate.

When AI is used for low-stakes tasks, these errors are manageable. But when AI is entrusted with high-stakes, autonomous decision-making –

such as approving transactions, classifying risk and allocating resources – the consequences of an incorrect output can be severe.

Consider a fraud-detection model that incorrectly approves a fraudulent transaction. Or a credit-scoring engine that misclassifies a high-risk customer as low-risk. Or an agricultural AI system that recommends the wrong fertiliser mix, damaging crops and livelihoods. These are not cyber incidents. They are performance failures of the AI itself. And until recently, they were largely uninsurable.

Why traditional insurance models fall short

African organisations have long relied on cyber insurance, professional indemnity cover and operational risk policies to protect themselves. But these frameworks were built for a world in which humans, not algorithms, made the critical decisions.

Cyber insurance responds to malicious attacks. Professional indemnity responds when a human professional makes an error. Neither is designed for a scenario in which an autonomous AI system, acting without human oversight, makes a statistically incorrect decision that causes financial loss.

If a human is still reviewing or approving the AI's output, then that falls under professional indemnity. But when an AI model is left to make critical decisions on its own, that is where this product becomes essential.

This gap has become increasingly visible as African enterprises push deeper into automation. The continent's regulatory frameworks are still evolving, and many organisations are deploying AI faster than governance structures can keep up. The result is a widening exposure that traditional insurance cannot absorb.

Why AI performance insurance is emerging now

The timing is not accidental. South Africa, in particular, is experiencing a surge in AI adoption across both enterprise and developer ecosystems. AI is the buzzword in every boardroom right now. Companies want to experiment, automate and innovate – but they also want assurance.



Three forces are driving the need for AI performance insurance:

- The proliferation of agentic AI: Businesses are increasingly comfortable allowing AI to operate autonomously. This shift from decision-support to decision-making fundamentally changes the risk landscape.
- The rise of African AI developers: South Africa is home to a growing community of software developers and AI startups. Many are building models for banks, insurers, retailers and agricultural platforms. Yet proving performance upfront is difficult, and buyers are understandably cautious.
- The regulatory lag: AI governance frameworks across Africa are still in development. Until they mature, organisations need alternative mechanisms to manage uncertainty.

A catalyst for Africa's AI future

Insurance has historically enabled technological progress, from industrialisation to aviation to large-scale infrastructure. AI is no different. Insurance has always enabled progress by absorbing risk.

Africa is entering a new era in which AI will increasingly operate without human oversight. This brings enormous opportunity but also new forms of risk. Thus, AI performance insurance is not a luxury; it is a foundational tool for a future in which algorithms play a central role in economic and social systems.

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The continent is ready, and the demand for AI performance insurance is already here. The organisations that embrace this new category of protection will be the ones best positioned to innovate boldly, responsibly and sustainably.
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FROM PREDICTION TO PREPAREDNESS



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The question is
no longer whether
disruption will
occur, but how
prepared we are
when it does.
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opportunities and support more adaptive decision-making.

At the same time, behavioural research underscores the importance of the human element in advice.

A recent international study of financial advisers by McKinsey found that during periods of market volatility, clients rely heavily on guidance that is not only technically sound but also empathetic and contextually relevant. AI can enhance analytical capabilities, but it cannot replace the trust and judgement that advisers bring to client relationships.

The human imperative: contextualising AI insights

This brings us to a critical point: AI is a tool, not a substitute for human expertise. While AI can generate powerful insights, these must be interpreted and contextualised within the realities that clients face. Risk is not experienced in abstract models; it is lived in real-world contexts, shaped by individual circumstances, behavioural responses and socio-economic conditions.

Advisers therefore have a dual responsibility. On one hand, they must embrace AI and develop the capabilities to leverage its insights effectively. On the other, they must ensure that these insights are translated into advice that is meaningful, practical, and aligned with client needs. It also calls for ongoing investment in skills development. Encouragingly, initiatives such as Google's recent funding for AI education and digital skills in South Africa signal growing recognition of the need to build local capacity in this area.

In an increasingly volatile world, the role of risk advice is undergoing a fundamental transformation. For decades, advisers, insurers and institutions have relied on historical data to predict future outcomes. But recent global disruptions – from pandemics and geopolitical instability to civil unrest and climate shocks – have exposed the limitations of traditional risk models.

Artificial intelligence (AI) also learns from historical data to detect patterns and make predictions, yet there is an opportunity to reshape this paradigm, moving the industry beyond prediction toward preparedness, away from simply estimating what might happen, and toward actively equipping institutions and clients to withstand, adapt to, and recover from disruption.

At Sasria, our AI journey reflects this shift. While efficiency and automation are important, our deeper focus is on resilience: strengthening systems, improving early warning capabilities and enabling more informed, proactive decision-making.

Rethinking risk in an age of complexity

Traditional risk assessment models were designed for relatively stable environments, where historical trends could reliably inform future projections. However, events such as the Covid-19 pandemic demonstrated how interconnected and fragile global systems can be. Businesses faced simultaneous disruptions across supply chains, labour markets, consumer demand and capital flows, far beyond the scope of conventional scenario planning. Working through multiple scenario combinations is traditionally labour-intensive and often involves repetitive tasks.

AI offers a powerful response to this complexity when it is embedded in the day-to-day work of risk intelligence, scenario analysis, underwriting support and claims readiness. Through advanced analytics and machine learning, AI can process vast and diverse datasets more frequently and at a greater scale than traditional approaches. This enables more

dynamic and nuanced scenario modelling, particularly in areas highly relevant to Sasria's mandate, such as civil unrest and terrorism, and the underlying drivers that can influence these events, such as economic instability and social cohesion.

For example, AI can analyse social, economic and behavioural indicators to identify emerging patterns that may signal protest activity or social tension. It can integrate climate data to anticipate environmental stressors that may exacerbate vulnerability in certain regions. It can also model systemic shocks, tracing how a disruption in one sector may cascade across others. In this way, AI enhances our ability not only to foresee potential risks, but to understand their interconnected nature.

From predicting losses to building preparedness

The true value of AI lies not in prediction alone. Prediction, by its nature, is uncertain. Even the most sophisticated models cannot

fully account for the complexity of human behaviour or the unpredictability of global events, particularly since historical data is a limiting factor. The real opportunity lies in using AI to inform preparedness. For actuaries, this complements established practices such as stress and scenario testing, reserving and capital planning by helping assumptions refresh faster as conditions change and early warning signals emerge.

Preparedness shifts the focus from "What will happen?" to "How ready are we if it does?" This distinction is critical. Instead of relying solely on probability estimates of loss, organisations can use AI-driven insights to strengthen resilience. This includes stress-testing operational capabilities, identifying vulnerabilities in supply chains, enhancing contingency planning and improving response mechanisms.

Resilience itself has been widely defined across disciplines as the ability to absorb shocks, adapt to changing conditions and recover effectively from disruption. AI contributes to each of these dimensions. In disaster management,

for instance, pattern recognition from satellite imagery can accelerate damage assessment and response. In urban planning, optimisation algorithms can design infrastructure systems that remain functional during extreme events.

Implications for advisers in a volatile world

For financial advisers and insurance professionals, this shift has significant implications. Portfolio construction and insurance strategies have traditionally been grounded in historical performance data and established risk-return assumptions. However, in an era defined by volatility and structural change, past data may no longer serve as a reliable guide to future outcomes.

AI can play a critical role here. Advisers can use GenAI to analyse a broader range of variables and simulate complex scenarios in a fraction of the time. This enables advisers to construct more resilient portfolios and insurance strategies. It can help identify hidden risks, uncover new

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At Sasria, we see this as a collaborative journey. Our role is not only to adopt AI internally, but to contribute to a broader ecosystem in which data, technology and human expertise work together to enhance resilience across the economy.

Sasria's role in an AI-enabled future

As a state-owned insurer with a mandate to provide cover against special risks such as civil unrest, Sasria occupies a unique position within South Africa's risk landscape. Our experience in responding to large-scale events – most notably the 2021 unrest – has underscored the importance of preparedness, coordination and rapid response.

AI is increasingly central to how we fulfil this mandate. By integrating AI into our back-office and claims processes, we aim to improve efficiency, enhance accuracy and reduce response times. More importantly, we are exploring how AI can support early warning systems, enabling stakeholders to take proactive measures before risks escalate. This depends on strengthening our data intelligence across the value chain: improving exposure and policyholder data quality, enriching it with location and event information, and using

trusted external signals so insights can translate into earlier, better-targeted action.

To be sustainable, these capabilities must be delivered with strong data governance, security controls and clear accountability to improve decision-making without creating new operational or compliance risks. In this sense, Sasria's AI journey is not just about technology; it is about reimagining our role in a changing world. It is about moving from a reactive insurer to a proactive partner in resilience.

A new paradigm for risk advice

The shift from prediction to preparedness represents a new paradigm for risk advice. AI is at the heart of this transformation, offering tools that can enhance our understanding of risk and improve our ability to respond to uncertainty.

However, technology alone is not enough. The future of risk advice will depend on the integration of AI with human judgement, ethical considerations and a deep understanding of client needs.

For advisers, insurers and institutions alike, the message is clear: the question is no longer

whether disruption will occur, but how prepared we are when it does. In embracing AI, we have an opportunity not only to predict the future, but to shape it, building a more resilient, adaptive, and prepared society for the challenges ahead.

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**We are exploring
how AI can support
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take proactive
measures before
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Join the conversation





Nic Smit, Product and Pricing Executive at Bidvest Life



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**When a client’s
reaction to
financial pressure
is influenced
by urgency,
uncertainty and
emotion, human
judgement remains
essential.**
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The introduction of the two-pot retirement system has changed the way clients engage with their savings. For the first time, many are interacting with their retirement funds in a more immediate way, creating space for more frequent and relevant conversations with their financial advisers. For you as an adviser, every withdrawal request is more than a transaction; it is an opportunity for your advice to move from a periodic review to real-time decision support.

While the two-pot system is a practical intervention in a constrained economy, the scale of withdrawals highlights underlying financial strain. By early 2026, more than R60 billion had been withdrawn, with the most common reasons, according to an Old Mutual survey, including debt consolidation, school fees, and day-to-day expenses.

This points to a pattern. For many clients, the savings pot is becoming a routine source of liquidity rather than a last-resort mechanism. But, this shift has consequences: retirement savings are not designed to function as a recurring income supplement and, in the current economic environment, they are difficult to rebuild once accessed.

