



PRESENTED BY: GERALD VAN WYK

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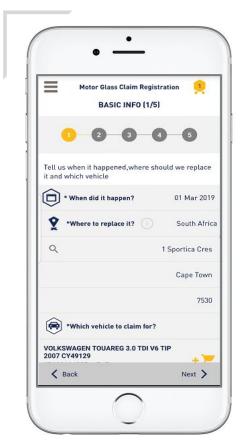
- Tech enablement in our business
- The need for continued change
 - Santam STI Risk Barometer
- Game Changer



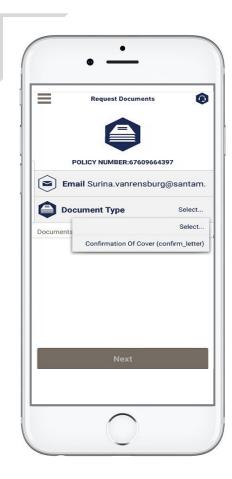




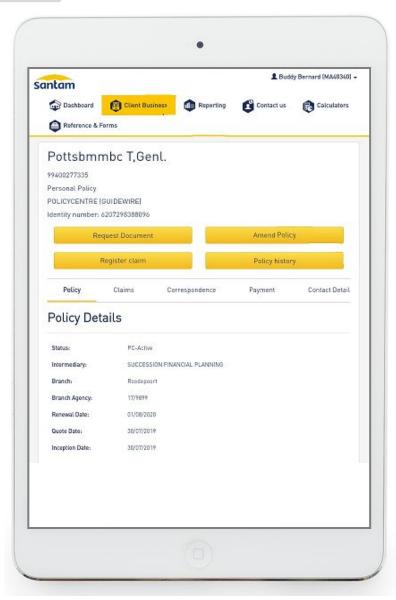
DIGITAL



Straight through registration and processing of over 30% of motor glass claims on Broker Portal, Client Portal and or Client App to have windscreen fixed at client's preferred location

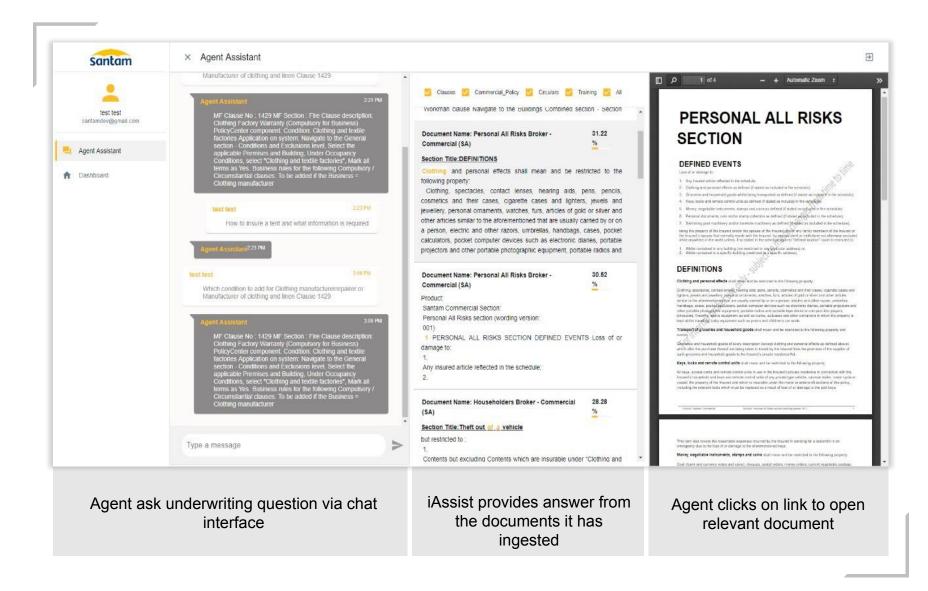


Broker Portal available on smart phones and tablets- BP has 3,600 users per day, 10,525 summaries are viewed daily, 44% of all claims are registered online with120,000 claims enquiries per month



Request and generate 920 confirmation of cover letters and 216 border letters via Broker Portal, Client Portal and Client App every month

iASSIST: SEARCH USING ARTIFICIAL INTELLIGENCE (AI)





iAssist is live in our Contact Centres to support agents with:

