

RBS INSIDEissue



Welcome back from the
Easter holidays and a fun-filled
time with family and friends.



Those of you who managed to get away will now be focused on setting goals and implementing your strategies for the balance of the year.

A number of insurers have recently advised that underwriting results are deteriorating; the motorcar portfolio in particular has been pointed to as a single class of business that has significantly deteriorated and requires remedial action. Insurers have begun to appeal

to the market to support corrective action. Well-managed and risk-conscious clients can still, however, expect some rewards.

It is at this time that, due to the level of competitive complexity, the importance of developing a relationship with an experienced broker is highlighted. Price is only one element; industry expertise can save you money in the long term.

Get On The Move >

Risk Benefit Solutions philosophy is to add value where it counts. We have recently had an increase in demand and requests to add car hire cover to existing motor policies. We have conducted market research with existing clients and have made the decision, that as a service oriented company, our clients require a replacement vehicle in the event of a theft or accident.

With effect from 1 July 2007 this service will be available to all our existing clients. The next time that your vehicle is in an accident or is stolen, Donne will arrange your replacement vehicle. Telephone 086 007 2765 for further information.

On The Move is a division of RBS, dealing with insurance replacement and car rental aimed at all our clients. As an additional service to you, next time that you need to hire a car for business, for that fun family holiday or for a golf trip with friends,

you will have access to the low group rates that we have secured on behalf of all our clients.

We have three main levels of rates, these being standard, corporate and most-valued client. Please contact the On The Move team to find out what rates you would qualify for or visit our website at www.rbsolutions.co.za

Looking forward to getting you On The Move. Email Donne Faasen at donne@rbsolutions.co.za.

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insurance brokers and risk managers

Economy grows 5.6% on consumer boom

The economy expanded rapidly in the last three months of last year after four interest rate hikes and threats of more to come failed to dent consumer enthusiasm for spending.



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**BACK UP
YOUR DATA**

Quarter-on-quarter seasonally adjusted and annualised growth came in at 5.6% in the October to December period – its highest rate since the third quarter of 2004 and the 33rd consecutive quarter of positive economic growth.

For the year, the economy grew at 5%, slightly down on the 5.1% of 2005, but far higher than Finance Minister Trevor Manuel's October projection of 4.4%.

Consumer spending, construction and financial services have been driving growth since 2001.

A blistering pace was set by the construction

sector, which grew 14.2% in the quarter, while finance, real estate and business services were up 7.2%; wholesale and retail trade, hotels and restaurants rose 5.6%; manufacturing added 4.7% and mining grew 4.6%.

The manufacturing sector finished off a solid year with quarterly growth of 8.3%.

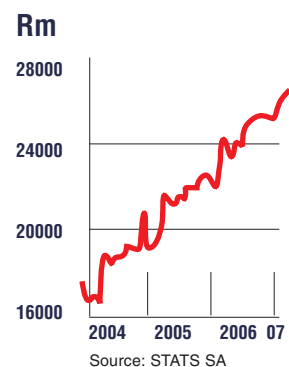
According to Statistics SA, the economy has expanded by 27% in real terms since 2000. The normal size of the economy was R1.7 trillion in 2006 from less than R1 trillion in 2000. Source: Business Report

Motor trade sales for the three months to January increased 14.2% to R25.9 bn compared with the three months to January last year, says Statistics SA. Similarly motor trades sales for the three months to January last year compared with the three months to January 2005, increased 14.3%. Seasonally adjusted motor trade sales for the three months to January increased 1.4% to R26.6 bn. Motor trade sales have been increasing since January 2001.

Source: Business Day

MOTOR TRADE SALES

Seasonally adjusted



Source: STATS SA

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NEW FROM RBS:

Get On The Move
add car hire cover to your motor policies
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You're **FREE** to choose your homeowner's cover



From June 2007 the law will enshrine your right to choose your own homeowner's insurance through The National Credit Act, which comes into full force on 1 June.