Beyond the administrative action, these withdrawals reveal a significant gap in financial security. This presents a tangible opportunity for you to reframe the conversation. A withdrawal request should be viewed as a diagnostic moment rather than a transactional event, providing critical insight into how a client man-

ages financial disruptions and where planning weaknesses exist. At this point, it is helpful to frame the discussion with focused questions. What triggered the need for this withdrawal? If the same situation occurred again within the next 12 months, what would the outcome be? What form of financial protection could have prevented the need to access retirement savings?

These questions help identify whether the issue is a single event or a recurring risk. This clarity moves the discussion beyond the withdrawal itself to your client’s broader financial position.

In many cases, the answers will point to income fragility rather than poor financial discipline. Clients are not always overspending; they are often under-protected. A short period without an income can be enough to create financial pressure that requires intervention.

And this is where income protection should enter the conversation.

Temporary illness or injury is more common than many clients realise. Research shows that a 30-year-old male is six times more likely to experience an injury or illness that prevents him from working for two weeks or more before retirement, than he is to pass away*. Bidvest Life’s 2024 Claims Report also shows that more than half (52%) of income protection claims during the year came from clients who had claimed before, indicating that temporary illness and injury are rarely once-off events.

Without the right cover in place when illness or injury strikes, even a short disruption can have a cascading effect. Expenses continue. Debt obligations remain. School fees and household costs do not pause. In the absence of income protection, retirement savings inevitably become the fallback.

There is also a broader shift in how clients perceive financial advice. Historically, many conversations have focused on investment performance and long-term growth. While these remain important, periods of financial stress tend to redefine a client’s priorities. They often become less focused on returns and more focused on stability and continuity.

There is also an educational component. Many clients do not fully understand the long-term impact of withdrawing from their retirement savings. They may not comprehend how early withdrawals reduce the capital available for compounding, or how this can materially affect their retirement outcomes.

Explaining this in the context of a real decision is more effective than addressing it in theory. With the right advice, clients who are considering a withdrawal can see the immediate benefit alongside the long-term cost, creating a more balanced decision-making process.

In the context of advice in the age of AI, this becomes even more relevant.

Digital tools and AI can model retirement scenarios with increasing accuracy. They can project outcomes, test assumptions and provide data-driven insights. These capabilities are valuable and will continue to improve.

However, they cannot replace the role you play in interpreting decisions under pressure. They cannot contextualise the data, understand a client’s circumstances or guide them through the trade-offs. When a client’s reaction to financial pressure is influenced by urgency, uncertainty and emotion, human judgement remains essential. How you interpret machine-generated data and translate it into practical, relevant advice has the potential to be a win-win situation for both you and your client.

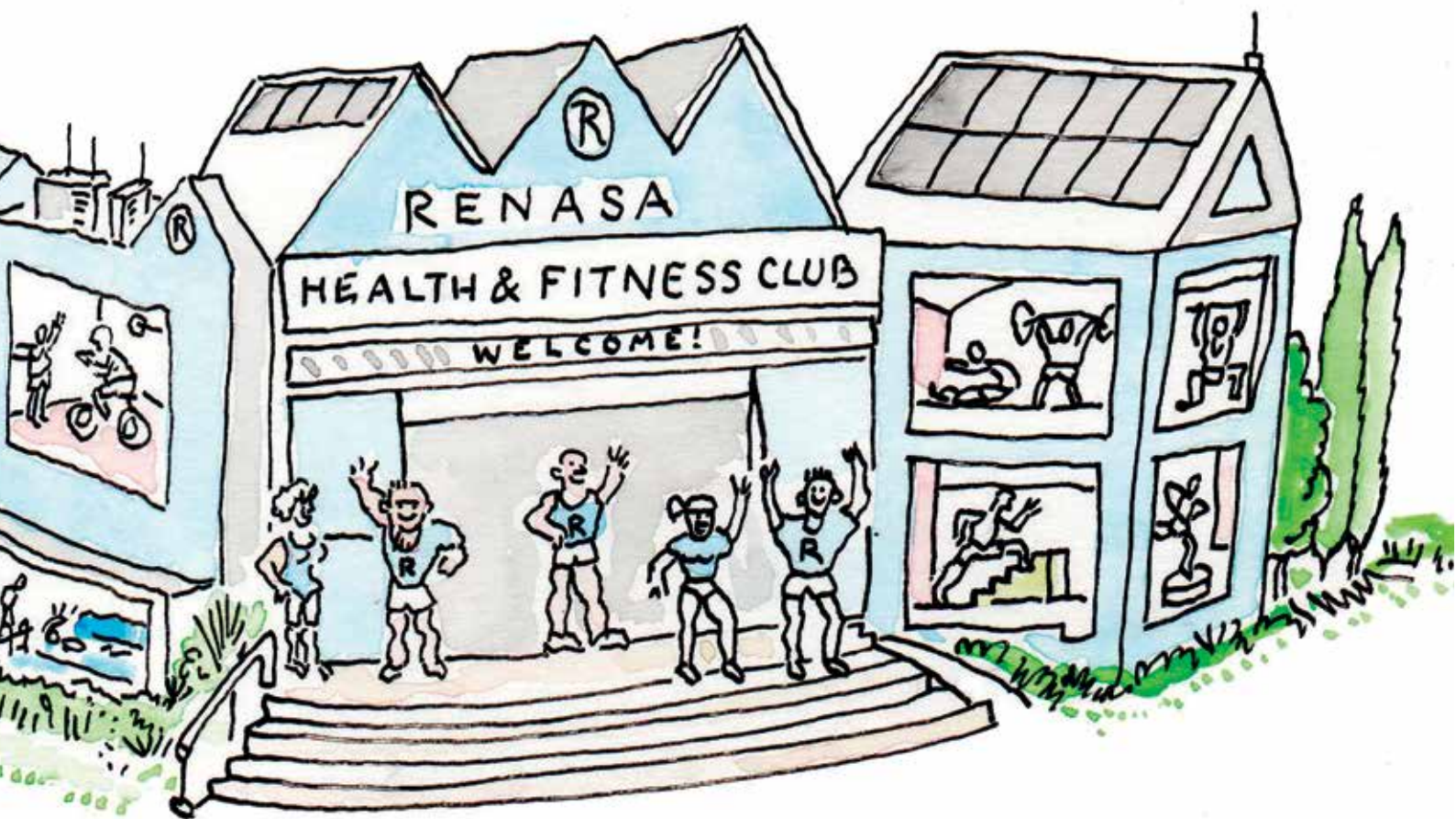
Empathy

Your empathy, and the solutions you offer in these emotional times, can strengthen your client relationships, help your clients to balance the risks versus the alternatives and improve their financial resilience when challenges arise in the future.

The two-pot system is not just a policy change or an opportunity to access funds; it is a shift in how and when clients need advice. By treating each withdrawal as an opportunity to engage, dissect and protect, you can deliver more meaningful outcomes for your clients. Your expertise, and your “personal touch”, together with the support of digital tools, ensure you are well positioned to help your clients navigate their immediate challenges and still achieve their long-term goals.

Clients who feel supported through periods of financial pressure are likely to become more confident in their short- and long-term financial planning. They are more likely to act on your recommendations and to remain committed in their relationship with you. In turn, this translates into a more stable client base and a more sustainable advisory practice for you.

* Non-smoker; retirement age 70; 2019 Risk Reality Survey



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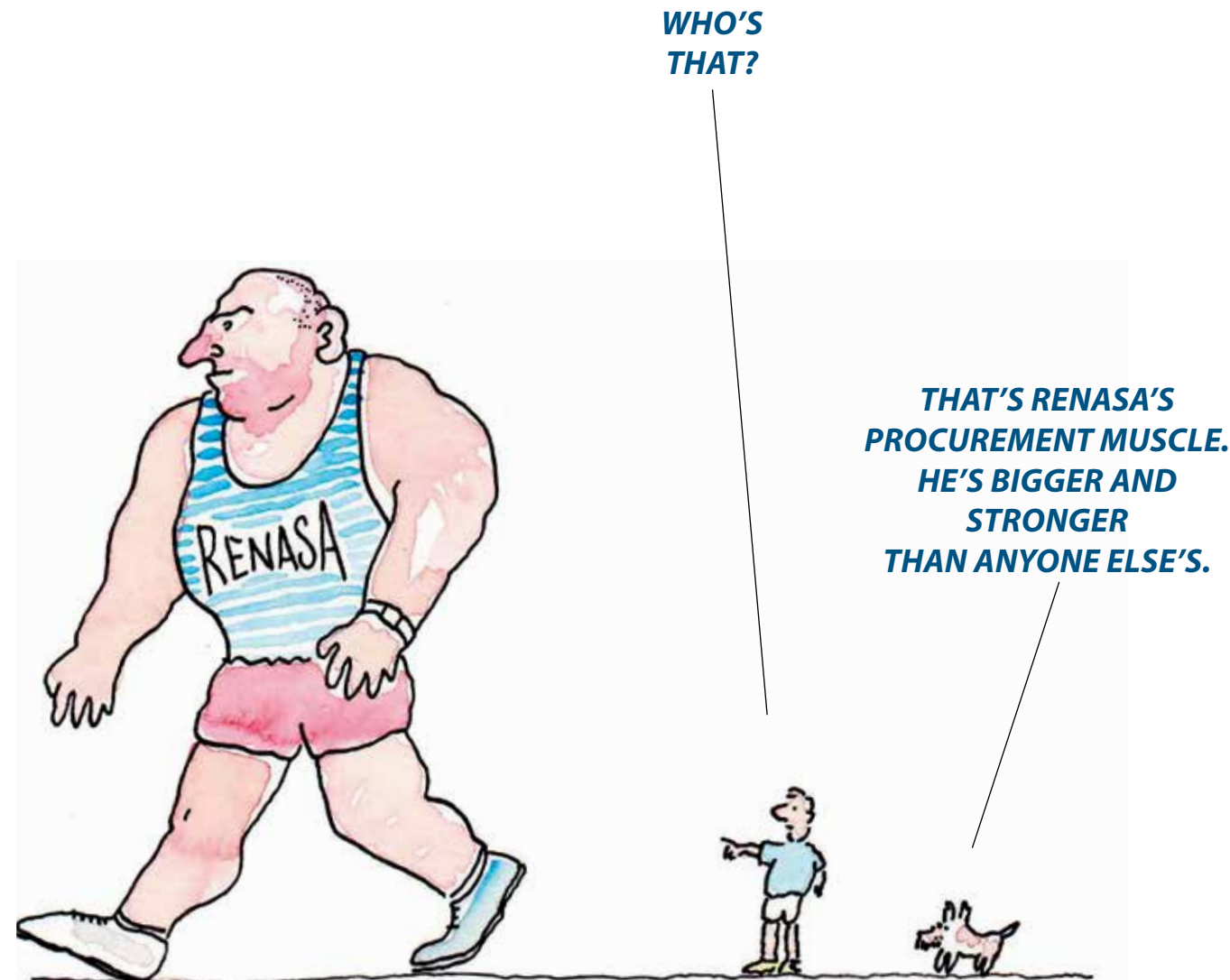


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Julian Chetty, Senior Manager: Business Insurance Sales at Auto&General

WHY BUSINESS INSURANCE MATTERS:

Helping clients build sustainable, resilient businesses

Business insurance is treated as a grudge purchase by clients – it's a tick-box, or something to revisit once a year. The most important thing a broker can do for a business client is help them step back and look at what's really at stake – their business's sustainability, growth and continuity. Then, it becomes clear that business insurance isn't just about protection; it's one of the most practical, tangible ways brokers can help clients build resilient businesses.

