



Enabling Microinsurance Markets

3 May 2010

Hollard Insurance Group

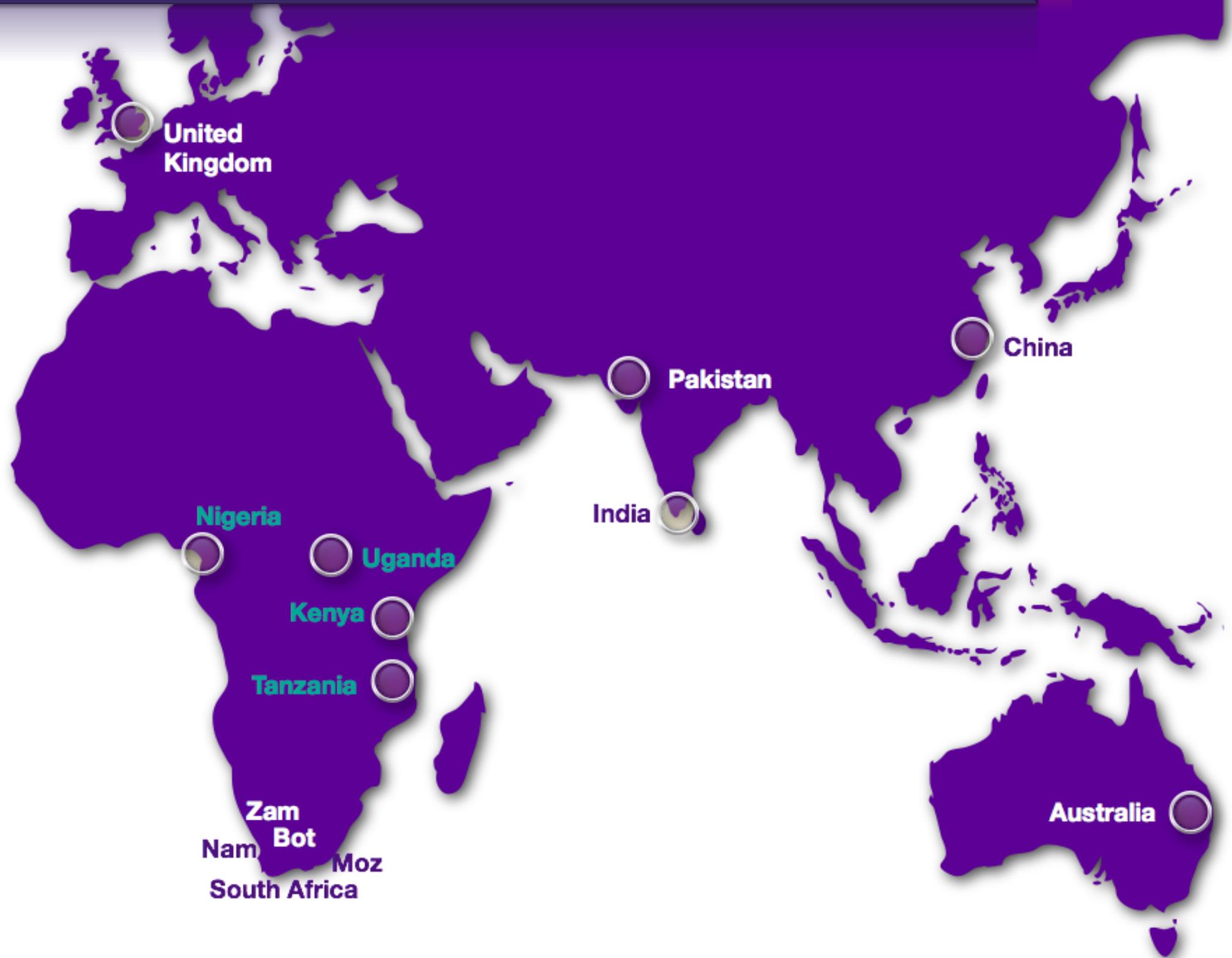
Who are we?

- Hollard Insurance is the 3rd largest short-term insurer and largest independent insurance group in South Africa
- Hollard has made 29 years of underwriting profits
- Hollard's business model is highly diversified through insurance partnerships
- Hollard is the 3rd most recognised insurance brand in SA
- Hollard has obtained 'A' scores under government equity charters
- Hollard Insurance South Africa has an AA-rating for claims paying ability



Hollard

International



Microinsurance Business Model

Partnership

- Cornerstone and core to our business philosophy
- Partnerships create our competitive advantage and provide opportunity in achieving scale
- Drives innovation (Product, Distribution and Technology)



Good For You

Microinsurance Business Model

Partnership

| Microinsurance value chain | Hollard | Affinity/Retail /Mobile Partners | Retail/Mobile outlets |
|--------------------------------|---------|----------------------------------|-----------------------|
| Product design and origination | ✓ | ✗ | ✗ |
| Administration | ✓ | ✓ | ✗ |
| Governance & Risk management | ✓ | ✗ | ✗ |
| Distribution | ✗ | ✓ | ✓ |

✓ Well-suited to deliver value
 ✗ Ill-suited to deliver value



Microinsurance - Essentials

Key lessons

- Scalable Partnerships or Models
- Strong brand – Partner with recognized and trusted brand
- Partnerships – Align incentives and partner with a long term view
- Traditional actuarial models often irrelevant
- Product accessible, aligned with customer needs and partner brand values

Creating a Microinsurance Culture

Focus

- Understand core risks that customer face
- Customize products to customer needs and affordability
- Trust in Brand – partner with trusted brands that customers engage with regularly
- Education – No clear cost-benefit but Hollard on way to demonstrating benefit

Regulation



- Supportive
- Market conduct regulations (FAIS) remains challenge in terms of cost and management for Non-Life business
- Impact of proposed Solvency Assessment & Management (SAM) regulations
- Need effective regulation that protects against miss-selling whilst allowing cost effective distribution
- SA needs enabling mobile banking regulation

38 Days
to go to
kickoff!