Homeowner's or building insurance typically covers risk to the bricks and mortar or immovable structures of your home and its outbuildings, including the fixtures, fittings and improvements, such as granny flats, thatched lapas and swimming pools. It should not be confused with household insurance, which is cover for the movable contents in your home, including furniture and jewellery.

The Act gives you the freedom to choose an insurer to cover the physical structure of your house.

The increased competition will lead to greater savings for homeowners as banks and independent insurers vie for business. The increased competition will save homeowners nationally R650 million in annual premiums.

After The National Credit Act takes full effect, you will still have to take out homeowner's insurance before the home loan is granted. Before the ombud's ruling bank practice was to grant your home loan on condition that homeowner's cover was through their approved provider.

BANK MUST APPROVE SWITCH

Although The Act will allow you to choose your homeowner's insurance, the bank financing your home will still be entitled to request proof that you have taken out building insurance when it grants you a loan. If you want to switch insurers, the bank must approve the new cover before it will allow you to switch insurers.

In 2005, Charles Pillai, the Ombud for Financial Services Providers, ruled against Nedbank when a homeowner, Helena Dennis, complained that the bank and its associated short-term business, Nedbank Group Insurance Brokers, had forced her to take out homeowner's cover with Nedbank. Pillai ordered Nedbank Group Insurance Brokers to cancel the cover it had put in place over Dennis's property and to refund all the premiums she had already paid. Nedbank was also ordered to accept her existing Santam insurance policy as home-owner's cover over the property. Pillai ruled that Section 43(5)(a) of the Short Term Insurance Act denied consumers the right to choose. He said although the intention of The Act was to ensure that the insurance policy would protect the interests of the creditor, it did not entitle a creditor to impose its own insurance.

In terms of the Financial Advisory and Intermediary Services (FAIS) Act, you must be able to make informed decisions when using financial services and implicit in this is your right to a choice of insurance provider.

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NEW FROM RBS:

Get On The Move
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FIND THE CHEAPEST QUOTE

If you can get a cheaper quote for the same cover with an independent insurer, you have the right to take out a policy with that insurer rather than with the bank's in-house insurance division. Switching from your bank's insurers to an independent insurer of your choice could take as little as 48 hours if the bank is satisfied that the policy is adequate to cover your mortgage bond.

Standard Bank recently hired research company Ask Afrika to ascertain the number of clients who are likely to switch cover. The investigation showed that about 50 percent of Standard Bank's clients would consider switching to an independent insurer.

In the past, many clients cover has been fragmented with RBS covering the Contents and Motor, whilst the banks insisted on retaining the Building Insurance.

Our research has proved that by consolidating your Homeowners Insurance and Commercial Building Insurance with the balance of your insurance portfolio, you will save up to 35% of your existing premium, in most cases broader cover and lower excess too.

"A relationship with an experienced broker to help guide you through the complexities of insurance will save you money in the long run."

If you would like RBS to provide a quote, please email Roy@rbsolutions.co.za. We will handle the switch process with the bank on your behalf.
Source: Weekend Argus

GLOBAL INSURANCE NEWS:

Soaring demand for cover

Beijing – China's insurance market grew 14.4% to 564.1 billion yuan last year as the world's fastest-growing major economy generated more demand for cover. Insurance companies' total assets rose 29% to 1.97 trillion yuan.

Source: Business Day

At least 1 850 fraudulent drivers in province – probe

Almost 2 000 driver's and learner's licences were issued fraudulently in the Western Cape in the first 10 months of last year. The unit had gone through 625 000 files and identified 28 500 invalid licences in the country. 93 disciplinary cases have been referred to the department. We are busy with cases with 60 officials and 660 private individuals. 390 convictions have been secured. Officials had sold licences to members of the public in all nine provinces. There are also some cases where officials ask for sexual favours in return for licenses.