The real risk is interruption

Most clients are primed for obvious risks like fire, theft or damage – but they don't always fully appreciate the knock-on effects of an event on the functioning of their business. A business's assets are the foundation that enables productivity, service delivery and growth.

A single event – catastrophic in its own right – also causes an inability to trade, means missed deadlines or lost revenue, or puts staff at risk.

This underestimation of risk and its cascading effects is not intentional. It's just that businesses are so focused on operation – and, in this economy, survival – that they don't have time to consider the complex nature of risk and how quickly it evolves. A business might insure its physical assets, but overlook insurance for liability, the financial impact of downtime and risks that have recently evolved, like power disruptions or supply chain instability.

It's equally important to consider the people behind the business. Workforce-related risks, workplace incidents and operational dependencies all form part of a holistic risk profile that brokers must help clients evaluate.

That puts business interruption insurance front and centre, as a fundamental that helps brokers move from selling cover to offering real insight, based on an appreciation of what their clients' businesses need to ensure continuity.

Insurance must fit the business

Many business owners would assume that business insurance policies operate in the same way – they differentiate on price, possibly service, but rarely on detail. We cannot make the same mistake in assuming that businesses in the same industry operate the same way. They may have similar dependencies, but their

functional operation differs because they're different entities with separate processes and personalities. One-size-fits-all solutions don't work in a landscape where risk is so closely tied to how a business functions day to day, which is why flexibility becomes critical. Brokers and insurers need to take the time to understand how a client's business works, to be able to structure cover around the realities of that business, whether that includes property, vehicles, goods in transit, or various forms of liability. The ability to tailor enables better advice, better coverage and better relationships.

Underinsurance is a business killer

Not all risks are as dramatic or unexpected as a fire, and few businesses see underinsurance as a real risk.

Underinsurance doesn't usually happen because of negligence, but rather because businesses evolve and grow over time – and there's that baked-in resistance about the importance of business insurance. A business may upgrade or replace equipment, it could start holding more stock, revenue could grow and new locations or operations could be added. Those moves are carefully calculated and weighed before the wheels start turning, to ensure stability. Insurance often isn't factored into the equation, and when cover isn't reviewed alongside that growth, the value gap grows. By the time a claim arises, the insured values no longer reflect an accurate valuation of the business.

That gap may continue to grow unnoticed until a claim arises and the business finds itself caught short when it is insured for less than the true value of its assets or exposure. There may be a loss, which the business feels it may be able to grudgingly absorb. But that shortfall can place unexpected strain on cash flow, especially for smaller businesses.

In practice, that shortfall has a cost greater than the immediate financial impact. It can cause escalating financial challenges because of delays in repairing or replacing production or logistics equipment and compromise service delivery, slowing down recovery at exactly the moment a business needs to move quickly.

We have always had access to risk models, but advances in AI mean that insurers and brokers can now model risks via proactive, data-driven, continuously adaptive approaches

that genuinely improve customer outcomes and organisational resilience. These modern risk management models exist because the risk environment has tilted towards fast-moving volatility.

Positioning for partnership

Instead of positioning insurance as something that protects a business when things go wrong, a partnership-driven approach demonstrates that insurance is a tool like so many others in use in modern business. It helps a business to keep going while challenges are resolved so that it can come out the other side of a claim event with as much of itself intact as possible.

For brokers, the responsibility extends beyond placing policies. It lies in guiding clients towards the right cover for their operations that ensures protection against financial, operational, legal and reputational risks that could otherwise threaten the business's survival. While challenges are inevitable, doing everything to ensure sustainability of operations can help turn a disaster into a recoverable setback. Business insurance is not just a compliance or budget line item. It's a strategic risk management tool.

Sufficient, properly tailored business cover helps clients recover faster from unexpected events, but also safeguards stakeholder confidence, which is an uninsurable, unrecoverable, irreplaceable asset in the modern business world.

“It's equally important to consider the people behind the business.”



BEYOND COMPLIANCE LIES ASSURANCE

Why premium collections done right matter more than ever

In an environment of increasing regulatory scrutiny, rising operational complexity and heightened client expectations, one thing is clear: compliance is no longer enough.

For insurers and intermediaries, meeting regulatory requirements is a baseline expectation. It is the foundation on which operations are built. But in a landscape where trust, transparency, and performance are constantly under pressure, compliance alone does not create confidence.

The real differentiator lies in how well compliance is embedded into the day-to-day functioning of the business.

The conversation is shifting... from compliance to assurance.

Embedded discipline

Compliance has traditionally been treated as a periodic exercise, something to review, validate and report on at specific intervals. While this approach may satisfy regulatory requirements, it often introduces risk through gaps that only become visible when systems are tested or when issues arise.

A more resilient approach is to embed compliance directly into the operational environment.

This means designing premium collection processes where controls, governance and ownership are not layered on top of operations, but built into them. It requires a shift from reactive oversight to proactive discipline, where processes are structured, consistently applied and continuously monitored.

When compliance becomes part of how work is done, rather than something checked after the fact, it creates a more stable and reliable operating environment.

Premium collections as a trust mechanism

Premium collections are often viewed as administrative or transactional in nature. In reality, they are fundamental to trust and reliance within the insurance ecosystem. Each transaction represents a financial commitment between insurers and intermediaries. The accuracy, security and reliability of these processes directly impact the

integrity of the entire value chain. When premium collections are supported by structured controls and disciplined execution, they reinforce confidence at every level. Funds are handled securely, reconciliations are accurate, and data is protected. When these elements are not consistently managed in an integrated fashion, the consequences can extend far beyond operational inefficiencies, affecting both reputation and financial stability.

Transparency as a strategic advantage

As the insurance environment becomes more complex, transparency is increasingly seen as a competitive advantage rather than a compliance requirement.

Organisations that can clearly demonstrate how premiums are collected, processed and safeguarded are better positioned to build long-term, trust-based relationships with clients and partners. Transparency reduces uncertainty, strengthens accountability and enables more informed decision-making.

However, true transparency cannot be achieved through policy alone. It depends on well-defined processes, integrated systems and governance frameworks that support consistent visibility and reporting.

When these elements are embedded, transparency becomes a natural outcome of the operating model, not an additional reporting burden or add-on.

Stability in a high-pressure environment

Insurance operations function under constant pressure. Increasing transaction volumes, evolving regulatory demands and rising client expectations all contribute to a more complex and demanding environment.

In this context, stability is critical.

Operational stability is not achieved through isolated controls or reactive fixes. It is built through consistency, discipline and the integration of controls across every stage of

the premium collection lifecycle. When these controls are embedded, organisations are better equipped to manage risk, respond to disruptions and maintain consistent performance. A stable operating environment not only reduces risk, but also enables scalability and sustainable growth.

Moving beyond compliance

Ultimately, the objective is not compliance for its own sake. It is assurance:

- Assurance that processes are robust and repeatable
- Assurance that risks are identified and actively managed
- Assurance that stakeholders can rely on the integrity of systems

Real compliance is not about passing audits – it's about building environments where trust, transparency and stability are part of how the business operates every day.

Because real compliance doesn't just satisfy regulators. It safeguards businesses.

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A stable operating environment not only reduces risk, but also enables scalability and sustainable growth.
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Mzwandile Mtshali, Group Executive for Advice and Distribution at PPS

THE HUMAN ALGORITHM

*Emotional intelligence
in the age of AI*



South Africa's financial advisory profession is standing at a fascinating intersection, where the logic of data meets the intuition of human understanding.

The landscape is shifting quickly. Economic pressures, regulatory reforms, social change, and rising professional expectations are transforming what it means to be a financial adviser. Technical competence alone is no longer enough. Today's clients expect more than projections and policy comparisons; they want advice that recognises who they are, what they value and where they hope to go.

Mzwandile Mtshali, Group Executive for Advice and Distribution at PPS, explains, "Financial planning has always been about people. Now, more than ever, financial advisers must blend technical know-how with emotional intelligence to truly serve their clients. Advice is not just a product; it's a human effort."

Mtshali believes the profession is entering a new era, one where advisers are called to do more than manage portfolios or optimise returns. They are becoming teachers, mentors, and advocates, helping clients make decisions that build not only financial resilience but also confidence and dignity.

"Our role is evolving beyond transactions to include education, coaching and advocacy," he adds. "It's about returning to the original purpose of financial advice, empowering individuals, supporting families and strengthening communities."

