

The Changing Role of the Intermediary

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Industry Outlook from an Intermediary Perspective

- The growth on non-tangible risks (such as reputational damage) that makes loss hard to compute (example KPMG and now Enterprise & Rainbow Chickens).
- Consumer desire for a far more dynamic product leading to further move away from traditional monthly / annual policies.
- The growth of new risks (such as cyber) or evolving risks (such as the changing nature of terrorist threats) necessitating a faster pace of product innovation.
- The growth in highly detailed, highly specific data on risk that has the potential to undermine the traditional “pooling” principle of insurance is a given (e.g Discovery).

- An increase in the development of even more sophisticated customers at large hiring their own professional risk managers
- Consumers are wanting to gather more information online but still want the “expert” advice before making their purchase decision (products are complex)
- Environmental related risks (climate changes)
- Income inequality (slow economic growth) call for a rethink on market growth (WEF)
- Technological disruption – a different approach to regulation

The Changing Role of the Intermediary

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- Risk Advisor / Manager for SME business (to remain relevant and sustainable for insurers)
- Customer centric – not only service, it's about the experience
- A jack of all trades and a master of all
- Knowledge and expertise
- Technology

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How will intermediaries continue to add value to the South African economy

- Products are complex and consumers need advice. We cannot afford for a developing country such as SA where market growth is a strategic objective and new consumers are left without advice protection.
- Brokers are entrepreneurs – the bulk of intermediated business in SA are small to medium business. Small to medium business in SA makes up 90% of formalised business in SA – this is key for economic development.
- Consumers are diverse, their needs are different and circumstances change – how better to serve SA than creating advisors for different market segments. Create more businesses! It's cost effective and good for society.
- They are aligned to the strategic objectives of the sector (including transformation). Note – collaboration with stakeholders (SAIA, ASISA, FPI, IISA, FSB, NT, FSIN, ABIB) / **#supportabrokertoday**.