- · FAQ's via chat interface
- · From documents ingested

SENTIMENT ANALYSIS

Also known as **opinion mining** or **emotion Al**

Focus towards
subjective text within
communication to
identify moods,
emotions and feelings



Use natural language processing, text analysis and computational linguistics

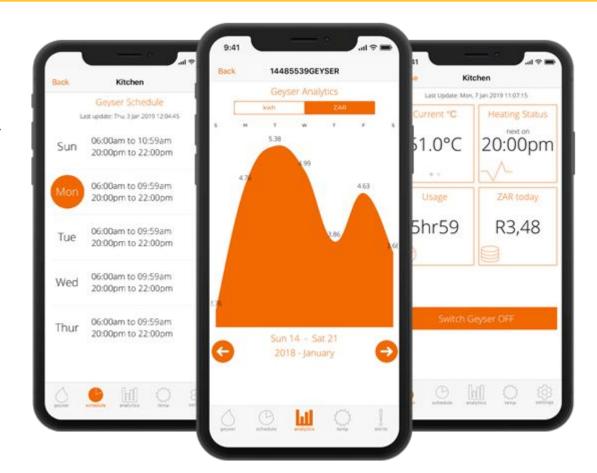
To systematically identify, extract, quantify and study unstructured communication (text, voice, etc.)



SMART HOME INSURANCE SOLUTIONS (IOT)

Santam Real Estate
Retroactively fits smart
geyser devices and
connects it to policyholder
smartphone via APP

Fully integrated with SRE Insurance systems for proactive claims management incl. shutting off water & electricity supply



Additional use include managing geyser temperature & heating schedule for energy efficiency

Streaming data from devices used to reduce risks and build claims predictive models



DECISION AUTOMATION

Expert decisions automated using artificial intelligence models

Main benefits

- Accurate and consistent decision-making
- · Free up resource capacity
- Ability to process high volumes
- · Can be quick to build and train

• Models used in production: 24,

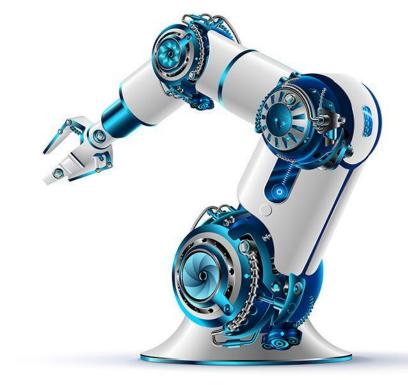
- Mainly across Personal, Commercial & Claims
- On average 130 users use these models on a daily basis and ~12k policies are processed
- Another 19 models already built and trainedbusy being integrated to existing systems





ROBOTIC PROCESS AUTOMATION

- · Automation of mundane, repetitive human tasks in a process.
- Main benefits
- · Cost reduction: Overtime and potentially salary line
- Increase in accuracy
- · Staff morale booster
- Increase in service delivery
- Automated process in Production: 7
- Strong focus in Finance (C&P and Niche),
- Extent to Operations and Claims in 2020
- Another 35 processes in development