Mutuality as a moral compass

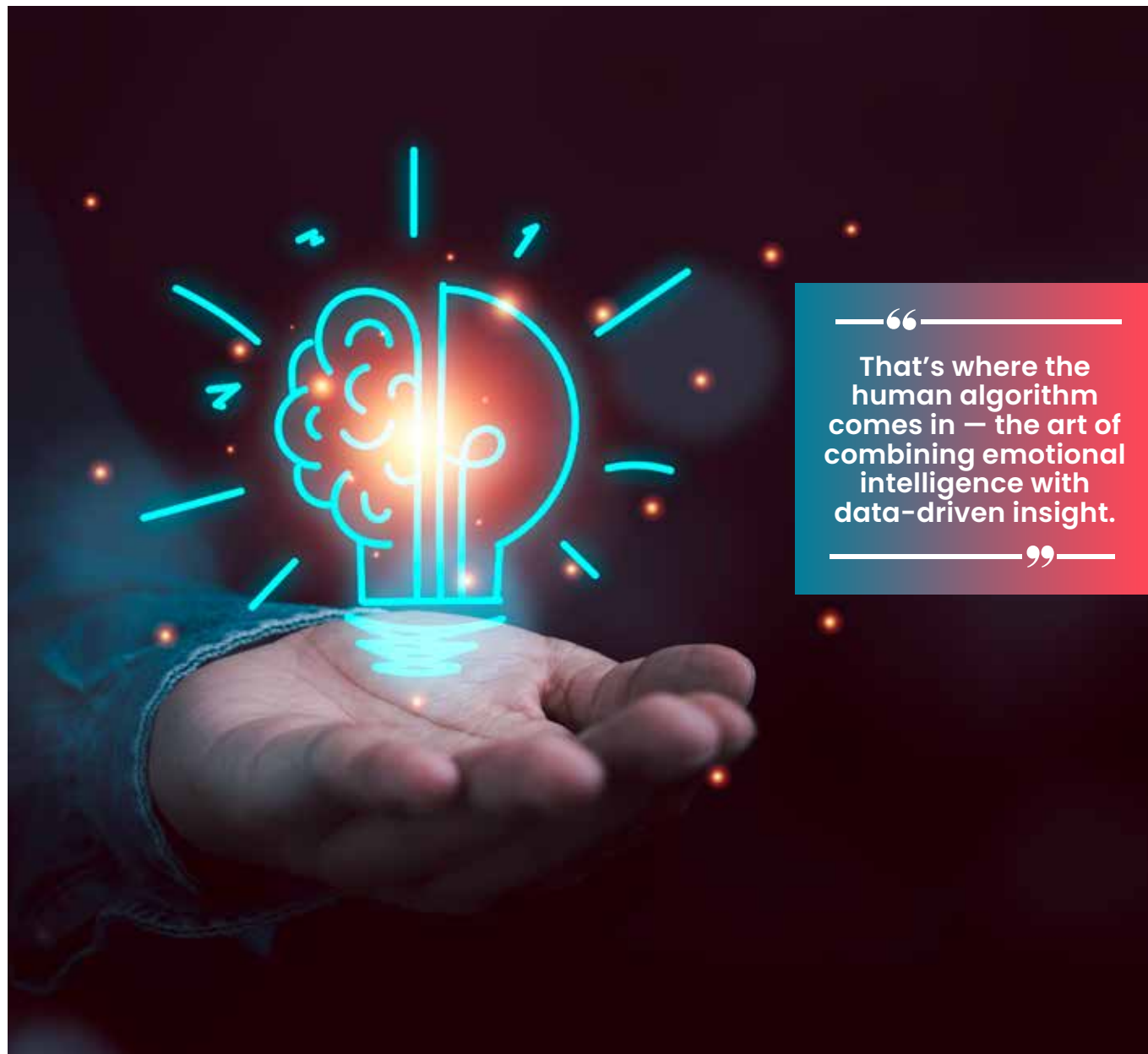
At the heart of this transformation lies mutuality, a principle deeply rooted in South Africa's spirit of ubuntu. For Mtshali, mutuality is not just a business model; it's a reminder of why the profession exists.

"Mutuality is central to how PPS supports financial advisers and their clients, it's about recognising that every interaction is an opportunity to restore dignity, build resilience and help communities navigate life with confidence," he explains.

This approach transforms financial planning from a transactional exchange into a shared journey. It repositions financial advisers as partners in progress, not just service providers. "Financial planning is a vocation, grounded in shared purpose, mutual respect and generational impact," Mtshali says.

Join the conversation





—“—
That’s where the human algorithm comes in — the art of combining emotional intelligence with data-driven insight.
—”—

Innovation with empathy

The conversation around innovation often centres on technology, apps, platforms and digital efficiencies. But Mtshali argues that innovation is only truly valuable when it serves a human need.

“Innovation at PPS is not just about digital tools or product development,” he says. “It’s about rethinking how financial advisers engage with clients, deliver value and respond to their changing needs. When innovation is anchored in empathy and mutuality, it becomes transformative — for financial advisers, clients and the industry at large.”

That’s where the human algorithm comes in — the art of combining emotional intelligence with data-driven insight.

AI may process information at unprecedented scale, but it cannot replicate the trust, understanding and shared purpose that define authentic human connection. Financial advisers who can integrate both worlds — data and empathy — will be the ones who thrive.

A profession redefined

The challenge facing financial advisers today is both technical and moral: how to navigate an era of digital complexity without losing the essence of what makes advice meaningful. In a country still grappling with inequality, exclusion and economic uncertainty, the need for personalised, context-aware guidance has never been greater.

“Financial advisers who genuinely embody these values are best positioned to lead the

profession forward,” Mtshali concludes. “It’s about reclaiming purpose, delivering meaningful advice and creating lasting impact in the lives of clients and communities.”

PPS continues to champion this evolution, empowering financial advisers through innovation, partnerships and a philosophy of mutuality that reflects the realities of modern financial life. In doing so, the organisation remains committed to building a more resilient and inclusive financial future, one conversation, one client, and one community at a time.

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Caesar Balona, Head: Risk Intelligence & Engineering at Old Mutual Insure

OLD MUTUAL INSURE AND WITS LAUNCH ACTUARIAL RISK LAB

TO ADVANCE CLIMATE AND AI RESEARCH



Old Mutual Insure has partnered with the University of the Witwatersrand (Wits) to establish Wits Old Mutual Insure Actuarial Risk Lab, a new research initiative aimed at advancing the use of artificial intelligence, machine learning and actuarial science to better understand and respond to emerging risks such as climate change.

The lab will serve as a hub for cutting-edge research, postgraduate training and collaboration between academia and industry, focusing on the application of advanced analytics to risk modelling in insurance and finance.

Caesar Balona, Head: Risk Intelligence & Engineering at Old Mutual Insure, says the partnership reflects the insurer's strong commitment to supporting the development of critical skills and research capacity in South Africa to better prepare for and navigate emerging risks. We have identified climate change as a particularly important focus for the lab.

"Climate change is one of the most significant and complex risks facing the insurance industry and society globally. As an insurer, we have a responsibility not only to understand these risks, but also to help the country prepare for them. Our partnership with Wits to establish the Actuarial Risk Lab reflects our commitment to advancing the research, tools and expertise needed to better model and respond to these evolving challenges," Balona says.

He adds that collaboration between academia and industry is essential to building a deeper understanding of emerging risks. The lab will focus on a number of key objectives, including the development of machine learning

and deep learning applications within actuarial science, as well as the creation of specialised professional Master's programmes that integrate actuarial science with advanced data science and machine learning techniques.

A major focus of the research will be climate-related risk modelling, including the development of actuarial and machine learning models capable of predicting the potential impacts of climate change on the insurance industry and its clients. The lab will also explore how machine learning can improve understanding of the mechanisms that drive climate change and the ways in which these factors influence insurance risk.

The lab will also support postgraduate development through Master's and PhD research programmes, as well as postdoctoral fellowships, while hosting seminars, workshops and conferences that bring together researchers, industry practitioners and policymakers to exchange knowledge and insights. Additional areas of research will include the application of actuarial techniques to the design and evaluation of environmental, social and governance (ESG) frameworks for the insurance sector.

According to Rendani Mbuyha, Associate Professor of Actuarial Science at Wits, the

partnership represents an important step in strengthening industry-focused research in emerging risk areas.

"We are grateful for Old Mutual Insure's support through this leading sponsorship of the Wits Old Mutual Insure Actuarial Risk Lab. This partnership enables both applied and foundational work in AI and machine learning for risk management, strengthening industry-focused research and programmes that respond to the rapidly evolving risk landscape across insurance, finance and the public sector," says Mbuyha.

The establishment of the Wits Old Mutual Insure Actuarial Risk Lab reflects a growing recognition that advanced analytics, artificial intelligence and actuarial science will play a critical role in understanding and managing complex risks, particularly those related to climate change and environmental shifts.

Through the initiative, both organisations aim to strengthen South Africa's research capacity and equip future actuarial professionals with the tools needed to navigate an increasingly complex risk environment.

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Through the initiative, both organisations aim to strengthen South Africa's research capacity and equip future actuarial professionals with the tools needed to navigate an increasingly complex risk environment.

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Sharon Paterson, CEO of Infiniti Insurance Limited

THE IMPACT OF GEOPOLITICAL INSTABILITY ON THE INSURANCE MARKET



Today, the insurance industry is faced with complex risks that are changing and reshaping its operating environment. The Middle East political conflict presents a critical layer of uncertainty in the insurance market globally across the entire value chain. There is a ripple effect of these conflicts that will lead to increased trade tensions and supply chain disruptions globally as well as in the regional markets.

If these economic pressures and volatility persist, it will bring significant uncertainty across core business functions in the insurance industry. Sovereign risk, currency fluctuations and sanctions affect investment portfolios, which are crucial for maintaining solvency and generating returns.

Political risk insurers may receive significant claims should your assets be caught in the crossfire. The claims will be difficult and costly to assess, and the true loss will not be quantifiable. The impact of the geopolitical events will result in possible higher inflation due to the increasing price of fuel. All these events can change the demand for certain insurance products as consumers face financial strains.

Mitigating geopolitical risks

According to global ratings agency Fitch, recent developments have tightened capacity, driven sharp repricing and created a correlated loss risk across war-risk insurance markets. This presents direct risk management challenges for insurance companies – and it also affects their portfolios. The ratings agency considers the London market and global specialty insurers to be most directly exposed to the conflict, through marine or aviation war, political violence, trade credit and energy lines.

The insurers are currently operating in a complex risk environment, which may compel them to revisit and recalibrate underwriting practices, as historical models become less predictive in the face of non-linear, systemic risks. Ultimately, this landscape may expose the limitations of traditional risk frameworks, which were often built on assumptions of stability and predictable loss distributions. Insurers must urgently adopt holistic, dynamic risk management approaches that integrate geopolitical, climate, technological and social risks to ensure long-term resilience and profitability.

Now is the time for insurers to enhance their risk management strategies to be able to predict

emerging threats and respond swiftly whenever such threats emerge. This strategic approach transforms risk management into a critical driver of both resilience and competitive advantage.

Insurers should also consider proactively educating their customers on how underwriting, pricing and risk-sharing elements of insurance are rapidly evolving to ensure their continued ability to offer coverage, pay claims and mitigate risks.

Looking at opportunities ahead

According to economists, current investment strategies are being shaped by shifting macro conditions, unpredictable interest rates and the expanding role of private markets. Analysts suggest that the fiscal environment for insurers and reinsurers has been fundamentally reset compared to a year ago, driven by post-inflation adjustments, easing monetary policies and evolving regulatory expectations. Furthermore, experts emphasise that current market dynamics must also account for the impact of changing weather patterns on long-term stability.

According to the recent Mapfre Economics Panorama report, the global insurance sector is robust, driven by strong financial performance and effective adaptation to diverse economic conditions. The outlook for 2026–2027 forecasts sustained growth in insurance demand. This is expected to be fueled by a normalising macroeconomic environment and inflation rates that align with the technical stability of the sector.

Overall, the insurance market is set for continued solid expansion in the coming years, with life insurance business leading the growth, followed by the non-life segment. The reinsurance market is also softening due to substantial capacity and recent strong performance. This is occurring alongside structural changes like consolidation pressures, data-driven underwriting and automation driven by artificial intelligence.