At least 14 traffic officers in the province are facing suspension. Testing stations found to be committing fraud included those in Stellenbosch, Worcester, Caledon, Hermanus, Paarl, Parow, Vredenburg and Green Point in Cape Town. Seven examiners were deregistered and 365 learner's and driver's licences were cancelled year. Source: Cape Times

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TIPS ON HOW TO BE A THIEF

The *Daily Mirror* in the United Kingdom reports that an insurance company has hired an ex-thief to teach people how to protect their homes from burglars.

Mark Whiteley was giving tips to Prudential and urging its customers to "think life a thief". He believes that one fifth of families makes it easy for a burglar. Source: e-focus

**KEEP THE
CAPE IN SHAPE!
2007**

Cape Town named SA's cleanest city a second time

Richard Glover

CAPE TOWN has been declared the cleanest city in South Africa in the 2006/2007 cleanest town or metro awards.

The biennial award is a R1-million grant, which is to be used for development-related programmes and projects to maintain cleanliness in communities.

Cape Town also won the award in 2002. The adjudication team examined such elements as general cleanliness, availability of public open spaces, graveyards, sports facilities and sanitation facilities. Source: Cape Times

SA **voltage** FACTS >

Expect power outages for next five years, Eskom boss warns "The power reserve, which is a supply of electricity not on the grid but available for any eventuality, is between 8% and 10%, as against the global benchmark of 15% to allow for breakdowns."

Crime robs SA of overseas tourist

A survey had revealed that 120 overseas tour operators "would send at least 50 percent more people to South Africa if crime was not a factor. Overseas travel agents were higher at 77 % (more tourists), and 27 % of these agents thought they could at least double the existing traffic".

David Coutts-Trotter, the chief executive of Sun International, said South Africa was not reaching its full potential to attract foreign tourists and there was "no doubt that crime was an inhibiting factor for tourism".

Source: Cape Times

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Cape Town station to get FACELIFT

The Cape Town station precinct is to get a face-lift costing up to R90 million in preparation for Fifa's 2010 World Cup as part of a long-term development plan to transform the area into an effective transport hub.

Covering more than 22 city blocks, the long-term development plan is for the station precinct to dovetail with other developments in the city's central business district (CBD) and "bring the city back to the station". Source: Cape Times



BACK UP your data or face the consequences

By David Lees,
Director at
End2End Business Solutions



Whilst large enterprises have detailed disaster-recovery plans in place that often include pre-configured and mirrored backup file servers, most small to medium enterprises cannot justify the investment required to implement disaster-recovery plans of this nature. In an extreme case, a loss of data can destroy a company entirely.

Data backups entail the copying of data from one hard drive to another or from one PC to another. The danger of this is that, in the case of theft, fire or hard-drive failures, all the data copies will be lost.

Data is written to CD, DVD or flash drives. This method of backing up has no inbuilt integrity or verification checks and there is thus no guarantee that the data is recoverable.

A procedure is, however, in place whereby vital data is written to a removable hard drive and taken off site daily.

A well-implemented backup procedure is in place whereby a series of backups is created and overwritten sequentially in a way that minimises the possibility of data loss.

Suggestions that the following backup procedure be put in place:

Implement a backup process that generates a report thus indicating the success or otherwise of the process. This precludes a manual process whereby an individual is tasked with writing data to flash disk or CD on an infrequent basis. Ensure that an authorised person is accountable and that this person checks the log files on a frequent basis. The backup procedure should include a series of at least three daily or weekly backups overwritten sequentially every three days or weeks.

A monthly backup should be stored off-site for between six and 12 months. This creates an environment whereby it is always possible to recover data whether it is a day old, a week old, a month old or older. The chance of multiple backups all being irrecoverable is highly unlikely. Source: RiskSA

FAST FACTS >>>>>>

A weekly collection of facts and figures selected by *The Globalist*.

> More than 90 % of all recent emails worldwide was unsolicited junk mail.

> Developing countries have 1.5 billion cellphone users – compared with 1 billion in the rest of the world.

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