

# Spotlight on major providers

Intermediaries' organisation recognises members' achievements in the most comprehensive analysis of insurance product providers undertaken in SA, writes David Jackson

**T**RIPLE award winner Santaam was a major honours recipient in the short-term insurance category for the second year running at last night's Financial Intermediaries Association (FIA) annual awards ceremony in Johannesburg.

Santaam scooped the pool this year in personal lines, commercial and corporate short-term insurance categories.

Momentum Wealth took the top award for best insurance investment product, while Discovery Life and Discovery Health scored for the best life/risk and health-care products respectively.

A new category of employee benefits was won by Liberty.

FIA President Arnold Van der Linde says that it has been 16 months since the formation of the new intermediaries' representative body.

In the past few months the FIA has amalgamated with the Association of Professional Financial Planners, with the three bodies forming the basis for an enlarged FIA.

Van der Linde says that FIA members now account for about 85% of all short-

term business placed in the South African insurance market and about 50% of business placed in the long-term life assurance and investment categories.

The FIA has approximately 4 500 members, mostly made up of companies or financial services providers registered with the Financial Services Board (FSB). They in turn employ about 18 000 advisers throughout the country, he says.

"We are very satisfied with the coming together of the three organisations to form the authentic representative body of intermediaries in SA," says Van der Linde.

"Our biggest challenge is to structure ourselves in such a way that we can carry out the tasks that our members have indicated they want us to tackle on their behalf, specifically issues arising from a recent survey undertaken among members to determine what their needs are."

"The big message that came through — and the aspect on which we focus the most — is that they want us to represent the intermediary in SA at all levels."

"This would include representation on other bodies in the insurance industry, as well as in interaction with the Financial

Services Board and in submissions made by the FIA to Parliament, thus ensuring that we partake as intermediaries in improving the professionalism of the industry in this country."

Van der Linde says that in April this year the FIA was represented at two international conventions, both of which it is a member.

He says attended one of these conventions — the Council for International Intermediaries Broker Associations in Hong Kong. The other convention at which the FIA was represented was the World Federation of Insurance Intermediaries.

"From feedback from member countries across the world it was interesting to find that we all grapple with the same core issues, namely conflict of interest, disclosure and transparency."

"While listening to the problems in other countries, I felt proud of what the Financial Advisory and Intermediaries Act (FAISA) has achieved in SA to date."

"We have tackled this legislation maturely. The FIA is proud of the role it has played in this and we will continue to play an important role going forward in the formulation of insurance-related legislation."

"It must be remembered that this FIA awards ceremony is primarily about the insurance product providers and how we intermediaries measure them. The amalgamations have resulted in the FIA growing to its present size, and we can safely say this measurement process is the most comprehensive analysis of insurance product providers undertaken in SA."

"This year no less than 4 338 contracts between intermediaries and financial services providers were surveyed. Given that there are about 15 000 registered financial service providers in SA, it is clear that this is a truly representative survey."

Van der Linde says that the individual survey findings are evaluated thoroughly through a system of peer cross-checking in what is a comprehensive and scientific process undertaken by a team of independent research consultants, whose findings in turn are independently assessed and tested.

He says that this year the FIA added an important new section to the awards in the form of employee benefits, a category not measured before and that produced its first award winner — Liberty — at last

night's function.

"Our feedback indicates that financial product providers view these awards as a very important measurement of how they shape up overall."

"Given that 80% of their business is placed through intermediaries — 100% in the case of some companies — it is very important for them to hear the views of these intermediaries."

Van der Linde says that all category winners are measured against four main criteria, as rated by the intermediaries. These are product quality, service quality, relationship quality and overall satisfaction.

Van der Linde says that one of the most important value propositions that professional financial service providers add in uncertain economic times is the expert advice they are able to give to customers who have budget constraints as to how and where they can cut back on the cost of insurance premiums if they believe they have no other option but to do so.

He cautions however: "It must be remembered that in personal lines and commercial short-term insurance assets have been acquired over many years and if you should lose these you could be ruined forever, whereas an economic downturn is normally only a temporary phenomenon."

"The same applies to investments. You have to invest for the long term unless you make a living out of buying and selling shares every day."

"In both categories it is best to seek the advice of a professional financial services provider."

**“**While listening to the problems I felt other countries I felt proud of what the Financial Advisory and Intermediaries Act (FAISA) has achieved in SA to date. The FIA will continue to play an important role in formulating insurance-related legislation.



MEETING NEEDS: Arnold Van der Linde