The current heightened political conflicts, sanctions and regulatory shifts can disrupt global operations and access to key markets. We need to proactively monitor geopolitical events, assess the risks and ensure that we put business continuity plans in place to counter any changes that may arise in the market. Current geopolitical risks should reshape how we think about capital, growth and resilience.

“
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Wimpie van Der Merwe, CEO, Global Choices

THE SUNBIRD AND THE FIRE:

Timeless lessons for insurance brokers in 2026

The world feels heavy with risk. War and climate disasters dominate headlines, economic uncertainty persists and rapid technological change continues to unsettle entire industries. Yet in moments like these, ancient stories often offer the clearest guidance. One such story is the parable of the hummingbird and the forest fire, popularised by Nobel Peace Prize laureate Wangari Maathai and rooted in Native American folklore. In this retelling, the hummingbird becomes a sunbird, a more fitting messenger for Africa.

At its heart, the story speaks to the power of individual action in the face of overwhelming crisis. For insurance brokers operating in an era defined by escalating risk, complexity and pressure, the lessons feel especially relevant. This is a profession that exists precisely because uncertainty exists. And yet, brokers often find themselves staring at fires that feel far too big to extinguish.

The parable of the sunbird and the fire

The story takes place in a forest. One day, a fire

breaks out. Dry winds fan the flames, and the fire spreads from tree to tree. The animals watch as their home is destroyed. Elephants, lions, monkeys and birds flee to a nearby hill, stunned by the scale of the destruction.

"What can we do?" they cry. "The fire is too big. We are too small."

Amid the panic, a tiny sunbird takes flight. It flies to a nearby stream, dips its beak into the water and carries a single drop back to the fire. The bird releases the droplet onto the flames, then turns back to the stream and repeats the journey. Again and again.

The other animals notice and begin to mock the sunbird. The elephant scoffs that the effort is pointless. The lion roars that a few drops of water will never stop such a blaze. The sunbird pauses and replies simply, "I am doing what I can."

Moved by the sunbird's commitment, the forest spirits and the rain god respond. A great downpour follows, extinguishing the fire and saving what remains of the forest. The message

is clear: if you want miracles to happen, you have to do your part first.

Inaction is the greater failure

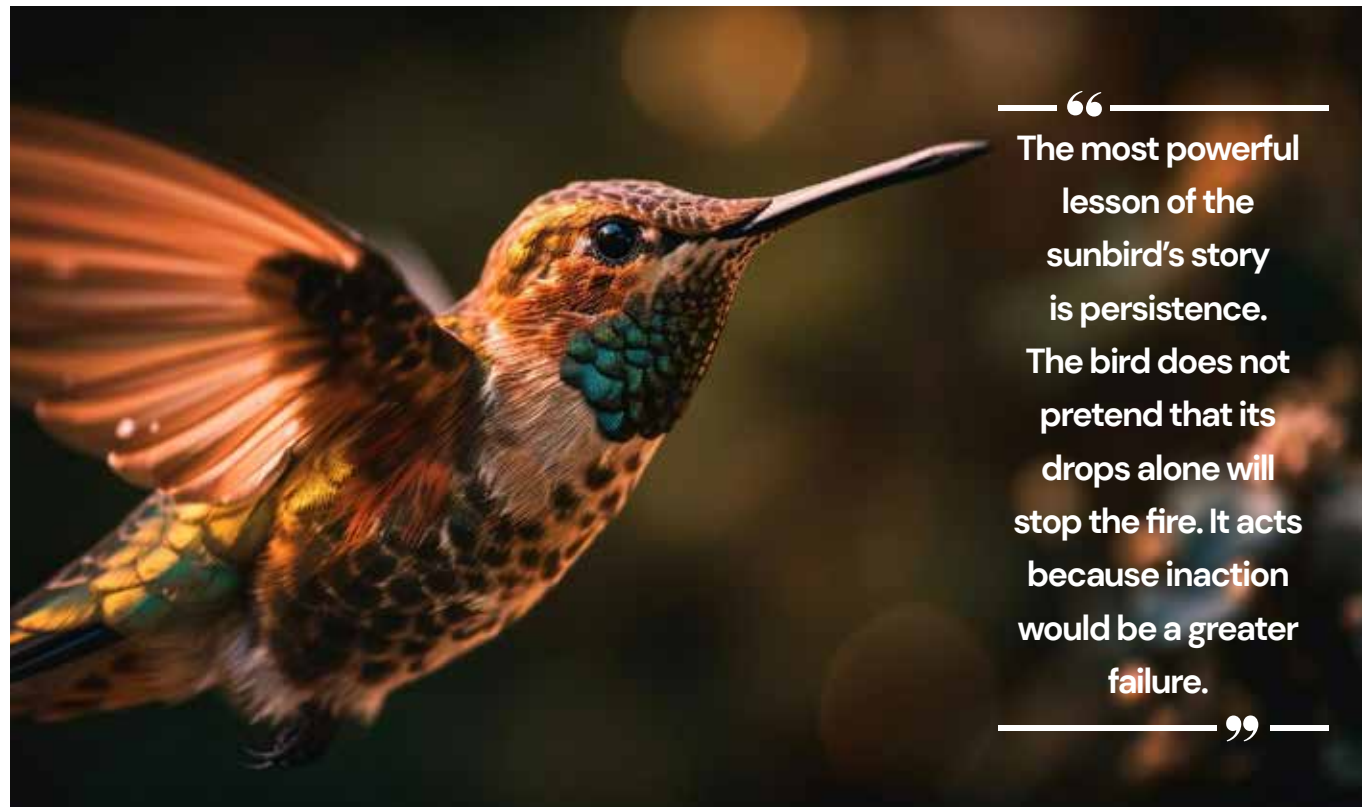
The most powerful lesson of the sunbird's story is persistence. The bird does not pretend that its drops alone will stop the fire. It acts because inaction would be a greater failure. That mindset is deeply relevant for insurance brokers in 2026.

Today's brokers face a landscape shaped by climate volatility, cyber risk, geopolitical instability and rapid digitisation. Extreme weather events have increased in frequency and severity, driving up claims and premiums. Cybercrime has become more sophisticated and more damaging. Regulatory expectations continue to rise, particularly around consumer protection and transparency.

It is easy to feel overwhelmed. Brokers cannot reverse climate change, eliminate cybercrime or stabilise global markets. But they can act within their sphere of influence. A single risk review. A conversation about resilience. A proactive

Join the conversation





“The most powerful lesson of the sunbird’s story is persistence. The bird does not pretend that its drops alone will stop the fire. It acts because inaction would be a greater failure.”

recommendation that helps a client prepare rather than react.

Take climate risk as an example. Brokers may not be able to stop floods or fires, but they can help clients understand their exposure, improve risk mitigation and explore alternative cover structures. One carefully reviewed policy can lead to broader portfolio changes. One client conversation can shift how a business thinks about resilience. These small, deliberate actions accumulate.

Rejecting paralysis

The larger animals in the story represent something brokers know all too well: paralysis. Waiting for perfect information, perfect systems or perfect certainty before acting. In the insurance world, this often shows up as reluctance to adopt new tools, test new models or rethink long-established processes.

The sunbird offers a different approach. Act with what you have. Learn as you go. Improve incrementally.

In 2026, technology has become central to brokerage, from AI-driven analytics to automated claims processes. Not every broker needs to become a technology expert overnight. But experimenting with new tools, even in small ways, matters. A pilot project. A new client dashboard. A simplified digital onboarding process. Each step builds confidence and capability.

Small improvements compound. A modest increase in client retention, better claims

turnaround times or clearer communication can have a meaningful impact over time. Individual action and collective momentum

Another enduring lesson of the parable is how individual action can inspire collective change. The sunbird’s efforts challenge the assumptions of those watching from the hill. Action disrupts apathy.

Insurance brokerage is, at its core, a relationship-driven profession. Brokers who share insights, collaborate with peers and contribute to industry conversations help raise standards across the sector. One shared case study, one honest discussion about lessons learned or one contribution to professional development forums can influence far more than a single business.

This is particularly relevant in emerging areas such as cyber insurance. Clients are often anxious and confused, unsure where to start. Brokers who break the problem down into manageable steps create clarity and trust. A simple risk assessment, followed by practical guidance and tailored cover, turns fear into action. Those clients, in turn, become advocates.

Sustainability, resilience and longevity

The sunbird also teaches a lesson about sustainability. The bird does not exhaust itself trying to do the impossible. It does what it can, consistently. For brokers, this is a reminder that resilience applies to people as much as policies. Burnout remains a real risk in a high-pressure industry. Smart use of automation, realistic workloads

and attention to wellbeing are not luxuries. They are essential for long-term effectiveness.

Doing your bit does not mean doing everything yourself. It means focusing energy where it has the greatest impact and trusting systems and teams to support the rest.

A call to action

As the insurance industry enters 2026, the fires are real. Regulatory change, economic pressure and social inequality continue to shape the environment in which brokers operate. The sunbird’s lesson is not about heroics. It is about responsibility.

Ethical advice, clear communication and genuine advocacy matter. Small actions, such as supporting financial literacy initiatives or helping underinsured clients understand their options, align individual effort with broader social good.

The parable of the sunbird and the fire reminds us that progress rarely begins with grand gestures. It starts with movement. For insurance brokers, that means showing up for clients, acting with integrity and choosing action over inertia. One drop at a time.

In a world where uncertainty is guaranteed, those who persist will not only endure, but lead.

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The ribbon cutting at the official launch of the Global Goals 2030: Africa Scholarship, hosted by GIFS in May 2025. Pictured (left to right): David Schwartz: CEO of FIBA, Dr. Kershen Pillay: CEO of GIFS, Dr. Phumzile Mlambo-Ngcuka: Former Deputy President of RSA, Dr Bernard Jennings, CEO: Biscayne Gardens Chamber of Commerce in Florida.

Applications are opening on the 15th of May and will close on the 30th of June 2026.

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PEOPLE WINNING AGAINST POVERTY THROUGH EDUCATION

Repair vs Replace.

THE DECISION THAT DEFINES RISK

In our previous article, “Modern Windscreens, New Risk,” we highlighted how automotive glass has fundamentally evolved. What was once considered a simple component is now a safety-critical system, contributing to both structural integrity and the performance of the Advanced Driver Assistance Systems, ADAS. This brings the focus to where that risk ultimately lies and where it can be managed. In most cases, the answer lies in one of the earliest and most critical stage of the auto glass claims process - the damage assessment stage, where the decision to repair or replace is made.

