



OVERVIEW OF INSURANCE DIVISION

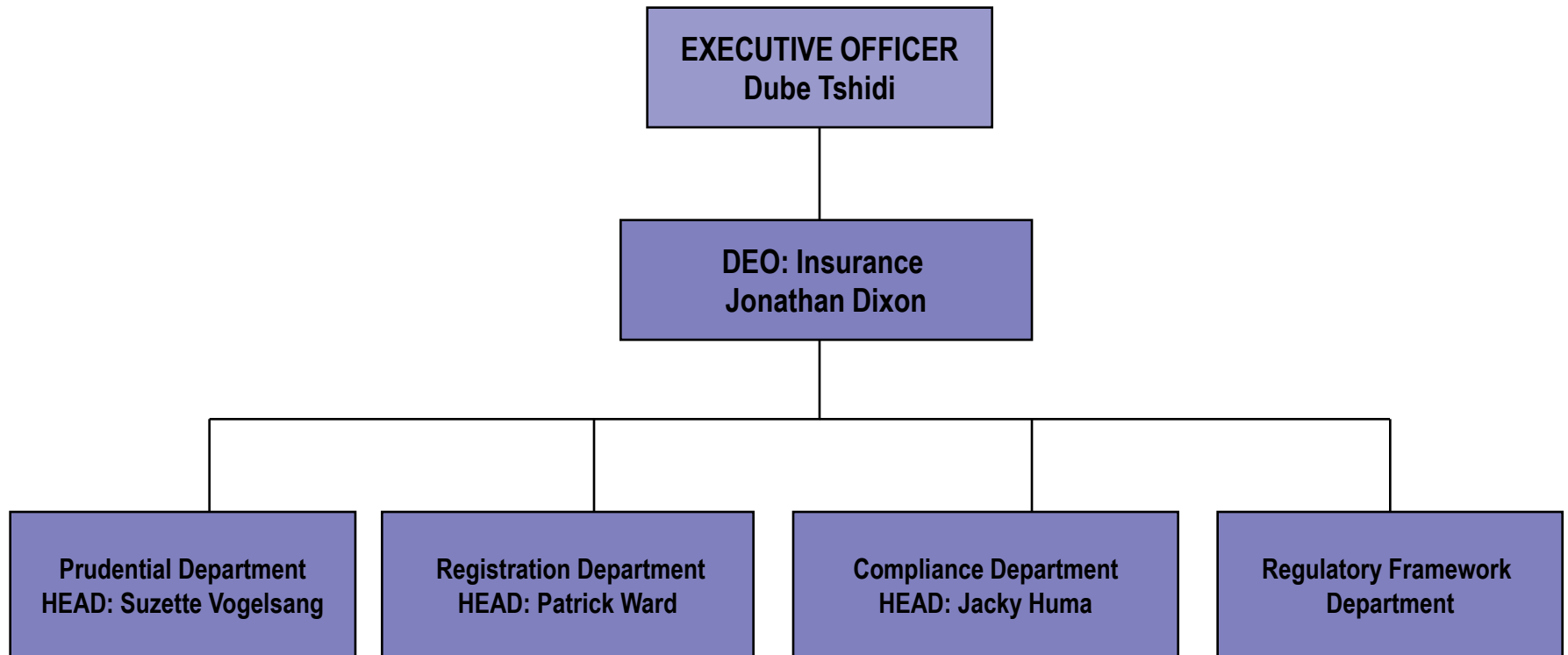
Jonathan Dixon

Deputy Executive Officer: Insurance

March 2009



INSURANCE DIVISION





INSURANCE DIVISION

STAFF COMPLEMENT

Office of DEO	2
Heads of Department	3
Managers	8
Specialists	4
Analysts	30
Administrative Staff	5
TOTAL	52



INSURANCE DIVISION

Main Functions

■ Insurance Compliance Department

- Enforce market conduct provisions in insurance legislation, including PPR
- Deal with policyholders complaints
- Investigate and take steps against unregistered entities
- Conduct on-site visits

■ Insurance Prudential Department

- Analysis of statutory annual and quarterly returns
- Insurance Group Reviews
- Assessing applications of financial nature
- Conduct on-site visits



INSURANCE DIVISION

Main Functions

■ Insurance Registration Department

- New, and variations to, insurance license applications
- Merger and acquisition applications
- Fit & proper vetting of directors, executives and public officers
- Applications to place insurance outside South Africa
- Conduct on-site visits

■ Regulatory Framework Department

- Perform research and manage projects
- Develop proposals on amendments to legislation and policy
- Manage and co-ordinate on-site visits



INSURANCE DIVISION

REGISTERED INSURERS

<u>Long-term Insurers</u>	<u>As at 30 September 2008</u>
Direct	78
<u>Reinsurers</u>	
Long-term only	3
Composites	3
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TOTAL	84
<u>Short-term Insurers</u>	
Direct	100
<u>Reinsurers</u>	
Short-term only	6
Composites	3
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TOTAL	109



INTERNATIONAL INTERACTIONS

- CISNA
- AAISA/AIO
- IAIS
- FATF
- IMF / World Bank
- Co-operation with other supervisors



MAJOR PROJECTS

■ ***Corporate governance:***

- Legislative reforms
- Corporate governance guidelines
- AML/CFT compliance

■ ***Prudential:***

- Strengthen off-site stress-testing
- Develop standards for risk management and internal controls
- Integrate market conduct aspects into risk-based approach
- Enhanced supervision of insurance groups
- Risk-based capital requirements



MAJOR PROJECTS

- ***Market conduct – Treating Customers Fairly:***
 - Appropriate advice – intermediary remuneration models
 - Improved disclosure
 - Appropriate products
 - Shift to product standards?
 - Exclusions and repudiations

- ***Microinsurance:***
 - Regulatory framework
 - Product standards
 - Distribution issues



MAJOR CURRENT ISSUES

- Enhanced monitoring of impact of financial market volatility
- Drafting of demarcation and binder regulations under Insurance laws Amendment Bill
- Demarcation between medical schemes and health insurance policies
- Consumer credit insurance
- Cell captives
- Life policies wrapping hedge fund products



THANK YOU