COGNITIVE AUTOMATION

Combination of Robotic Process Automation and Decision Automation

Policy screening in personal lines is Santam's first cognitive automated process

Main benefits

Automation of complex, end-to-end processes



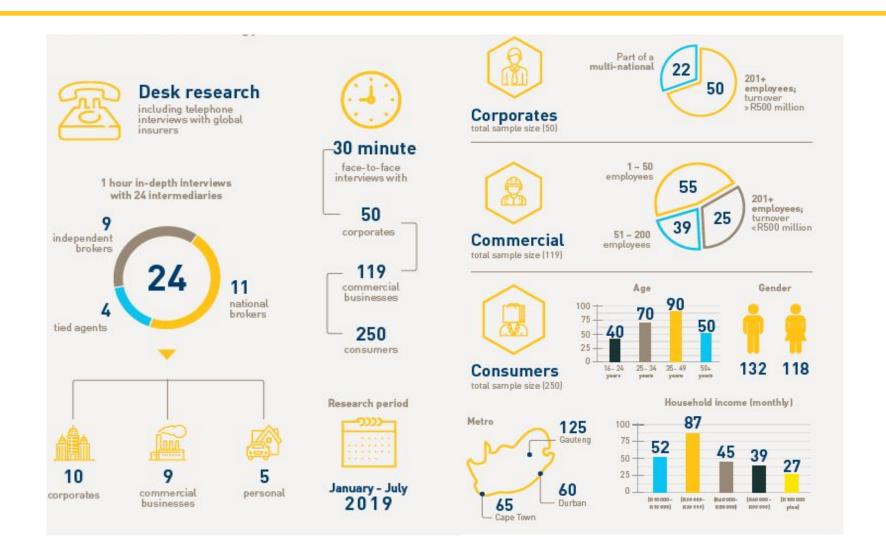




THE NEED FOR CONTINUED CHANGE

SANTAM SHORT TERM INSURANCE RISK BAROMETER

RESEARCH METHODOLOGY





KEY THEMES AND TRENDS FROM OUR BAROMETER



Crime: theft, burglary



Political landscape: political unrest, social change



Economic landscape: challenging economy, business confidence



Vehicle accidents: uninsured cars, unlicensed drivers



Climate change:
fuelling drought, fire, flood and
hail related claims which is
causing the most damage in the
agriculture sector



Fire risk: wild fires, firefighting capabilities



Cybercrime:

IT failure and business interruption, data breaches and theft



Technology:

increased cyber incidents, automation



Regulatory changes:

increased cost of compliance, smaller intermediaries under threat



Skills shortage:

challenge in attracting young professionals

CONSUMERS/PERSONAL LINES

- Consumers perceive motor vehicle accidents, burglary and theft as their highest risks
- 23% of consumers reported they had claims in the last 12 months
- Average value of claim: R30,228
- Breakdown of claims for the period:
 - motor vehicle (49%)
 - cell phones (33%)
 - home contents (16%)
 - buildings (12%)
- Over 38% of consumers have uninsured risks
 - mainly portable devices (cell phones, laptops tablets)
 - home contents (appliances, furniture)
 - jewellery/watches
- More than 58% of respondents indicated that affordability was the driver for underinsurance
- Over 80% stated that insurance provides them with peace of mind
- 82% of consumers are calling for greater use of technologies from insurers



CORPORATES/COMMERCIAL BUSINESSES

- Businesses perceive theft followed by motor vehicle accidents and fire as their highest risks
- 38% of corporate/commercial businesses reported they had claims in the last 12 months
- Average value of claim: R390,287
- Claims range between R185,000 (small commercial) to R534,000 (corporates)
- Breakdown of claims for the period:
 - motor vehicle (59%)
 - theft (37%)
 - accidental damage (19%)
 - goods in transit (19%)
 - electronic equipment (14%)
 - machinery breakdown (13%)
 - fire/explosion (13%)
 - office contents (13 %)
 - cell phones (11%)
- Over 75% stated that insurance provides them peace of mind





MOTOR



 Accident damage is the dominant cause of motor losses.



- Theft and hijacking now account for less than 10% of all motor vehicle claims per year
- The same incidents accounted for 30% of total paid claims in the mid-90s.



 Theft and hijackings are continuously decreasing due to vehicle tracking and security technology.



• Frequency has decreased, severity has increased.



HOME CONTENTS



• **50%** of home content claims are crime related.



• Burglary and theft claims have declined over the last decade.



 Home appliances such as dishwashers, dryers and refrigerators are becoming more advanced and expensive to replace.



 Claims resulting from geyser damage has risen by nearly 20%.



COMMERCIAL

- Theft belongs at the top of the perils list.
- However, it is not the biggest claims category because theft also happens to be one of the best managed risks in the commercial space.

Motor and property dominate Santam claims spend Impact of catastrophe's not well noted by respondents **Cyber crime** is not yet considered an imminent threat by many organisations.

This is hardly surprising since **cyber attacks** are massively **under reported** in South Africa





INSURANCE CHANNEL PREFERENCE

MORE COMPLEX RISK REQUIRE ADVICE

Corporates – 68% use intermediaries Large commercial – 76% use intermediaries Mid-size commercial – 62% use intermediaries Small commercial – 38% use intermediaries Consumers – 17% use intermediaries

- Excludes Cell Captive and Structured Insurance Solutions
- Impact of tough economy
- Perception of cheaper cost
- Power of marketing



INTERMEDIARY KNOWLEDGE/ EXPERTISE RANKED HIGHEST