In today's environment, what's most important, is the accuracy of assessment and the standard of execution that follows. In modern vehicles, getting the decision right is only one part of the equation, the quality and precision of the work ultimately determines the outcome. For brokers and insurers, this is

the most important stage in a glass claims process, where the correct intervention is determined.

THE IMPORTANCE OF GETTING THE FIRST DECISION RIGHT

In any glass claim, the initial assessment is far more than a routine starting point, it is the moment where the trajectory of the entire claim is set. At first glance, a damaged windscreen may appear straightforward. A chip, a crack, a visible point of impact. But what sits beneath that visible damage is often far more complex. The initial assessment determines not only the level of intervention required, but also the technical complexity of the work and the potential for downstream risk.

When this assessment is accurate, it creates a clear and controlled path forward. The right decision is made early, unnecessary interventions are avoided, and the

claim progresses efficiently. At the same time, safety is preserved, costs are contained, and the customer experience remains seamless. However, when that initial diagnosis is incorrect or incomplete, the consequences are rarely immediate. They tend to surface later, in the form of repeat repairs, increased claim costs, ADAS system faults, or customer dissatisfaction. By that stage, what was once a simple claim has become more complex, more expensive, and more difficult to resolve.

NOT EVERY WINDSCREEN DAMAGE IS A REPLACEMENT

This is why choosing the correct intervention is so critical. In many cases, early identification of damage allows for a repair that is both cost-effective, and safe. A properly executed repair preserves the original factory seal, maintains the structural

integrity of the vehicle, and avoids unnecessary disruption to embedded systems.

Replacement, on the other hand, becomes necessary when the damage compromises safety or falls outside repairable limits. But replacement is no longer a simple remove-and-refit process. It requires strict adherence to OEM specifications, the use of approved materials, and controlled, accredited installation methods. In modern vehicles, it also often requires recalibration of Advanced Driver Assistance Systems (ADAS), where cameras and sensors depend on precise alignment to function correctly.

The difference between these two paths - repair or replace, lies in the quality of the diagnosis.

Correct diagnosis is not just about identifying what is visible. It requires a deeper technical understanding of how the damage interacts with the vehicle as a system. This includes assessing the size, depth, and position of the damage, understanding whether it falls within critical visibility zones, and determining whether structural integrity has been affected. It also involves recognising when cameras or sensors may be impacted, and whether recalibration will be required to

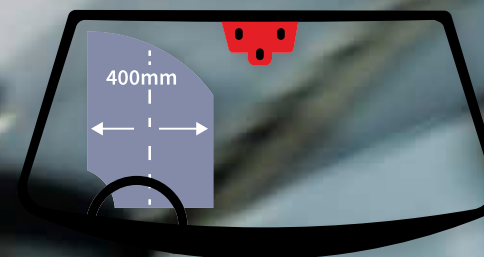
restore full functionality. In this context, diagnosis becomes a specialised skill - one that combines technical knowledge, experience, and the ability to apply consistent standards.

For brokers and insurers, correct diagnosis is not simply a technical step in the process; it is a key risk control mechanism. When done properly, it reduces unnecessary replacements, limits the likelihood of repeat claims, and ensures that vehicle safety systems perform as intended. It also supports consistency across claims, which is critical in managing both cost and customer expectations.

When done poorly, it introduces varied results and with it, risk. What may appear to be a cost-saving decision in the moment can result in higher costs over time - through rework or compromised safety outcomes.

Glass claims should be approached with a clear focus on correct diagnosis, supported by the right level of expertise and a disciplined approach to execution. Because in modern vehicles, the windscreen is no longer just a component to be repaired or replaced. It is part of a safety system and every decision around it carries risk.

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INSURANCE BROKERS

EVOLVING FROM PRICE CHASERS
TO RISK MITIGATORS



The South African insurance landscape is undergoing a fundamental transformation with the traditional price-led brokerage model rapidly reaching its expiry date. In its place, a more sophisticated, data-driven advisory model is emerging – one where the broker functions less as a transaction handler and more as a proactive risk partner.

Fanus Coetzee, CEO of Santam Broker Solutions, says the industry is at a crossroads. “Our guidance to our broker partners is to shift the narrative from price to value and risk mitigation.” This shift, he says, is not merely a preference but a necessity in a high-inflation, price-sensitive environment where the race to the bottom on premiums is no longer sustainable for any party involved.

In a low-growth economy, one might expect consumers to cancel their insurance policies to save costs. However, current market data reveals a different trend: clients are not necessarily leaving the market, but they are responding to risk advice. Instead of wholesale cancellations, consumers are adding risk-management measures, switching providers or strategically adjusting cover.

“Clients value security over a slight monthly saving,” says Coetzee. “Modern brokers are repositioning themselves as trusted advisors who provide personalised, data-driven guidance. By moving the conversation away from cheap premiums toward risk-based consultations, brokers can protect their clients’ lifestyles while ensuring their own long-term relevance.”

One of the biggest barriers to more in-depth advisory work has traditionally been the administrative mental load. Transitioning from an admin-heavy office to a client-facing advisory requires a significant digital evolution.

As a result, the industry is seeing a surge in AI-driven tools designed to generate renewal comparison reports and facilitate self-service journeys via platforms like WhatsApp.

“Digital and AI-driven tools are removing the operational burden and free capacity for forward-looking risk conversations,” says Coetzee. “For the independent broker, leveraging insurer-supplied digital

infrastructure is no longer an optional upgrade; it’s a prerequisite for competing with larger insurers.”

As risks grow more complex – ranging from cyber threats to global climate volatility – the technical fluency required of a broker has escalated. The industry is moving towards a fee-for-service model where brokers monetise their expertise rather than just earning a commission on a transaction.

This evolution requires a commitment to continuous learning.

“Brokers must become more data-aware, consultative and technically fluent,” says Coetzee. “Those who focus on specialised areas like cyber or sector-specific infrastructure risks are finding new opportunities for growth, even as the traditional personal lines market becomes increasingly competitive.”

Globally, there has been discussion regarding industry consolidation, similar to the private equity roll-ups seen in the United States. Coetzee says that while South Africa is seeing increased M&A activity due to rising regulatory and compliance burdens, the trusted advisory layer remains vital.

“Santam’s research indicates that 78% of businesses and 56% of consumers still rely heavily on brokers because of the inherent complexity of insurance. Small brokers can thrive, provided they do not attempt to compete on the size of their tech stack. Instead, they need to focus on moving into niche markets where specialist expertise is required, adopt automated workflows to maintain speed to market and transition from reactive quoting to resilience planning,” he says.

What is becoming increasingly clear is that the window for purely price-focused brokers is closing. Coetzee maintains that those who have not adopted a “trusted risk advisor” positioning will likely soon find themselves disintermediated by digital platforms and embedded insurance models.

“Ultimately, the future of insurance brokers lies in their ability to bridge the gap between a client’s current reality and their future resilience. As the risk landscape changes, the most successful brokers will be those who stop selling policies and start managing outcomes,” he says.

“
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Lance Williams, Group CEO iCapital Group

SUCCESSION PLANNING

For a privately owned insurance brokerage



For many privately owned insurance brokerages, the business is far more than a legal entity or a book of clients. It is the result of years of personal relationships, trusted advice, insurer partnerships, claims support, staff loyalty and a hard-earned reputation.

In many cases, the founder has spent decades building the business one client at a time. Clients know the owner personally. Insurers know who to call. Staff know where to go when a difficult claim, renewal or client issue needs attention. That personal involvement is the very reason for its success. But it also creates risk.

If the business depends too heavily on one or two individuals, what happens when they want to retire, slow down, sell, relocate, or are suddenly unable to continue working? What happens to the clients, staff, insurer relationships and the value of the business?

That is where succession planning becomes essential. It is not only about selling a business. It is about protecting what has been built and making sure it can continue.

Why succession planning matters

Many small brokerages are successful because they are personal, responsive and relationship-driven. These qualities are valuable, but they

can also mean that too much knowledge and influence sits with the founder or principal. The owner may be the main rainmaker, the most experienced technical adviser, the person who knows the history of each key client, the main contact with insurers and the person who resolves difficult claims. In a regulated environment, the owner may also be the Key Individual.

This creates key person risk. The brokerage may be profitable and respected, but if the key person exits without a plan, the business can quickly become vulnerable. Clients may feel uncertain, staff may become anxious, insurers may ask questions and the value of the business may reduce.

A good succession plan reduces this uncertainty. It gives the owner more options, protects clients and staff, and helps preserve value.

Succession is more than ownership

One of the most common mistakes is to think of succession only as a share sale or ownership transfer. In reality, succession has several parts.

There is ownership succession: who will own the business in future?

There is management succession: who will run

the business day to day? There is client succession: who will maintain and develop the client relationships?

There is regulatory succession: who will carry the necessary approvals, competence and oversight responsibilities? In a small brokerage, all of these roles are often concentrated in one person. A proper succession plan separates these and deals with each carefully.

Small brokerage

The founder may sell part of the business but remain involved for a period. A younger broker may begin taking over client relationships. A senior staff member may be developed into a management role. A larger partner may assist with governance, compliance, systems and long-term capital.

The best succession plans are gradual, not sudden.

In insurance broking, clients do not only buy policies. They buy trust, advice, continuity and support when it matters most. This is especially true at claims stage, when the value of the broker is most visible.

For that reason, client transition is one of the most important parts of succession planning. If clients are suddenly told that their broker has

business can operate without the founder. A brokerage that is overly dependent on one individual may attract a lower valuation or a more cautious deal structure. A brokerage with strong systems, documented client records, capable staff and transferable relationships is far more attractive.

Practical steps can make a major difference. These include keeping client mandates and broker appointments up to date, documenting renewal processes, cleaning up client data, reviewing fee and commission arrangements, reducing reliance on a single large client, and ensuring that compliance records are well maintained.

In simple terms, the more transferable the business is, the more valuable it becomes. Choosing the right succession model There is no single correct succession model for every brokerage.

Some owners may want an internal succession plan, where a family member, senior broker or management team gradually takes over. Others may prefer a sale to a larger brokerage or consolidator. A merger with another brokerage may also make sense where two businesses have complementary clients, skills or geographic reach.

Another option is to partner with a long-term financial holding company. This can be especially attractive where the owner wants a level of independence and continuity rather than a short-term transaction. A long-term partner can provide capital, governance, management support and a permanent home for the brokerage, while allowing the founder to transition out gradually.

For many owner-managed brokerages, the ideal answer is not simply "sell and leave". It may be a phased partnership that protects the founder's legacy, gives staff confidence, and provides clients with continuity.

Planning should start early

The best time to start succession planning is before it is urgent.

