



SHORT-TERM INSURANCE INDUSTRY CONNECTIVITY INITIATIVE

IISA CONFERENCE MAY 2010

Presenter: Karen Miller

Background

- 50% of PL data is held on non-insurer systems in SA
- R20bn GWP is underwritten on mandated systems
- Regulation following global practices
- Poor business practices by some unscrupulous entities in the industry
 - Hardship for consumers and business
 - Headaches for the regulator
 - Poor image for the industry



What is connectivity

- Connect stakeholders using technology and systems
 - Insurer to Broker
 - Insurer to UMA
 - Administrator to Insurer
- Facilitates
 - Transfer of data/forms/reports bi-directionally
 - Straight-through processing
 - To rating and rules engines
 - To host systems
- Through use of a secure messaging standard



**WHY DO WE NEED/WANT
CONNECTIVITY?**

Why? Regulation

- Insurance laws amendment Act
 - Insurers must have access to all relevant data on insured
 - Insurers to control underwriting or brokers lose independent status
 - Insurers to control/responsible for underwriting mandates
- Solvency II
 - Insurers require granular data in order to support solvency models and capital requirements

Why? Strategic

- Efficient and effective
- Economies of scale
- Connects the value chain
- Cost containment
- Sustainability
- Improved value proposition for all



Industry project: STRIDE

- Initiated by SAIA and FIA
- Endorses the SA ACORD messaging standard for the short-term insurance industry
- Technical and business sub-committees formed in late 2009 to collaboratively define, plan and implement solution
- Committee members represent Insurers, Brokers, Administrators and UMA's



Vision

A connected Insurance market place that enables informed risk taking and ensures sustainability



Mission

To create a **sustainable and trusted** Insurance industry which **facilitates informed risk taking** to all stakeholders in the insurance value chain, **by defining the Rules of Engagement** and **enabling data and process interchange** through Electronic Connectivity based on a **South African ACORD messaging Standard** and **global Best Practice**, meeting legislative requirements and improving service, ultimately **benefiting the Consumer**.



Where we are

- Working with the FSB in respect of legislative requirement
- Working with ACORD on SA messaging standard
- Forming a legal entity
- Marketing to gain awareness and support of the project
- Defining the business requirement
- Investigating possible technological solutions
- Programme manager on board June 2010
- Full programme plan to be drafted



Conclusion

- We need your support:
 - Adopt the ACCORD data messaging standard
 - Become ACORD members
 - Support the STRIDE industry connectivity initiative



Contacts

- Email SAIA or FIA
- STRIDE Chairs
 - Barry Scott (Steering Committee)
 - Arnold van der Linde (Co-chair Business sub-committee)
 - Karen Miller (Co-chair Business sub-committee)
 - Jan de Klerk (Co-chair IT sub-committee)
 - Willers Baard (Co-chair IT sub-committee)

