



DRIVING FINANCIAL INCLUSION IN OUR INSURANCE BUSINESS

We have the most extensive insurance footprint on the African continent, with a direct presence in 28 countries in Africa. Our holistic approach ensures ease of doing business, aimed at international insurance brokers and developed market insurers as well as in countries that need to provide their client base with insurance and employee benefit solutions across Africa.

The South African government defines financial inclusion as “the provision and use of affordable and appropriate financial services by those segments of society where financial services are needed but not provided, or they are inadequately delivered”⁽¹⁾ The G20⁽²⁾ goes further and provides indicators by which financial inclusion can be measured and tracked:

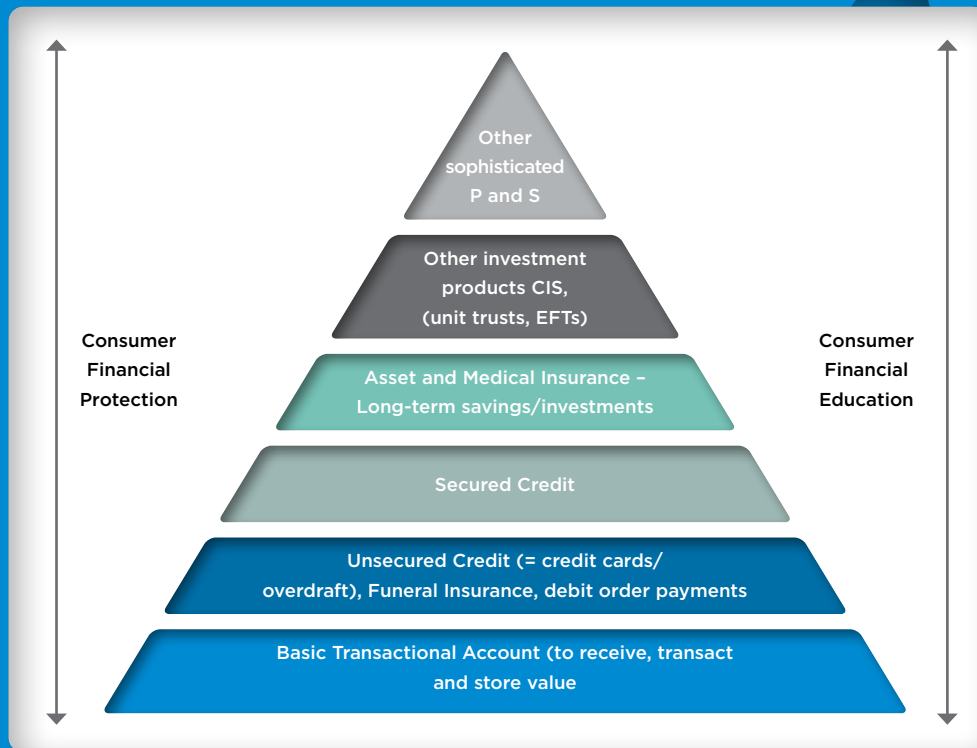
- Access to financial services.
- The use of financial services.
- The quality of the products and service delivery.

Financial inclusion is an important tool in the economic development of a country and to build inclusive economic sectors, especially for the previously marginalised members of the community.

⁽¹⁾ An Inclusive Financial Sector for All: Draft for consultation, SA National Treasury: https://www.treasury.gov.za/comm_media/press/2020/Financial%20Inclusion%20Policy%20-%20An%20Inclusive%20Financial%20Sector%20For%20All.pdf

⁽²⁾ The G20 or Group of Twenty is an inter-governmental forum comprising 19 countries and the European Union.

National Treasury’s Pathway to financial inclusion



According to National Treasury, in South Africa, the pathway to full financial inclusion begins with the acquisition of a basic bank account and is generally followed by credit, insurance (for example medical) and long-term savings in the form of retirement. The pathways, however, are different for those employed, unemployed or self-employed. For example, employed individuals may access medical insurance and retirement whereas the unemployed and self-employed may have difficulty in accessing these – hence their preference for informal products and services. Products such as collective investment schemes and other sophisticated products remain out of reach, mainly because of their complexity and a lack of financial education among most people.

It is important for financial inclusion be supported by relevant and continuous consumer financial education and consumer protection at all levels of the financial inclusion pyramid.



Our financial inclusion approach is leveraging strategic partnerships. In 2022 Sanlam concluded the partnership with MTN to increase reach and scale with products offered through mobile phones from as little as US\$ 0,25 (four million policies issued). As part of the partnership, Santam also separately entered into an agreement with MTN SA in 2022, and this transaction is subject to regulatory approvals and expected to close in the second half of 2023.

The Future of Advice

One area where we can make the greatest impact at SA Retail Affluent is by effectively supporting our advisers. To do this, we developed and implemented an advice partner tool to support our clients in our affluent market, and advisers. The advice partner takes clients on a digital journey which comprehensively and digitally captures their financial needs. When the adviser meets the client, they are better equipped to offer bespoke guidance and coaching. At the end of engagements between advisers and clients, products can be issued immediately.

This is more productive than the old model where advisers would meet clients, gather information, go to the office and do the planning, go back to the client, present the plan, get acceptance and finally issue the product. The advice partner tool has been successfully implemented, and we are now working to scale the platform. From the end of 2022, all our new advisers will use the digital advice platform.

We already see positive results from the advice partner. For example, the tool appears to support advisers effectively, as we are seeing improved retention rates of advisers so far. The tool will also provide us, for the first time, with structural data on our clients' advice needs in the next few years. Currently, we only understand which products they have, not their overall financial needs. Therefore, should the market crash, for example, we will be able to identify how many retiring clients will miss their goals. This type of data will then better equip us to support our clients.

We are responsive to our clients' needs

Renewed claims workflow process

Sanlam listens closely to our clients and their needs. At SA Retail Mass, we surveyed clients to obtain feedback on repudiated claims. We intend to find reasons to pay claims, not the other way around. We believe we have a fair decision-making process, but not all claims can be accepted.

In our survey, we focused on formal complaints about repudiated claims. The outcome indicated that clients were not satisfied with Sanlam's response on the outcome of the process. To address this, we enhanced the workflow process so that our interaction with clients is more frequent to ensure they know the status of their complaints.

Going beyond funeral cover

At SA Retail Mass, we conducted client research to discover how the Covid-19 pandemic changed our clients' lives. Funeral cover still emerged as the priority in our target market, and we realised that funeral products are not just used to cover funeral costs but may also be used as a savings mechanism. Our response was to consider how to offer our clients more than funeral cover in a flexible and affordable way in terms of their needs while driving financial inclusion and access.

Building on these findings, we introduced an all-in-one consolidation product aimed at clients with multiple funeral products. This product allows us to consolidate all the client's funeral products, provide a potential reduced rate and include life cover.