If planning only begins when the owner is already tired, under pressure or ready to exit, the options may be limited. Buyers may sense urgency. Staff may be unsettled. Clients may not have had time to build trust with the next layer of leadership.

Starting succession early gives the owner more control. It allows time to develop people, prepare clients, improve systems, deal with tax and estate planning, and consider the best

strategic partner. It also gives the owner flexibility. Succession does not always mean retirement. It may mean reducing day-to-day pressure, taking some value off the table, bringing in support, or positioning the business for its next stage of growth.

Conclusion

A privately owned independent insurance brokerage is often built on trust, loyalty and personal service. Those qualities should not be lost when the founder steps back or ownership changes. With proper planning, they can not only be preserved, but also strengthened. Succession planning is not the end of the story. It is the next chapter. It allows the owner to protect the value of the business, provide continuity for clients, create opportunity for staff and ensure that years of hard work are not placed at risk by uncertainty.

For insurance brokerage owners, the message is clear: plan early, communicate carefully, build depth, and choose partners who understand the value of long-term relationships.

“It is not only about selling a business. It is about protecting what has been built and making sure it can continue.”



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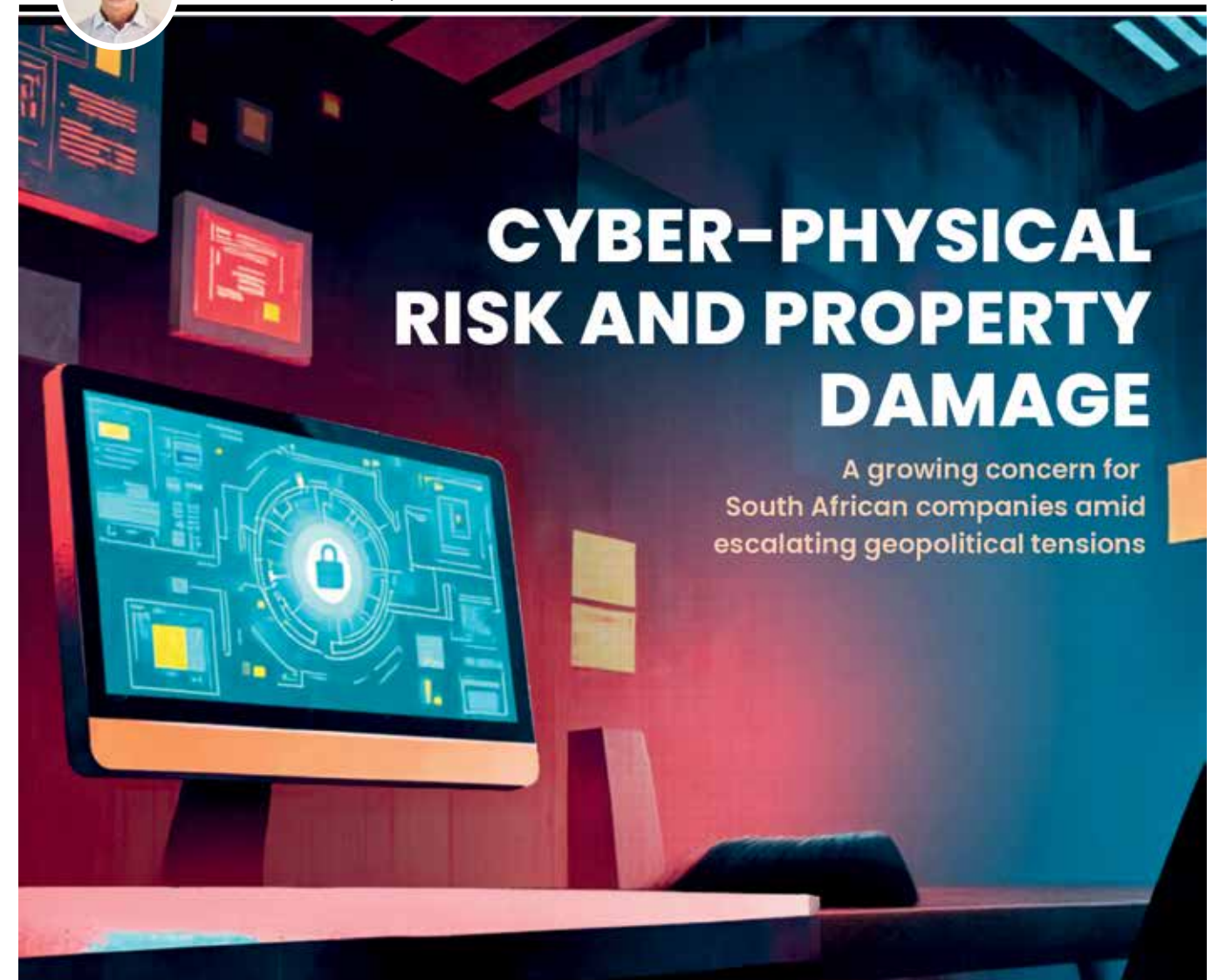
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Ben Wilmot-Sitwell, Cyber Growth Leader at Marsh Risk Africa



CYBER-PHYSICAL RISK AND PROPERTY DAMAGE

A growing concern for
 South African companies amid
 escalating geopolitical tensions

As cyber threats become increasingly sophisticated and frequent, South African businesses face escalating risks – not only to their data but also to their physical assets and operational continuity. While automation and digitalisation bring opportunities for growth and efficiency, they also introduce new vulnerabilities, including the risk of physical damage and business interruption caused by cyberattacks.

The recent escalation of cyberattacks linked to the ongoing Middle East conflict has underscored the growing geopolitical dimension of cyber property risks. State-sponsored actors and hacktivist groups have increasingly targeted critical infrastructure such as power grids and industrial facilities, demonstrating how regional conflicts can rapidly amplify cyber physical threats and insurance exposures globally.

Many organisations underestimate these threats and find themselves uninsured or underinsured, as traditional insurance policies often fall short of providing comprehensive coverage for these

incidents. To protect themselves, businesses must adopt customised insurance solutions alongside robust risk mitigation strategies that specifically address cyber-related property damage and business interruption.

How a cyberattack can cause physical damage

Cyberattacks targeting operational technology (OT) are impacting a growing number of organisations across every sector. It's no longer a matter of if, but when, as these attacks have become commonplace. According to one estimate, in 2024 the number of sites globally experiencing physical operational impairments due to cyberattacks surged by 146%, rising from 412 in 2023 to 1 015. Most of these attacks impacted multiple physical locations.

In Africa, the cyber insurance market is expanding rapidly but remains underpenetrated, with the Middle East and Africa cyber insurance market valued at approximately \$283 million in 2024 and projected to grow significantly. Despite

limited specific loss data, cybercrime has been estimated to reduce Africa's GDP by more than 10%. This equates to losses exceeding \$4 billion, with ransomware and digital transformation driving increased risk exposure. Many African businesses still operate without adequate cyber insurance or mature cybersecurity protocols, highlighting a critical protection gap that mirrors the challenges faced by South African companies.

The following examples demonstrate how threat actors can cause physical damage to different types of organisations:

Cyberattack at a mine

A cyberattack on a mine can disrupt critical safety systems such as gas detectors, ventilation controls and emergency shutdown mechanisms. These operational disruptions may allow hazardous conditions to go unnoticed, increasing the risk of accidents or injuries. Communication systems may also be compromised, delaying emergency responses or evacuations.

Join the conversation



Furthermore, production processes are vulnerable – attacks targeting operational technology like automated drilling equipment, conveyor belts or processing systems can lock operators out or manipulate data, causing costly downtime, operational inefficiency or even equipment damage.

Cyberattack at a manufacturer

In manufacturing, cyberattacks can target equipment, critical infrastructure and management systems, potentially halting production entirely. Malicious code may manipulate or disable control systems that operate machinery, leading to mechanical failures or malfunctions. Environmental control systems regulating temperature and humidity can also be disrupted. Safety systems may be compromised, increasing the risk of accidents if monitoring or emergency controls are tampered with or disabled.

These disruptions can lead to substantial financial losses due to lost output and repair costs.

Cyberattack on a power grid

Cyberattacks on electricity grids can target the physical infrastructure, smart buildings and control systems responsible for power generation, transmission and distribution. Cybercriminals can manipulate control systems, resulting in equipment malfunctions, overloads or failures in transformers, circuit breakers and substations. This can cause physical damage to critical components such as turbines, generators, and switchgear. Disruption of safety mechanisms may trigger cascading failures or fires, further damaging infrastructure. Prolonged outages can cause secondary damage, including degradation of back-up systems and equipment impairment due to overheating.

Repairing this damage is costly and time-consuming, potentially leading to extended power outages that impact large populations and industries.

There are numerous real-world examples of cyberattacks causing significant disruption across various industries. In 2021, a cyberattack on a US fuel pipeline halted oil flow, while an attack on a German steel mill disrupted operations and caused severe damage to its blast furnace. In another case, a former hospital employee infected the facility's machines with malware, compromising the heating, ventilation and air conditioning (HVAC) system.



This manipulation endangered patient safety, underscoring the urgent need to address the specific risks of cyberattacks and insider threats in healthcare settings. The consequences of these attacks included:

- Payment of a ransom
- Loss of access to design tools on engineering workstations
- Loss of visibility through human-machine interfaces (HMI) or alarm systems
- Loss of historical data
- Disruption of quality assurance systems
- Inaccessibility of analytics tools
- Compromise of supervisory control and data acquisition (SCADA) functions
- Inability to authenticate users
- Reputational damage
- Compromise of smart infrastructure, autonomous systems and real-time monitoring, as well as other information systems

It is worth noting that physical consequences and business interruption can also arise from non-malicious cyber events, such as the global technology outage triggered by the CrowdStrike software update in 2024.

Physical cyber risk: A major uninsured liability

Despite the rising threat of physical damage caused by cyberattacks, physical cyber risk remains one of the most substantial uninsured liabilities on the balance sheets of many South African companies. A decade ago, coverage

for physical cyber risk was often included within property insurance policies. However, as the insurance market has evolved, most existing property policies now exclude cyber-related risks.

The good news is that the cyber insurance market has responded by introducing risk assessment and specialised products to close this protection gap. These products are available either through exclusionary buybacks or on an affirmative basis, specifically covering cyber physical risk.

How to protect uninsured property cyber risk

Businesses are advised to safeguard their organisations by conducting a comprehensive gap analysis of their property insurance programmes to identify and address any coverage gaps. This involves quantifying the potential financial impact of cyber property damage and business interruption risk, enabling companies to optimise insurance coverage and strengthen risk management strategies – including employee training and enhancement of cyber tools and security controls.

With the current market favouring buyers, now is an ideal time to explore securing specialised cyber property damage coverage to protect assets and operations.

