

SOUTH AFRICAN UNDERWRITING MANAGERS ASSOCIATION

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1 WELCOME

Welcome to the South African Underwriting Managers Association.

SAUMA was established in 1999 in recognition of and to support the Underwriting Manager operating as an independent professional underwriting business.

Success has been achieved through being the only Underwriting Association recognised by the Financial Services Board and having direct and ongoing communication with the insurance industry bodies representing, Insurers, Financial Service Providers and the Ombudsman.

With over 80 Members SAUMA provides a service to members relating to the interests of Members and ensures Members combine to set high professional and ethical standards.

The Members of SAUMA are significant insurance industry participants, employing over 1 500 people, influencing over R7,5 billion annual gross premium and leading the field in specialist knowledge and insurance product development.

2 OUR PURPOSE AND GUIDING PRINCIPLES

The objective of setting out Our Purpose and Guiding Principles is to set out those key objectives and elements to which SAUMA is committed in all its endeavours and against which SAUMA may be measured.

OUR PURPOSE

We aim to be the only Association to represent the Underwriting Managers businesses and the professional underwriter.

We will achieve this through;

- **Promoting** professionalism, high ethical standards and competitiveness of Members.
- **Influencing** legislation and **Conveying** Members' views to Regulators.
- **Setting** standards to ensure the security, financial stability and reputation of Members.
- **Marketing** the skills and standing of Underwriting Managers and Underwriting Professionals.
- **Communicating** industry matters.
- **Working** with all recognised insurance industry participants and relationships.
- **Seeking** opportunities to support technical improvement and education.

OUR GUIDING PRINCIPLES

The following Guiding Principles will direct and inform our involvement;

- Treat everyone equally and fairly no matter race, age, sexual orientation, disability or religion.
- Act honestly and with due skill and care.
- Avoid conflicts of interest, self-promotion and anti-competitive behaviour.
- Support regulation that fairly balances the interests of customers and providers of service and products to customers.
- Supporting industry initiatives to continuous education and professional development.
- Comply with legislation and embrace transparent governance.
- Not tolerate any form of unlawful or criminal conduct.
- Keep any personal and commercial information and the identity of the owner of such information confidential and not reveal anything without permission.
- In areas of conflict or divergence of views from Members, present a balanced case respecting the different views.

3 DEFINITION OF A MEMBER

There are two categories of Membership.

FULL MEMBER

This Member has the following key identifying characteristics;

- A legal entity in its own right with independent branding and marketing skills.
- High expert knowledge and skill in its offering.
- Does not deal with any policy owner directly. This means the market channel is exclusively through an Intermediary.
- Conducts insurance business on behalf of an Insurer registered and authorised to offer insurance products and services in South Africa.
- Registered and approved in terms of applicable legislation.
- Quotes, accepts and binds, alters terms, manages and settles claims in relation to business it is authorised to conduct on behalf of an Insurer.
- Remunerated by way of binder fees or profit sharing or in combination by an Insurer. This characteristic means that the Member stands in the Insurer's place in respect of business agreed to be conducted and is not duplicating effort.
- Assists in supporting Intermediary product explanation and guidance.
- Submits to all regulatory compliance and oversight.
- Is a member in good standing with SAUMA and the disciplinary processes of SAUMA.

ASSOCIATE MEMBER

This Member has the following key identifying characteristics;

- An Insurer registered and authorised to offer insurance products and services in South Africa and in respect of a FULL MEMBER has;
 - Granted an authority to conduct insurance business.
 - A shareholding or similar right, management or oversight role.
- A supplier of products and services to a FULL MEMBER.
- Any entity who has the strategic ambition of supporting a FULL MEMBER.

4 MEMBER CODE OF CONDUCT

In the promotion of professionalism and high ethical standards MEMBERS shall comply with all of the standards below;

- At all times conduct business in an honest, fair and equitable manner and with good faith and integrity.
- Act with due skill, care and diligence; and maintain objectivity in underwriting and claims handling.
- Treat everyone equally and fairly no matter race, age, sexual orientation, disability or religion.
- In areas of conflict or divergence of views from Members, present a balanced case respecting the different views.
- Comply with all legislation and regulatory requirements.
- Refrain from committing any malicious act or making any malicious statement against another member/sector of the insurance market.
- Refrain from issuing statements which would bring the insurance industry into disrepute.
- Undertake not to issue statements or advertisements which make false, misleading and/or extravagant claims.
- Ensure that the extent of the cover provided is clear and unambiguous.
- Ensure that all independent intermediaries with whom they deal comply with legislation relating to payment of premiums to insurers, and payment of premiums is made in terms of the policy of insurance as originally arranged.
- Comply with the requirements for and maintain PI and Fidelity Guarantee insurance.
- At all times remain financially solvent.
- Commitment to continuous education and professional development.

5 **BENEFITS OF MEMBERSHIP**

Members will gain the following through membership;

- A representative industry body oriented to Member interests.
- Co-ordination of representation to Regulators.
- Inter industry body relationship support and co-operation.
- Communication of industry matters and legislative updates.
- Promotion of the standing and market position of Underwriting Manager businesses.
- A place to deal with inter Member dispute and relationships.
- Support in relation to dispute with Insurer principals.
- A profile of excellence.
- Industry recognition.
- **Reputation and competitive advantage because of membership.**

6 **COMPLAINTS AGAINST MEMBERS**

As an independent association we do not get involved with any member dispute, ombudsman complaint or claims dispute. We do however need to uphold the professionalism of our association and our members and when we do receive a complaint the following process will apply.

- 6.1 All complaints must be in writing;
- 6.2 Once we have received a complaint against one of our members (and only if it is a member – we do not get involved with disputes where an Underwriting Agency is not a member) we will send the original complaint to our member for input and written feedback;
- 6.3 We inform the complainant that we have forwarded the complaint and that we are waiting for feedback and clarity from our member;
- 6.4 Once all information is gathered the SAUMA risk and complaints committee will consider the information and will either seek further clarity or consult with our member or send feedback to the complainant in terms of the process and or action already taken by our member;
- 6.5 We do not give our opinion or input on any legal, ombudsman or claims matter – we just consider and make sure that our member complies with the short term insurance legislation including FAIS and TCF and we make sure that due process was followed, hence the request for info from our member to explain their process followed;
- 6.6 When there is a possibility that any complaint will affect the industry, our underwriting fraternity and reputation i.e. media statements made, we require that our members treat the complaint with serious urgency and to make sure that due process is followed so not to damage or harm the insurance industry as a whole;

- 6.7 When other industry bodies request feedback from SAUMA in terms of a complaint, due process as explained above will be followed;
- 6.8 The main role and responsibility from SAUMA in terms of complaints management is to make sure that our members are not prejudiced, that incorrect or untruthful information is not provided to the market and to protect our members views and actions;
- 6.9 We make not interpretation on claims, we make no decisions or give no comments in terms of claims or underwriting management and principles and we do not provide and legal opinion or participate in any legal disputes.
- 6.10 All complaints are treated confidentially.

7 LIST OF MEMBERS

A list of members is available on our website www.sauma.org.

8 MEMBERSHIP APPLICATION FORM

An application form is available on our website www.sauma.org

9 MEMORANDUM OF INCORPORATION

This document is available on our website www.sauma.org