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AFRICA'S TIME IS NOW:

BUILDING FUTURE-FIT TALENT THROUGH EDUCATION AND BUSINESS



“Africa, our time is now.” It is not a slogan; it is a mandate.

and their implications; second, to build pipelines that prepare the workforce for the disruptions AI will inevitably bring.

Equally important is the human dimension. As we become more steeped in technology, intermediaries must ensure that organisations do not lose their sense of community, empathy and ethical leadership. Their role is not only to translate innovation into opportunity but also to safeguard the values that keep industries humane and sustainable. In this digital age, the challenge is clear: to embrace AI while preserving the human spirit that underpins trust, collaboration and resilience.

The future of work is already here

And as the worlds of AI and humanity converge, education will always be the lever, with business as the fulcrum. Together, they can lift societies, transform economies and unlock human potential. The Global Goals 2030: Africa Scholarship is proof that Africa does not need to wait for permission. We are building our own pathways and shaping our own destiny.

The next decade will not be defined by those who cling to the past but by those who dare to reimagine the future. Every learner we empower, every barrier we dismantle, every partnership we forge is a step toward an Africa that leads, not follows. This is our moment to turn possibility into progress, and progress into prosperity. Let us be bold, let us be relentless and let us ensure that when history looks back, it will say: this was the generation that unlocked Africa's promise through education.

Africa stands at a crossroads. For decades, conversations about our continent have been framed around potential; what Africa could become. But potential without action is wasted. That is why I often say: “Africa, our time is now.” It is not a slogan; it is a mandate.

In practical terms, this means recognising that Africa cannot achieve global parity in education when nearly half of our school leavers fall into the category of NEET; Not in education, employment or training. Globally, that figure is just 4 to 6%. For us, it is 46%. This is not just worrying; it is a crisis. And yet, within this crisis lies opportunity. If we democratise education and take it to the most vulnerable, we can transform this demographic challenge into a dividend that powers Africa for generations.

The convergence of education and work

The traditional model of education; study for years, graduate, then work for decades is obsolete. Skills now have a shelf life. Technology,

automation and globalisation demand constant reinvention. The question is no longer “Do you have a qualification?” but “Are you continuously learning, adapting and staying relevant?” Businesses face a dual challenge: to remain competitive while nurturing the human capital that drives innovation. Education is no longer the responsibility of schools and universities alone. It is a shared mandate. Business must step forward as co-architect of the future. Across Africa, 60% of our population is under the age of 25. This is not just a statistic; it is a signal. If business steps forward, we unlock the greatest demographic advantage of our time. If we hesitate, we risk losing it.

The Global Goals 2030: Africa Scholarship

One of the most powerful expressions of this vision is the Global Goals 2030: Africa Scholarship. Unlike traditional funding models, this scholarship is seamless, transparent and free of red tape. It is not prescribed by government protocols, making it easier to

access and faster to deliver impact. It offers fee reductions of up to 92%, flexible asynchronous learning and programmes ranging from bridging courses to master's degrees. It is education without borders, without barriers and without bureaucracy. Knowledge is power and this scholarship is about democratising education at scale. It is about building the workforce for 2050, when Africa's youth population becomes the workforce of the future. Future-fit skills – digital literacy, critical thinking, adaptability and leadership – are the focus. This is not just a scholarship; it is a game changer. Imagine the impact if every business in Africa committed to supporting just 10 employees through this scholarship. Tens of thousands of workers would be upskilled, industries revitalised and communities transformed. This is not a dream; it is a practical, achievable vision.

Business as co-architects of change

Education is not charity; it is strategy. When businesses enable employees to upskill, reskill

and reinvent themselves, they secure their own resilience. The workplace becomes the classroom and the classroom becomes the workplace. Consider the example of a financial services firm that partnered with an education provider to upskill its workforce. Within 18 months, productivity rose by 15%, employee retention improved and client satisfaction increased. Or a retail group that introduced micro-credential programmes for frontline staff: within a year, employees were more confident and several had transitioned into management positions. Education unlocked ambition and ambition transformed the organisation. This is the multiplier effect of learning: one empowered employee inspires 10 others and the ripple spreads across the organisation.

Globalisation and Africa's contribution

GIFS is not confined to South Africa. We are global – building partnerships, expanding networks and positioning Africa as a contributor to the world's knowledge economy.

Through collaborations with international partners, African learners access the same quality of education as their peers in Europe, Asia or the Americas. But this is not imitation; it is innovation rooted in Africa's unique context. It is about exporting African resilience, creativity and ingenuity to the world stage. Imagine African case studies being taught in classrooms in London, Singapore or São Paulo. Imagine African innovations in fintech, agriculture and education becoming global benchmarks. This is the trajectory GIFS is pursuing; not only to globalise Africa's access to education but to globalise Africa's contribution to knowledge itself.

The role of intermediaries in an AI-driven world

As industries evolve, intermediaries and professionals face a landscape that is becoming increasingly complex. Artificial intelligence is reshaping business models, creating new job roles and disrupting traditional ways of working. Our responsibility is twofold: first, to stay informed about technological advancements

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Lee Callakoppen, Principal Officer of Bonitas Medical Fund

MEDICAL AID MYTH BUSTING: *The misunderstandings we're leaving behind in 2026*

From tracking steps and calories to getting the gains at the gym and taking care of mental and emotional wellness, South Africans have never been more health conscious. At the same time, there is a growing disconnect in how we perceive the systems that protect that health.

As we step further into 2026, it's important to debunk the myths around medical aid that often cloud our judgement when it comes to looking after our own health and that of our families. Cover without interruption should be high up on our list of resolutions, and to achieve this, it's important that South Africans get the facts straight.

Myth 1: Medical aid is a luxury

The most pervasive myth is that medical aid is a luxury. The data, in fact, suggests otherwise. According to the Council for Medical Schemes (CMS) 2024 Industry Report, hospital expenditure remains the dominant cost driver in South Africa, accounting for nearly 36% of total benefits paid. Medical aid acts as a bridge to immediate, specialised intervention. For a scheme like Bonitas, being a member is a guarantee of access to a network of private facilities when time is the most critical variable.

Myth 2: Plan adjustments mean lower quality

There is a common fear that moving to a different plan within a scheme is a step backwards. In reality, the healthcare market is defined by customisation, allowing clients to choose a plan that fits their specific lifestyle and healthcare needs without paying for bells and whistles they don't use.

This is best seen in the rise of options that make strict use of networks and digital-first plans like Bonitas' BonCore that was unveiled in September last year.

Network options offer reduced monthly premiums by requiring members to use a specific group of healthcare providers with whom preferential rates have been negotiated. BonCore takes this further by offering a digitally enabled hospital plan that combines unlimited hospital cover with virtual-first primary care. This means that simple GP consultations happen via video link, which lowers costs and increases convenience while still providing a Benefit Booster for physical visits and specialised tests.

Myth 3: Secondary products can stand alone

A dangerous trend has seen some people viewing gap cover or health insurance as a replacement for full medical aid membership. While these tools have their place, they are designed as supplements and not replacements.

Gap cover, for instance, is a vital tool for managing specialist shortfalls, but it relies on the foundation of a medical aid to function. Without that foundation, the protection is incomplete.

Real security comes from a holistic ecosystem, with prescribed minimum benefits (PMBs) ensuring that a pre-determined list of chronic conditions and emergency procedures are covered by law, regardless of the plan you choose.

Myth 4: Public-private hybrids are a universal quick fix

While the integration of public and private care is a key pillar of national health policy, the immediate reality for many in 2026 comes down to capacity. Public facilities are under significant strain, and while insurance products linked to public care provide a basic entry point, they often lack the elective agility that private medical aid provides.

In simple terms, this means that while your client might be covered for a life-threatening emergency, they could face a very long wait for elective procedures like hip replacements, cataract surgery or specialised scans.

Securing private care through a scheme with a broad national footprint allows for proactive health management and the ability to treat a condition before it becomes a surgical emergency.

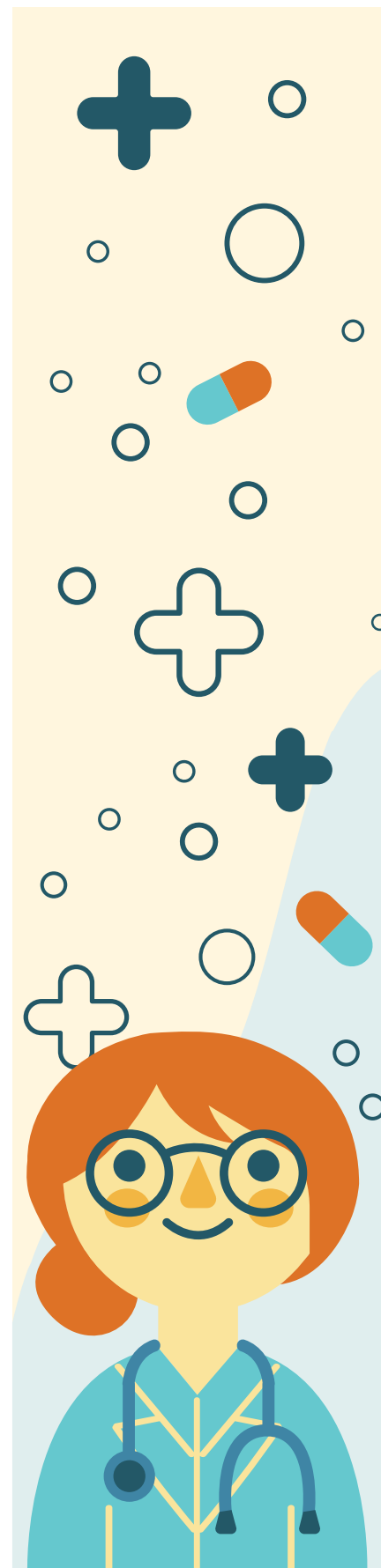
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The most pervasive myth is that medical aid is a luxury. The data, in fact, suggests otherwise.”

Myth 5: Medical schemes prioritise the young and healthy

South African medical schemes operate on a principle of social solidarity. This means that all contributions go into a collective pool of funds to be used by all members, as and when needed.

As per the Medical Scheme's Act 131 of 1998, open schemes are legally required to accept all applicants. At Bonitas we emphasise preventative care for all life stages, which includes a series of health screenings, vaccinations and wellness assessments. This ensures that the scheme's R9 billion in reserves is used to keep all members healthy for longer, regardless of age.

Ultimately, being a member of a medical aid is about having a partner that bridges the gap between health consciousness and health security. We must move beyond viewing healthcare as a grudge purchase to seeing it as a vital tool for long-term resilience.



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